



FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2014 AND 2013

NOTICE TO READER

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

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

The Corporation's independent auditor has not performed a review of these interim 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.

WABI EXPLORATION INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	October 31, 2014 \$	April 30, 2014 \$
	(Unaudited)	
ASSETS		
CURRENT		
Cash (Note 11)	774	1,189
Amounts receivable (Note 4)	2,041	165
TOTAL	2,815	1,354
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	98,737	88,353
Advance from related party (Note 11)	63,140	54,976
Accrued interest on convertible debenture	2,113	1,788
Convertible debenture (Note 6)	65,000	65,000
TOTAL	228,990	210,117
SHAREHOLDERS' DEFICIENCY		
CAPITAL STOCK (Note 7(b))	2,251,464	2,251,464
EQUITY PORTION OF CONVERTIBLE DEBENTURE (Note 6)	10,292	10,292
SHARE-BASED PAYMENTS RESERVE (Note 8)	73,743	73,743
DEFICIT	(2,561,674)	(2,544,262)
TOTAL SHAREHOLDERS' DEFICIENCY	(226,175)	(208,763)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	2,815	1,354
GOING CONCERN (Note 1)		
CONTINGENCIES (Note 12)		
SUBSEQUENT EVENTS (Note 14)		

APPROVED ON BEHALF OF THE BOARD:

Signed, "Andrew McQuire" Director

Signed, "James Brady" Director

See notes to the accompanying financial statements.

WABI EXPLORATION INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

For the periods ended October 31,	Three months ended		Six months ended	
	2014	2013	2014	2013
	\$	\$	\$	\$
EXPENSES				
Exploration expenditures				
Geology	-	-	395	-
Claims renewal	-	9,639	-	9,639
Technical consulting	-	-	-	600
	-	9,639	395	10,239
General and administrative expenses				
Professional fees	6,106	3,275	4,276	3,700
Office and general	1,521	3,199	3,023	4,777
Shareholder relations	7,078	12,390	9,318	18,875
Accretion expense (Note 6)	-	-	-	2,198
Interest on convertible debenture	162	162	325	325
Amortization	-	134	-	268
Interest and bank charges	58	24	76	76
	14,924	19,184	17,017	30,219
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(14,924)	(28,823)	(17,412)	(40,458)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding - basic and diluted	19,033,699	19,033,699	19,033,699	19,033,699

See notes to the accompanying financial statements.

WABI EXPLORATION INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the period ended October 31,	2014 \$	2013 \$
Operating activities:		
Net loss for the period	(17,412)	(11,635)
Non-cash items included in net loss:		
Accretion expense	-	2,198
Amortization	-	134
Net change in non-cash working capital balances:		
Amounts receivable	(1,876)	(150)
Prepaid expenses	-	(1,640)
Accounts payable and accrued liabilities	10,383	(1,141)
Interest on convertible debenture	325	163
Cash used in operating activities	(8,580)	(12,071)
Financing activities:		
Advance from related party	8,165	12,787
Cash provided by financing activities	8,165	12,787
(Decrease) increase in cash	(415)	716
Cash, beginning of period	1,189	1,359
Cash, end of period	774	2,075
Supplemental Information:		
Interest paid	-	-
Taxes paid	-	-

See notes to the accompanying financial statements.

WABI EXPLORATION INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Capital Stock \$	Equity Portion of Convertible Debenture \$	Share- based Payments Reserve \$	Retained Earnings (Deficit) \$	Total Equity \$
Balance May 1, 2013	19,033,699	2,251,464	10,292	91,243	(2,511,376)	(158,377)
Net Loss After Tax	-	-	-	-	(11,635)	(11,635)
Expiry of warrants	-	-	-	(12,500)	12,500	-
Balance October 31, 2013	19,033,699	2,251,464	10,292	78,743	(2,510,511)	(170,012)
Net Loss After Tax	-	-	-	-	(38,751)	(38,751)
Expiry of options	-	-	-	(5,000)	5,000	-
Balance April 30, 2014	19,033,699	2,251,464	10,292	73,743	(2,544,262)	(208,763)
Net Loss After Tax	-	-	-	-	(17,412)	(17,412)
Balance October 31, 2014	19,033,699	2,251,464	10,292	73,743	(2,561,674)	(226,175)

See notes to the accompanying financial statements.

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

1. NATURE OF OPERATIONS AND GOING CONCERN

Wabi Exploration Inc. (the "Company") is in the process of acquiring, subject to regulatory approval, a 0.5% Net Smelter Royalty ("NSR") in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. The Company previously held an interest in an exploration property in Manitoba, Canada. The underlying claims were dropped subsequent to the period ended October 31, 2014 due to current, poor economic conditions and restricted access to the property. The Company is incorporated and domiciled in Ontario, Canada. The registered address of the Company and its principal place of business is 400-365 Bay Street, Toronto, ON M5H 2V1. The Company's shares are listed on the Canadian Securities Exchange ("CSE").

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of the property, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at October 31, 2014, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable, and ultimately to generate profitable future operations. As at October 31, 2014 the Company had a working capital deficiency of \$226,175. These unaudited condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the financial statements.

2. BASIS OF PRESENTATION

(i) Statement of Compliance

These unaudited condensed interim financial statements ("interim financial statements") of Wabi Exploration Inc. as at and for the three and six months ended October 31, 2014, have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

These interim financial statements of the Company for the periods ended October 31, 2014 and 2013 were approved and authorized for issue by the Board of Directors on December 30, 2014.

(ii) Significant accounting judgements, estimates and assumptions

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

believed to be reasonable under the circumstances. Actual results may differ from these estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies

See Note 12.

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

(iii) Significant accounting policies

The significant accounting policies applied in these interim financial statements have been prepared following the same accounting policies and methods of computation as the audited annual financial statements for the years ended April 30, 2014 and 2013.

These interim financial statements were prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in the audited annual financial statements for the years ended April 30, 2014 and 2013. In addition, these interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

- New accounting policy

IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 became effective for the Company's annual period beginning May 1, 2014. Implementation of this policy has no impact on the Company's interim financial statements.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for the Company's accounting periods beginning on May 1, 2014 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 effective date has yet to be determined. Early adoption is permitted.

4. AMOUNTS RECEIVABLE

	October 31, 2014	April 30, 2013
GST/HST receivable	\$ 2,041	\$ 165

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2014	April 30, 2013
Accounts payable and accrued liabilities	\$ 98,736	\$ 88,353

6. CONVERTIBLE DEBENTURE

The Company's President and CEO, James Brady, from time to time, advances funds to the Company for working capital needs. In August 2011, Mr. Brady executed a promissory note in the amount of \$65,000 in the form of a convertible debenture. The debenture is convertible into common shares of the Company at a price of \$0.05 per common share, was originally due August 3, 2012, is unsecured and bears interest at 1% per annum. In August 2012, Mr. Brady opted to extend the terms of repayment of the debenture for one year to August 3, 2013; in each subsequent year since then, the terms were again extended by one year and the debenture is now due on August 3, 2015. Wabi entered into this related party transaction due to current global financial conditions and limited alternate sources of financing.

The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being accreted over the term of the debenture utilizing the effective interest rate method at a 20.0% (April 30, 2014 – 20.0%) discount rate. As at October 31, 2014, the debenture was fully accreted and no amount

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

was recorded as accretion expense on the statement of operations and comprehensive loss for the period ended October 31, 2014 (October 31, 2013 - \$2,198).

7. CAPITAL STOCK

(a) As at October 31, 2014 and April 30, 2014, the Company's authorized number of common shares was unlimited without par value.

(b) **Common Shares**

Issued	Shares	Amount
	#	\$
19,033,699 Common Shares		
Balance, April 30, 2014 and October 31, 2014	19,033,699	2,251,464

(i) On August 9, 2011, the Company received approval of its application to list its common shares on the Canadian Securities Exchange ("CSE"). Effective August 11, 2011, the Company's common shares began trading on the CSE under the trading symbol "WAB". Pursuant to CSE policies, shares belonging to related parties held prior to listing were put into escrow. During the period ended October 31, 2014, 1,353,297 shares were released from escrow and no shares remained in escrow as at the date then ended. The shares, belonging to related parties of the Company, had been taken into escrow in connection with the Company listing its shares on the CSE on August 9, 2011.

8. SHARE-BASED PAYMENTS RESERVE

	Number of Options	Weighted Average Exercise Price	Value of Options	Number of Warrants	Weighted Average Exercise Price	Value of Warrants	Total Value
Balance May 1, 2013	500,000	\$ 0.10	\$ 5,000	5,053,604	0.11	\$ 86,243	\$ 91,243
Expired	(500,000)	0.10	(5,000)	(1,250,000)	(0.15)	(12,500)	(17,500)
Balance April 30, 2014 and October 31, 2014	-	\$ -	\$ -	3,803,604	0.10	\$ 73,743	\$ 73,743

Warrants

Summary of warrants and broker warrants outstanding at October 31, 2014:

Number of Warrants	Weighted Average Exercise Price \$	Estimated Grant Date Fair Value \$	Expiry Date
3,803,604	0.10	73,743	October 28, 2015

Options

(i) The Company's Stock Option Plan ("the Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options.

As at October 31, 2014, the Company had no options outstanding.

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its properties. The capital of the Company consists of shareholder's loan, capital stock and share-based payments reserve. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the periods ended October 31, 2014 or 2013. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3 to the Audited Financial Statements for the years ended April 30, 2014 and 2013.

Financial assets and liabilities as at October 31, 2014 and April 30, 2014 were as follows:

	Cash, loans and receivables	Other liabilities	Total
As at October 31, 2014	\$	\$	\$
Cash	774	-	774
Accounts payable and accrued liabilities	-	(98,737)	(98,737)
Accrued interest on convertible debenture	-	(2,113)	(2,113)
Advance from related party	-	(63,140)	(63,140)
Convertible debenture	-	(65,000)	(65,000)
	774	(228,990)	(228,216)

	Cash, loans and receivables	Other liabilities	Total
As at April 30, 2014	\$	\$	\$
Cash	1,189	-	1,189
Accounts payable and accrued liabilities	-	(88,353)	(88,353)
Accrued interest on convertible debenture	-	(1,788)	(1,788)
Advance from related party	-	(54,976)	(54,976)
Convertible debenture	-	(65,000)	(65,000)
	1,189	(210,117)	(208,928)

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures during the periods ended October 31, 2014 and 2013.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2014, the Company had cash and amounts receivable of \$2,814 (April 30, 2014 - \$1,354) to settle current liabilities of \$228,990 (April 30, 2014 - \$210,117).

Market Risk

(a) Interest rate risk

The Company's current policy is 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. Management considers interest rate risk to be minimal given that, as at October 31, 2014, no amounts were held in short-term deposit certificates.

(b) Foreign currency risk

The Company's functional currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not currently a revenue producing entity.

Fair value

Fair value estimates are made at the reporting date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, convertible debenture and accounts payable and accrued liabilities on the statement of financial position approximate fair value because of the limited term of the instruments. It is not possible to determine if the advances from related party are at fair value as there is no comparable market value for such a loan.

At October 31, 2014, the Company had no financial instruments that are carried at fair value.

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

11. RELATED PARTY DISCLOSURES

The amounts due to related parties of the Company at period end, as disclosed in the table below, arose as a result of transactions entered into with the related parties in the ordinary course of business.

	<u>October 31, 2014</u>	<u>April 30, 2014</u>
Officers and directors	\$ 76,862	\$ 71,311
Convertible debenture	\$ 65,000	\$ 65,000
Accrued interest on convertible debenture	\$ 2,113	\$ 1,788
Advance from related party	\$ 63,140	\$ 54,976

The convertible debenture is owed to the Company's President and CEO, James Brady, and is convertible into common shares of the Company at a price of \$0.05 per common share, is due August 3, 2015, is unsecured and bears interest at 1% per annum (Note 6).

The amount advanced from related party relates to a loan from Mr. Brady, which is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.

The amounts to officers and directors are included in accounts payable and accrued liabilities at October 31, 2014. The total of \$76,862 consists of \$11,300 (April 30, 2014 - \$7,910) owing to the Company's CFO for management services rendered, and an additional \$65,562 (April 30, 2014 - \$63,401), which relates to legal services rendered by a lawyer who also acts as the Company's Corporate Secretary. These services were incurred for general corporate matters, attending to filings, and for attendance at board and committee meetings. During the period ended October 31, 2014, professional fees paid to the Corporate Secretary for legal services totaled \$Nil (2013 – \$Nil). All services were provided in the normal course of business and were made on terms equivalent to prevailing market rates for arm's length transactions.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the period was as follows:

	<u>Three months ended</u>		<u>Six months ended</u>	
	October 31,		October 31,	
	2014	2013	2014	2013
Salaries including bonuses	\$ 1,500	\$ 2,500	\$ 3,000	\$ 5,000
Share-based payments	-	-	-	-
Total remuneration	\$ 1,500	\$ 2,500	\$ 3,000	\$ 5,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

12. ENVIRONMENTAL CONTINGENCIES

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

WABI EXPLORATION INC.
Notes to the Financial Statements
For the three and six months ended October 31, 2014 and 2013

13. EXPLORATION AND EVALUATION PROPERTY

In December 2010, the Company entered into an agreement with a director of the Company to acquire 11 gold and base metal unpatented mineral exploration claims in the Snow Lake Area of Manitoba, which is located in The Pas Mining District. Pursuant to the terms of the agreement, the Company had earned a 100% interest in these unpatented mining claims by making a cash payment of \$15,000, and by issuing a total of 400,000 common shares of the Company.

Due to the downturn in the markets, the carrying value of the property of \$24,000 was written off during the year ended April 30, 2013. During the year ended April 30, 2014, the Company dropped eight of its 11 claims and had retained a strategic block of three of the original claims. During the year then ended, a payment in lieu of work was paid to the Government of Manitoba, Department of Mines, to keep the claims in good standing.

Subsequent to the period ended October 31, 2014, Wabi's board of directors decided to let its claims in Manitoba lapse due to poor economic conditions and restricted access to the property, No exploration activities were carried out on the property during the period and no payment in lieu of work was made.

14. SUBSEQUENT EVENTS

- i) Subsequent to the period ended October 31, 2014, Wabi's President and CEO advanced \$900 to the Company for general working capital purposes. The amount owing is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.
- ii) Subsequent to the period ended October 31, 2014, Wabi entered into an assignment agreement with its President and CEO (the "Assignor") to acquire the Assignor's right, title and interest in a 0.5% NSR in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. Pursuant to the terms of the agreement, the Company has agreed to issue an aggregate of 500,000 common shares to the Assignor as consideration for the value of the NSR. The transaction is subject to all the approval of the CSE, and the securities to be issued in connection with the transaction will be subject to a four-month hold period from the date of issuance.
- iii) On November 17, 2014, at Wabi's annual and special meeting of shareholders, the Company's shareholders approved the consolidation and split of its issued share capital, the implementation of which resulted in the elimination of all shareholdings of less than 500 shares. The shareholdings of less than 500 shares were eliminated through a consolidation of the common shares on a 1 for 500 basis effective at 12:01 a.m. on Sunday, November 30, 2014, the cancellation of fractional shares, and the subsequent split of the remaining shares on a 500 for 1 basis effective at 12:01 a.m. on Monday, December 1, 2014. Shareholders who held 500 shares or more will see no change in the number of shares held.

As of December 1, 2014 there are 18,994,613 common shares of the Company issued and outstanding following the consolidation and split. A total of 39,086 shares were cancelled in the transaction.

- iv) See also Notes 6 and 7(b)(i).