IDM MINING

(Formerly Revolution Resources Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE PERIOD ENDED APRIL 30, 2014

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

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

IDM MINING LTD. (FORMERLY REVOLUTION RESOURCES CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	April 30, 2014	October 31, 2013
ASSETS		
Current		
Cash and cash equivalents	$ 44,310	$ 312,458
Short-term investments	8,625	138,000
Receivables	32,415	23,038
Prepaids	9,153	15,679
	94,503	489,175
Equipment (Note 5)	6,004	7,062
Exploration and evaluation assets (Note 6)	15,590,445	15,139,805
	$ 15,690,952	$ 15,636,042
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 1,862,122	$ 1,459,028
Derivative liability (Note 7)	1,000,000	625,000
	2,862,122	2,084,028
Shareholders' equity		
Share capital (Note 8)	35,235,620	35,235,620
Reserves (Note 8)	4,439,346	4,439,346
Deficit	(26,846,136)	(26,122,952)
	12,828,830	13,552,014
	$ 15,690,952	$ 15,636,042

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board on June 13, 2014:

"Robert McLeod" Director *"Aaron Keay"* Director

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

IDM MINING LTD. (FORMERLY REVOLUTION RESOURCES CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
FOR THE

	Three months ended April 30, 2014	Three months ended April 30, 2013	Six months ended April 30, 2014	Six months ended April 30, 2013
GENERAL EXPENSES				
Consulting fees	$ -	$ 4,938	$ 3,948	$ 19,938
Depreciation (Note 3)	529	757	1,058	1,513
Foreign exchange loss (gain)	4,641	(3,060)	37,275	943
Investor relations	1,891	16,793	4,888	30,135
Management fees	33,000	66,000	72,000	117,000
Office and miscellaneous	43,137	128,519	87,910	191,599
Professional fees	41,707	62,995	81,342	139,284
Property investigation costs	-	-	17,408	-
Shareholder communications	808	20,701	808	40,162
Share-based payments (Note 5)	-	-	-	22,616
Transfer agent and filing fees	17,948	7,429	42,172	31,128
Travel and trade shows	1,133	32,754	4,499	81,895
Loss before other items	(144,794)	(337,826)	(353,308)	(676,213)
OTHER ITEMS				
Interest income	17	-	1,380	-
Recovery on mineral properties	134	-	3,744	-
Unrealized loss on derivative liability	(125,000)	-	(375,000)	-
Write-off of exploration and evaluation assets (Note 6)	-	(5,140,278)	-	(5,430,270)
Loss and comprehensive loss for the period	$ (269,643)	$ (5,478,104)	$ (723,184)	$ (6,106,483)
Basic and diluted loss per share	$ (0.01)	$ (0.35)	$ (0.04)	$ (0.40)
Weighted average number of common shares outstanding	19,834,370	15,591,128	19,834,370	15,378,835

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

IDM MINING LTD. (FORMERLY REVOLUTION RESOURCES CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE SIX MONTH PERIOD ENDED APRIL 30

	2014	2013
CASH FROM OPERATING ACTIVITIES		
Loss for the period	$ (723,184)	$ (6,106,483)
Items not affecting cash:		
Depreciation	1,058	1,513
Share-based payments	-	22,616
Unrealized loss on derivative	375,000	-
Write-off of exploration and evaluation assets	-	5,430,270
Changes in non-cash working capital items:		
Receivables	(9,377)	57,131
Prepaids	6,526	10,116
Accounts payable and accrued liabilities	50,892	74,731
Net cash used in operating activities	(299,085)	(510,106)
CASH FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(98,438)	(852,961)
Exploration advances	-	531,494
Net cash used in investing activities	(98,438)	(321,467)
CASH FROM FINANCING ACTIVITIES		
Proceeds on issuance of share capital	-	533,080
Short-term investments	129,375	-
Share issuance costs	-	(13,585)
Net cash provided by financing activities	129,375	519,495
Change in cash and cash equivalents during the period	(268,148)	(312,078)
Cash and cash equivalents, beginning of period	312,458	930,527
Cash and cash equivalents, end of period	$ 44,310	$ 618,449
Cash and cash equivalents		
Cash	$ 44,310	$ 368,449
Guaranteed investment certificates	-	250,000
Total cash and cash equivalents	$ 44,310	$ 618,449

Supplemental disclosure with respect to cash flows (Note 10)

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

IDM MINING LTD. (FORMERLY REVOLUTION RESOURCES CORP.)
CONDENSED CONSOLIDATRD CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Share capital					
	Number	**Amount**	**Subscriptions Receivable**	**Reserves**	**Deficit**	**Total**
Balance at October 31, 2012	15,173,465	$ 32,870,775	$ -	$ 4,416,730	$ (16,491,399)	$ 20,796,106
Issued for:						
Private placement	1,327,572	557,580	(24,500)	-	-	533,080
Share issue costs	-	(5,998)	-	-	-	(5,998)
Share-based payments	-	-	-	22,616	-	22,616
Loss for the period	-	-	-	-	(6,106,483)	(6,106,483)
Balance at April 30, 2013	16,501,037	33,422,357	(24,500)	4,439,346	(22,597,882	15,239,321
Issued for:						
Private placement	-	-	24,500	-	-	24,500
Acquisition of Minera Golondrina (note 4)	3,333,333	1,800,000	-	-	-	1,800,000
Share issue costs	-	13,263	-	-	-	13,263
Loss for the period	-	-	-	-	(3,525,070)	(3,525,070)
Balance at October 31, 2013	19,834,370	35,235,620	-	4,439,346	(26,122,952)	13,552,014
Loss for the period	-	-	-	-	(723,184)	(723,184)
Balance at April 30, 2014	19,834,370	$ 35,235,620	$ -	$ 4,439,346	$ (26,846,136)	$ 12,828,830

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

1. NATURE AND CONTINUANCE OF OPERATIONS

IDM Mining Ltd. (the "Company") is an exploration company incorporated on July 14, 2009 under the laws of the Province of British Columbia, Canada. The Company is listed on the Toronto Stock Exchange ("TSX"). On June 6, 2014, the Company changed its name from "Revolution Resources Corp." to "IDM Mining Ltd." and now trades under the symbol IDM.

The Company's head office, principal address and registered and records office is 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is in the business of acquiring and exploring economically viable mineral resource deposits on its mineral properties. The recoverability of the amounts shown for mineral properties acquisition costs and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's October 31, 2013 annual consolidated financial statements with the exception of those adopted as of November 1, 2013 as detailed in Note 3.

On June 6, 2014, the Company consolidated its issued and outstanding shares on the basis of 6 pre-consolidated shares for one post-consolidated share. Unless otherwise stated, all share and per share amounts in these condensed consolidated interim financial statements have been adjusted to reflect the share consolidation.

2. BASIS OF PREPARATION (cont'd…)

Use of Estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

These condensed consolidated interim financial statements include estimates and judgments which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant estimates and assumptions relate to the valuation of deferred income tax amounts, impairment testing, the valuation of certain financial liabilities, the valuation of the acquisition of Minera Golondrina S. de R.L. de C.V ("Minera Golondrina"), the valuation of the derivative liability, and the calculation of share-based payments. Share-based payments, as measured with respect to stock options granted, are estimated by reference to the Black-Scholes Pricing Model; a detailed disclosure of management's estimates with respect to the pricing model is found in Note 8. The Company has reviewed its exploration and evaluation assets for indications of impairment and determined that there is no such indication in excess of what has been recorded. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes. The valuation of the net assets acquired upon the acquisition of Minera Golondrina is detailed in Note 4. The valuation of the derivative liability is discussed in Note 7.

The most significant judgments relate to the recoverability of capitalized amounts, the functional currency of the Company and its subsidiaries, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted

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

The nature and the impact of each new standard are described below:

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it 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. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards, interpretations and amendments adopted (cont'd…)

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. As the Company does not have any partnerships in JCEs, the adoption of this standard had no impact on the financial statements of the Company.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for all 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.

New standards yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended October 31, 2014:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(i)
- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities. (ii)
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal. (ii)
- IFRIC 21 — This is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. 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 event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.(ii)

(i) Deferred indefinitely.
(ii) Effective for annual periods beginning on or after January 1, 2014

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

(Unaudited - Expressed in Canadian Dollars)

4. ACQUISITION OF MINERA GOLONDRINA

During the year ended October 31, 2013 the Company executed a purchase and sale agreement with Lake Shore Gold Corp ("Lake Shore") a Canadian public company, which supersedes the existing option agreement (Note 6). Under the terms of the new agreement the Company acquired Lake Shore's subsidiary, Minera Golondrina, the sole material asset of which is 100% of the rights, title and interest in the Mexico Properties, subject to certain net smelter royalties ("NSR"). As consideration the Company:

a) Issued 20,000,000 (post-consolidation – 3,333,333) common shares, subject to certain sale restrictions;

b) Granted Lake Shore the following royalty interests, subject in each case to certain rights to repurchase a portion of the NSR:
   i. A 2% NSR on the Universo Property;
   ii. A 3.5% NSR on the properties comprising the Montana de Oro Project (forming part of the Montana de Oro Property);
   iii. A 2.5% NSR on the properties comprising the La Bufa Project (forming part of the Montana de Oro Property);
   iv. A 2% NSR on the properties comprising the Lluvia de Oro Project (forming part of the Montana de Oro Property), and:

c) Will pay $5,000,000 in cash or common shares valued at the greater of $0.20 (post-consolidation - $1.20) and a five-day volume-weighted average trading price on or before December 31, 2017 (Note 7).

The acquisition was treated as an asset acquisition. The net assets of Minera Golondrina were valued with reference to the fair market value of the Company's common shares as at the time of issuance, being $1,800,000, and the fair value of the derivative liability, which at the date of the transaction was $2,250,000 (Note 7). It was determined that, given the inherent difficulty in providing an accurate valuation over unproven exploration and evaluation assets, the valuation of the net assets of Minera Golondrina was more reliably determined by reference to the market value of the shares issued and the future obligation. The Company incurred transaction costs associated with the acquisition of $73,062 which have been recorded as acquisition costs.

The net assets of Minera Golondrina acquired are as follows:

		Net assets
Cash	$	25,083
Receivables		21,765
Exploration and evaluation assets		4,186,821
Accounts payable and accrued liabilities		(110,607)
Total consideration	$	4,123,062

(Unaudited - Expressed in Canadian Dollars)

5. EQUIPMENT

		Computer equipment
Cost		
Balance, October 31, 2012 and 2013 and April 30, 2014	$	18,051
Accumulated depreciation		
Balance, October 31, 2012	$	7,964
Depreciation for the year		3,025
Balance, October 31, 2013		10,989
Depreciation for the period		1,058
Balance, April 30, 2014	$	12,047
Carrying amounts		
As at October 31, 2013	$	7,062
As at April 30, 2014	$	6,004

6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all its properties and, to the best of its knowledge, title to all of its properties is in good standing.

Red Mountain (B.C., Canada)

On April 11, 2014, the Company entered into an option agreement with Seabridge Gold Inc. ("Seabridge") to acquire a 100% interest in the Red Mountain gold project located near Stewart, B.C.

Under the terms of the option agreement, the Company must issue 29,733,000 (post-consolidation – 4,955,500) common shares, pay $2,000,000 cash in staged payments ($1,000,000 payable within 90 days, $1,000,000 within 1.5 years) and incur $7,500,000 million in exploration and development expenditures over three years ($2,500,000 per year). The Company has the right to extend the deadline for expenditure of the final $2,500,000 by one year upon payment to Seabridge of $250,000.

Upon the commencement of commercial production, the Company is required to make an additional one-time $1,500,000 cash payment to Seabridge, and Seabridge will also retain a gold metal stream on the Red Mountain project to acquire 10 per cent of the annual gold production from the property at a cost of $1,000 (U.S.) per ounce up to a maximum of 500,000 ounces produced (50,000 ounces to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of $4,000,000 at the commencement of production in exchange for the buyback of the gold metal stream. The share issuance related to the acquisition is subject to regulatory and shareholder approval.

Mexico Property Portfolio

On December 14, 2011 and as amended July 26, 2012, the Company entered into an option agreement with Lake Shore to acquire up to a 100% interest in the Montana de Oro (comprised of Montana de Oro, Lluvia de Oro and La Bufa Projects) and Universo Properties in Mexico.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

***Mexico Property Portfolio** (cont'd…)*

Under the amended agreement, in order to acquire an initial 60% in the Mexican Properties, the Company issued 5,713,740 common shares valued at $2,056,946, must incur $15,000,000 in expenditures on the Mexican Properties by August 31, 2016, including reimbursing Lake Shore for expenditures incurred with respect to the properties in 2011 for which the Company paid $3,735,439, and, within 30 days of incurring $15,000,000 in expenditures, issue to Lake Shore $1,000,000 in common shares of the Company. Additionally, the Company will issue 7,500,000 (post-consolidation - 1,250,000) common shares to Lake Shore over a four year period (1,000,000 (post-consolidation – 166,667) issued at a value of $195,000).

The Company could acquire a 100% interest in either or both of Montana de Oro and Universo properties by completing 43-101 compliant technical reports and satisfying certain additional terms and payments, as outlined in the Company's October 31, 2012 annual consolidated financial statements.

During the year ended October 31, 2013 the Company executed a purchase and sale agreement with Lake Shore, which supersedes the previous option agreements. Under the terms of the new agreement the Company acquired 100% of the issued and outstanding shares of Lake Shore's subsidiary, Minera Golondrina, which holds 100% of the rights, title and interest in the Mexico Properties, subject to certain net smelter royalties ("NSR") (Note 4).

The Montana de Oro properties are subject to certain underlying agreements. Underlying payments on the Montana de Oro Property total MXP 1,083,990 in the first year (paid), MXP 700,000 for the next three years and then MXP 1,083,990 every year thereafter.

During fiscal 2012, the Company entered into an option agreement to acquire three additional claims to the La Bufa claims in the Montana de Oro Property. The agreement requires cash payments totalling US$350,000 (US$50,000 paid) and issuing 800,000 (post-consolidation – 133,333) common shares (300,000 (post-consolidation - 50,000) issued at a value of $48,000) of the Company over a two year period. The vendor retains a 1.5% NSR with respect to these claims.

During the year ended October 31, 2013 the company elected to abandon the Universo Property and a portion of the Montana de Oro Property and consequently wrote off associated capitalized costs of $8,104,727 as at October 31, 2013.

Champion Hills Properties (USA)

During fiscal 2011, the Company acquired, from a non-arm's length private company, a 90% interest in two option and lease agreements by issuing 2,000,000 (post-consolidation – 333,333) common shares valued at $930,000 and paying $375,312 (US$375,000). The Company has the right of first refusal on the remaining 10% after incurring US$1,000,000 in exploration expenditures.

The Company has entered into various additional option and purchase agreements, certain of which have been terminated, to complement the initial land package directly with property owners which entitle the Company to acquire 100% of these properties. As at April 30, 2014, the various option and purchase agreements cover approximately 704 acres (October 31, 2013 – 704 acres), require annual lease payments ranging from US$50 to US$200 per acre over a five year term and US$1 per foot drilled. The Company has the option to purchase each land package for the greater of 150% of the appraised value or a certain fixed price. Upon commencement of commercial production the properties are subject to a 2% NSR.

During the year ended October 31, 2013 the Company elected to abandon certain non-core option agreements and consequently wrote-off the associated capitalized costs of $761,443 as at October 31, 2013.

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Champion Hills Properties (USA) *(cont'd…)*

Silver Hill and Silver Valley

During the year ended October 31, 2013 the Company elected to abandon the options on the Silver Hill and Silver Valley properties in North Carolina held with Carolina Mineral Resources Inc. and wrote-off the capitalized costs of $1,669,439 as at October 31, 2013.

Hoover Hill

During fiscal 2011 the Company entered into an option and purchase agreement on the Hoover Hill mine property, North Carolina. The Company has a four year option to purchase each land package for the greater of 150% of the appraised value or a certain fixed price. The Company paid $295,680 (US$300,000) on signing and issued 100,000 (post-consolidation – 16,667) share purchase warrants with a fair value of $38,775. The option can be extended for an additional year for US$100,000. Each warrant entitles the holder to one common share at an exercise price of $0.75 for a period of four years. The Company paid other acquisition costs of $104,548. The property is subject to a 2% NSR, of which one-half (1%) may be purchased for US$1,000,000.

Nuukfjord (Greenland)

During the year ended October 31, 2013 the Company sold its 15% interest in certain mineral licences in Greenland, which had been previously written-off, known as the Storo Gold Project, for $250,000.

	April 30, 2014		
	Mexico	Champion Hills	Total
Exploration costs			
Balance, beginning of period	$ 743,643	$ 4,773,560	$ 5,517,203
Camp and road access	-	17,938	17,938
Field work and personnel	94,603	(1,110)	93,493
Geological consulting	66,637	5,937	72,574
Lease payments and permitting	207,412	2,373	209,785
Project administration and report preparation	5,420	-	5,420
Travel and transportation	7,981	-	7,981
	382,053	25,138	407,191
Balance, end of period	1,125,696	4,798,698	5,924,394
Acquisition costs			
Balance, beginning of period	7,866,559	1,756,043	9,622,602
Acquisition costs	-	43,449	43,449
Balance, end of period	7,866,559	1,799,492	9,666,051
Balance, April 30, 2014	$ 8,992,255	$ 6,598,190	$ 15,590,445

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	October 31, 2013		
	Mexico	Champion Hills	Total
Exploration costs			
Balance, beginning of year	$ 4,667,012	$ 6,390,125	$ 11,057,137
Assays	-	701	701
Camp and road access	-	33,233	33,233
Equipment rental and maintenance	2,744	18,435	21,179
Field work and personnel	207,803	4,110	211,913
Geological consulting	328,244	35,850	364,094
Lease payments and permitting	1,054,326	97,865	1,152,191
Project management fees	-	750	750
Project administration and report preparation	27,003	-	27,003
Travel and transportation	37,472	847	38,319
	1,657,592	191,791	1,849,383
Write-off of mineral property	(5,580,961)	(1,808,356)	(7,389,317)
Balance, end of year	743,643	4,773,560	5,517,203
Acquisition costs			
Balance, beginning of year	6,132,581	2,378,569	8,511,150
Acquisition costs	70,923	-	70,923
Acquisition – Mineral Golondrina (Note 4)	4,186,821	-	4,186,821
	4,257,744	-	4,257,744
Write-off of mineral property	(2,523,766)	(622,526)	(3,146,292)
Balance, end of year	7,866,559	1,756,043	9,622,602
Balance, October 31, 2013	$ 8,610,202	$ 6,529,603	$ 15,139,805

7. DERIVATIVE LIABILITY

Pursuant to the acquisition of 100% of the issued and outstanding shares of Minera Golondrina (Note 4), the Company is obligated to pay $5,000,000 in cash or common shares, at the option of the Company, on or before December 31, 2017. If the Company elects to issue common shares they will be valued at the greater of $1.20 ($0.20 pre-consolidation) and a five-day volume-weighted average trading price, resulting in a maximum of 4,166,667 (25,000,000 pre-consolidation) shares being issued.

This floor creates a derivative liability as the Company is under no obligation to deliver cash and may issue shares with a fair value less than the $5,000,000. The value of the derivative liability has been determined to be the value of the common shares required to settle the derivative liability.

(Unaudited - Expressed in Canadian Dollars)

7. DERIVATIVE LIABILITY (cont'd…)

The table below illustrates the movement of the derivative liability which is based on the share price on the applicable date.

	April 30, 2014	October 31, 2013
Opening balance	$ 625,000	$ -
Fair value of derivative liability	-	2,250,000
Unrealised loss (gain) on derivative liability	375,000	(1,625,000)
Closing Balance	$ 1,000,000	$ 625,000

8. SHARE CAPITAL AND RESERVES

Authorized share capital

As at April 30, 2014, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

Private placements

There were no private placements during the period ended April 30, 2014.

During the year ended October 31, 2013, the Company completed a private placement and issued 7,965,428 (post-consolidation – 1,327,571) units at a price of $0.07 (post-consolidation $0.42) per unit for gross proceeds of $557,580. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.125 (post-consolidation - $0.75)for a period of 2 years.

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Warrants		Stock options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, October 31, 2012	2,378,104	$ 3.90	942,500	$ 3.42
Granted	663,786	0.78	-	-
Expired	(1,611,438)	3.60	(280,000)	3.90
Outstanding, October 31, 2013	1,430,452	2.76	662,500	3.16
Forfeited	-	-	(241,666)	3.16
Outstanding, April 30, 2014	1,430,452	$ 2.76	420,834	$ 3.16
Number currently exercisable	1,430,452	$ 2.76	420,834	$ 3.116

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Stock options and warrants outstanding

The following incentive stock options and warrants were outstanding at April 30, 2014:

	Number		Exercise price	Expiry date
Stock options				
	229,167	$	3.00	April 27, 2015
	91,667		4.20	February 15, 2016
	100,000		2.58	February 1, 2017
Warrants				
	663,785	$	0.75	April 2, 2015
	750,000		4.50	October 18, 2015
Special Warrants				
	16,667	$	4.50	March 15, 2015

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

The Company did not grant any options during the periods ended April 30, 2014 or 2013. Total share-based payments for options vested recognized in the statement of loss and comprehensive loss for the period ended April 30, 2014 was $Nil (2013 – $22,616) pursuant to vesting incentive options. This amount was also recorded as reserves on the statement of financial position.

9. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries Revolution Resources (NC) Inc. (USA), Minera Revolution, S.A. de C.V. (Mexico) and Minera Golondrina, (Mexico).

During the period ended April 30, 2014, the Company paid or accrued the following amounts as compensation to key management personnel:

a) Management fees of $72,000 (2013 - $150,000) to officers of the Company.

b) Professional fees of $45,000 (2013 - $30,000) to an officer of the Company.

c) Consulting fees of $Nil (2013 - $30,000) to directors of the Company.

d) Shareholder communications fees of $Nil (2013 - $26,182) to a company controlled by a director of the Company.

9. RELATED PARTY TRANSACTIONS (cont'd…)

Share-based payment expense for the period ended April 30, 2014 included compensation to directors and officers of $Nil (2013 - $18,393) for stock options vesting during the period.

Included in accounts payable is $37,800 (October 31, 2013 - $20,000) due to directors and officers of the Company. Additionally there was $15,750 owing from a director (October 31, 2013 - $Nil).

The Company operates from the premises of a group of public and private companies with common directors. Certain companies provide geological consulting and office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is $169,686 (October 31, 2013 - $93,359) due to a related private company. During the period ended April 30, 2014, the Company paid or accrued $65,262 (2013 - $85,693) for geological consulting, and $55,767 (2013 - $55,178) for office and administrative expenditures.

A private company controlled by a director of the Company provides management and professional services to public companies. During the period ended April 30, 2014, the Company paid or accrued $Nil (2013 - $29,065) for investor relations services, $12,000 (2013 - $30,072) for accounting services and $Nil (2013 - $20,134) for administration expenses.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended April 30, 2014, include the Company:

a) Incurring exploration and evaluation asset expenditures of $352,202 through accounts payable and accrued liabilities (net of payables carried forward from year end).

Significant non-cash transactions for the period ended April 30, 2013, include the Company:

a) Incurring exploration and evaluation asset expenditures of $157,530 through accounts payable and accrued liabilities and $75,295 through exploration advances.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The carrying value of short-term investments, receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The derivative liability is measured at fair value using a level 2. The Company calculates the fair value of the derivative liability based on the company's share price.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2014, the Company had a cash and cash equivalents and short-term investments balance of $44,310 to settle current liabilities of $1,862,122. The derivative liability recognized in order to complete the acquisition of Minera Golondrina (Note 4) may be settled at the Company's option in shares; therefore, the debt is not considered to materially increase the liquidity risk of the Company. Subsequent to period end the Company completed a private placement, as discussed in note 14.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the exercise of outstanding warrants and the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada and IVA receivable from the Government of Mexico. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

   The Company's financial assets exposed to interest rate risk consist of cash and equivalents and short-term investments balances. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at April 30, 2014, the Company did not have any investments in investment-grade short-term deposit certificates.

(Unaudited - Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

b) Foreign currency risk

The majority of the Company's business is conducted in Mexico in the Canadian dollar, US dollar and Mexican pesos and in the USA in the US dollar. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar, the Mexican peso and the US dollar. Fluctuations in the exchange rate among the Canadian dollar, the Mexican peso and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. CAPITAL MANAGEMENT

The Company considers capital to be the elements of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

13. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral property concessions. Geographic information is as follows:

	April 30, 2014	October 31, 2013
Capital assets:		
Canada	$ 6,004	$ 7,062
USA	6,598,190	6,529,603
Mexico	8,992,255	8,610,202
	$ 15,596,449	$ 15,146,867

14. SUBSEQUENT EVENTS

Subsequent to April 30, 2014 the Company:

1. Closed a brokered private placement for gross proceeds of $2,776,140, consisting of 2,098,000 flow-through units at $0.31 per flow-through unit and 8,857,334 common units at $0.24 per common unit. Each unit consists of either one flow-through common share or one common share, and one half-warrant. Each whole warrant is exercisable into one common share for a period of 15 months at a price $0.36 per share. In conjunction with the financing the Company also issued 312,500 common shares as an advisory fee.

   Concurrently, the Company also closed a non-brokered private placement, issuing 240,645 flow-through units and 1,859,174 common units for additional gross proceeds of $520,801. The units have features consistent with the concurrent brokered financing.

   The warrants are subject to an accelerated expiry in the event that the Company's common shares trade at a closing price greater than $0.55 per share for a period of 20 consecutive trading days at any time in the 4 month period subsequent to the warrants issuance. The Company may accelerate the expiry date of the warrants by giving notice via press release; in such case, the warrants will expire 30 days from the date of notice.

2. Issued 4,955,500 commons shares to Seabridge, in relation to the Red Mountain agreement as discussed in Note 6.

3. Issued 250,000 common units in settlement of outstanding debts in the amount of $60,000. Each unit consists of one common share and one half-warrant. Each whole warrant is exercisable into one common share for a period of 15 months at a price $0.36 per share.