

KENSINGTON COURT VENTURES INC.

Condensed Interim Consolidated Financial Statements
(Unaudited – expressed in Canadian Dollars)

For the Three Months Ended November 30, 2013 and 2012

**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 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 condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

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

Kensington Court Ventures Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

		November 30, 2013	August 31, 2013
	Notes	\$	\$
ASSETS			
Current assets			
Cash		12,363	4,652
GST receivable		6,743	59,031
		19,106	63,683
Non-current asset			
Exploration and evaluation assets	4	162,065	62,086
TOTAL ASSETS		181,171	125,769
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		93,454	97,155
Due to related parties	6	240,811	273,187
		334,265	370,342
Non-current liabilities			
Due to related parties	6	596,177	472,859
TOTAL LIABILITIES		930,442	843,201
EQUITY			
Share capital	5	1,480,908	1,480,908
Share option and warrant reserve		217,518	217,518
Contribution reserve		3,146,108	3,146,108
Deficit		(5,580,723)	(5,510,578)
Other comprehensive (loss) income		(13,082)	(51,388)
TOTAL EQUITY		(749,271)	(717,432)
TOTAL LIABILITIES AND EQUITY		181,171	125,769

Kensington Court Ventures Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended November 30, 2013 and 2012
(Unaudited - expressed in Canadian Dollars)

	Notes	2013 \$	2012 \$
Expenses			
Consulting	6	30,000	30,000
Office and miscellaneous	6	8,878	12,592
Professional fees	6	11,210	54,525
Regulatory and other filing fees		2,044	5,049
Salaries and wages		-	10,722
Shareholder communication and promotion		-	33,632
Loss before other items		52,132	146,520
Interest Income		-	(45)
Interest Expense		18,013	-
Net loss for the period		70,145	146,475
Other Comprehensive Loss			
Loss (gain) on foreign translation		(38,306)	(12,785)
Net Loss and Comprehensive Loss for the period		31,839	133,690
Basic and Diluted Loss per Common Share		(0.00)	-
Weighted Average Number of Common Shares Outstanding		28,058,000	28,058,000

Kensington Court Ventures Inc.
Consolidated Statements of Changes in Equity
For the Three Months Ended November 30, 2013 and 2012
(Unaudited - expressed in Canadian Dollars)

	Share Capital		Share Option and Warrant Reserve	Contribution Reserve	Deficit	Other Comprehensive Income	Total Equity
	Number of Shares	Amount \$					
Balance as at August 31, 2012	28,058,000	1,480,908	217,518	3,146,108	(2,119,937)	15,903	2,740,500
Net loss for the period	-	-	-	-	(146,475)	-	(146,475)
Other comprehensive income for the period	-	-	-	-	-	12,785	12,785
Balance, November 30, 2012	28,058,000	1,480,908	217,518	3,146,108	(2,266,412)	28,688	2,606,810
Net loss for the period	-	-	-	-	(3,244,166)	-	(3,244,166)
Other comprehensive loss for the period	-	-	-	-	-	(80,076)	(80,076)
Balance as at August 31, 2013	28,058,000	1,480,908	217,518	3,146,108	(5,510,578)	(51,388)	(717,432)
Net loss for the period	-	-	-	-	(70,145)	-	(70,145)
Other comprehensive income for the period	-	-	-	-	-	38,306	38,306
Balance as at November 30, 2013	28,058,000	1,480,908	217,518	3,146,108	(5,580,723)	(13,082)	(749,271)

Kensington Court Ventures Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended November 30, 2013 and 2012
(Unaudited - expressed in Canadian Dollars)

	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Net Loss for the period	(70,145)	(146,475)
Unrealized foreign exchange gain (loss)	-	(1,686)
Foreign currency translations	-	12,785
Changes in non-cash working capital items:		
GST Receivable	52,288	10,104
Prepaid expenses	-	34,287
Accounts payable and accrued liabilities	(3,701)	34,287
Due from related parties	(3,196)	64,141
	(24,754)	(354)
FINANCING ACTIVITIES		
Loans from related parties	105,400	15,500
Repayment of loans from related parties	(11,262)	-
	94,138	15,500
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(99,979)	(19,318)
	(99,979)	(19,318)
Foreign Exchange effect on cash	38,306	-
INCREASE (DECREASE) IN CASH DURING THE PERIOD	7,711	(19,318)
CASH, BEGINNING OF THE PERIOD	4,652	11,898
CASH, END OF THE PERIOD	12,363	7,726
Supplemental Cash Flow Information:		
Interest paid	-	1,787

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)
For the Three Months Ended November 30, 2013 and 2012

1. NATURE OF OPERATIONS AND GOING CONCERN

Kensington Court Ventures Inc. is the parent company of its consolidated group [the “Company”] and was incorporated on April 13, 2010 under the Business Corporations Act (British Columbia). The Company was a capital pool company pursuant to the policies of the TSX Venture Exchange (“Exchange”). On April 30, 2012 the Company completed its Qualifying Transaction by acquiring all of the issued and outstanding shares of Angra Metals Mineração Ltda. (previously named Stronghold Brasil Mineracao Ltda) [“ANGRA”] from Eagle Mountain Gold Corp. [formerly Stronghold Metals Inc.] after obtaining approval from the Exchange. Effective May 2, 2012 the Company was classified as a Mineral Exploration and Development company and commenced trading as a Tier 2 Issuer under the symbol “KCT”.

The Company’s principal business activity is the acquisition, exploration and development of mineral properties.

The registered office of the Company is 1000 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7C 1S8 and its head office is 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1.

The condensed interim consolidated financial statements were prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and to place these properties into production, renewal of underlying titles to the mining properties and/or future proceeds from the disposition thereof.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting year. Management is aware in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern, as explained in the following paragraph.

The Company has not yet generated income or cash flows from operations. As at November 30, 2013, the Company had an accumulated deficit of \$5,580,723 (August 31, 2013 – \$5,510,578). For the three months ended November 30, 2013, the Company incurred a loss of \$70,145 (2012 - \$146,475) and negative cash flow from operations amounting to \$24,754 (2012 – \$354). The Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program and to meet its future option payment obligations and all of its general and administrative costs. The Company has secured some additional debt financing subsequent to the year end (Note 8) and management intends to raise additional necessary financing through the issuance of common shares. There is no assurance that the Company will be successful in raising the additional required funds.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, the above noted conditions raise significant doubt regarding the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)
For the Three Months Ended November 30, 2013 and 2012

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2013 except as outlined in Note 3. These financial statements were approved by the board of directors for use on January 28, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

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

- IFRS 7 “*Financial Instruments : Disclosures*”
- IFRS 10 “*Consolidated Financial Statements*”
- IFRS 11 “*Joint Arrangements*”
- IFRS 12 “*Disclosure of Interests in Other Entities*”
- IFRS 13 “*Fair Value Measurement*”
- IAS 19 “*Employee Benefits*” amendment
- IAS 32 “*Financial Instruments: Presentation*” amendment

The following standard has been issued but not yet applied:

- In the annual period beginning September 1, 2015, the Company will be required to adopt IFRS 9, *Financial Instruments*, which is the result of the first phase of the IASB’s project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Management is currently evaluating the impact that this standard will have on the consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Tucumã gold project:

The Company owns a 100% interest in the Tucumã copper/gold exploration project, which consists of six mineral concessions covering a total of 11,456 hectares located in the Carajas metallogenic province in the State of Pará, Brazil. The annual fees for the concessions are approximately \$13,000. Prior to a concession expiring, the Company must present to the authority a technical report on the concession, which serves a basis for determining a renewal.

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)
For the Three Months Ended November 30, 2013 and 2012

	November 30, 2013	August 31, 2013
	\$	\$
Acquisition Cost		
Balance, beginning of period	1	818,327
Addition, during the period	-	-
Impairment charge	-	(818,326)
Balance, end of the period	1	1
Deferred Exploration Costs		
Balance, beginning of the period	62,085	1,894,675
Addition during the period		
Assays	3,761	9,892
Consulting	45,435	91,733
Field supplies	10,421	78,060
Miscellaneous	-	24,743
Project administration	19,198	49,805
Report	-	31,502
Rent	-	25,742
Transportation and travelling	-	4,992
Vehicle expenses	12,405	1,265
Foreign exchange on mineral property	8,759	(96,311)
Total additions during the period	99,979	221,423
	162,064	2,116,098
Impairment	-	(2,054,013)
Balance, end of the period	162,065	62,086

The environment for raising exploration capital for junior exploration companies, especially for those exploring for gold, has become very difficult. During the second quarter of the Company's 2013 fiscal period, management determined that these difficult capital markets meant that it was almost impossible to raise the amount of money that would be needed to continue the diamond drilling program that was started on Tucumã.

Although management considered the results of an earlier program to be partially successful in that some mineralized zones were identified, significant targets were not located. Although management considered the Tucumã property to contain a viable hard rock resource, during the 2013 second interim period, it was determined that the Company could not time implement an appropriate drilling program for hard rock exploration. As such, management at that time did not intend to conduct any further exploration and development on the Tucumã Property and as a result, in accordance with IAS 36 and IFRS 6, the Company wrote down the Exploration and Evaluation Assets for hard rock resource to a nominal value.

During the fourth quarter of 2013, management reassessed this property and prospects and determined that there was a significant zone of mineralized saprolite which has been explored with trenching and auger testing. As such, the Company's changed its development focus with respect to this property and decided to implement a plan that included the establishment of a small scale mining operation targeting the gold in this saprolite.

Given this change in focus, and management's belief that financing for this small scale operation will be available, the Company recommenced capitalizing exploration and evaluation expenditures during the fourth quarter of fiscal 2013.

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
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5. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Issued and fully paid

During the three months ended November 30, 2013 no shares were issued.

There was a change in control event that took place during the year ended August 31, 2013.

On April 16, 2013, the Company and Eagle Mountain Gold Corp. announced that Lake Forest Development Corp. a company wholly owned by the Company's CEO, agreed to acquire 14.8 million shares of the Company owned by Eagle Mountain in consideration of:

- A cash payment to Eagle Mountain in the amount of \$50,000.
- An assignment by Lake Forest to Eagle Mountain of a loan in the amount of \$150,000 (the "Assigned Loan") owed by the Company to Lake Forest. The Company agreed that in the event it sells, joint ventures or farms out its Tucumã mineral property located in Para State, Brazil (the "Property"), whether by option, sale or other disposition of either the Property or the quotas of ANGRA, (collectively the "Disposition"), then it shall pay out the Assigned Loan from any proceeds of Disposition in preference to and priority over and exclusion of any other debt.
- The parties have also agreed that in the event the proceeds of Disposition are in excess of the sum of \$250,000 in cash, shares or other consideration (the "Additional Consideration"), the Company and Eagle Mountain shall be entitled to share 50% of such Additional Consideration, provided however that in the event the Company spends funds on exploration and development of the Property, then any such funds shall be deducted from the Additional Consideration and repaid to the Company prior to the joint payout of the Additional Consideration.

The total number of Kensington shares purchased by Lake Forest represents approximately 52.75% of Kensington's current issued and outstanding shares. The Kensington shares transferred to Lake Forest were made up of 4,075,000 free trading shares and 10,725,000 shares transferred in to escrow. Lake Forest's CEO was also a director of Eagle Mountain Gold Corp at the time of the transaction. The effect of the above transaction is that Lake Forest took over as the Company's control person from Eagle Mountain.

Stock options

The Board of Directors of the Company may, from time to time, at its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent of the issued and outstanding common shares exercisable for a period not to exceed five years from the Company's listing date. The options may be cancelled after the Company has entered into a Qualifying Transaction at the later of 12 months after the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, or technical consultant. The following is a continuity schedule of outstanding options for the reporting period.

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Notes to Condensed Interim Consolidated Financial Statements
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The Company's stock options outstanding as at November 30, 2013 and August 31, 2013 and the changes for the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price \$	Weighted Average Remaining Contractual Life (years)
Balance August 31, 2013	2,029,000	0.15	3.82
Balance, outstanding and exercisable – November 30, 2013	2,029,000	0.15	3.57

Stock options outstanding and exercisable at November 30, 2013 are as follows:

Number of Options	Exercise Price \$	Expiry Date
54,000	0.10	December 24, 2015
1,975,000	0.15	July 10, 2017
2,029,000		

Warrants

The Company's warrants outstanding as at November 30, 2013 and August 31, 2013 and the changes for the periods then ended are as follows:

	Number of Warrants	Exercise Price \$
Balance August 31, 2012	4,687,000	0.20
Issued	-	-
Expired	(292,000)	0.10
Balance, August 31, 2013 and November 30, 2013	4,395,000	0.20

Warrants outstanding as at November 30, 2013 were as follows:

Outstanding Warrants	Exercise Price \$	Expiry Date
4,000,000	0.20	April 30, 2015
395,000	0.15	April 30, 2015
4,395,000		

Weighted average remaining contractual life is 1.41 years.

Kensington Court Ventures Inc.
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For the Three Months Ended November 30, 2013 and 2012

Escrowed shares

The 16,300,000 common shares originally issued by the Company to Eagle Mountain Gold Corp. are held in escrow. Under the terms of the escrow agreement, 10% of the escrowed common shares were to be released from escrow following issuance of the final exchange bulletin upon completion of the Qualifying Transaction, and 15% will be released every six months thereafter over a period of thirty six months. As at November 30, 2013, 7,335,000 common shares remained in escrow.

6. RELATED PARTY TRANSACTIONS

All amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment. The Company paid or accrued remunerations to its directors and officers during the three months ended November 30, 2013 and 2012 are as follows:

	2013	2012
	\$	\$
Accounting fees paid to company controlled by an officer	-	15,975
Accounting fees paid to a company controlled by common director and officer	-	750
Rent paid to a company controlled by common directors	-	6,855
Consulting fees paid to a director	30,000	30,000
Administrative fees paid to a company controlled by a director	7,500	2,500
	<u>37,500</u>	<u>56,080</u>

As at November 30, 2013, \$182,859 (August 31, 2013 - \$ 150,968) was owing to a director and a private company controlled by him, and \$19,199 (August 31, 2013 - \$19,199) to was owing to Eagle Mountain Gold Corp., a company with common directors and officers.

As at November 30, 2013, loans totaling \$467,119 (August 31, 2013 - \$358,433) were due to a director, a private company which he is a director of, and a private company controlled by him, and \$167,811 (August 31, 2013 - \$164,441) was due to Eagle Mountain Gold. Loans amounting to 38,753 are unsecured and non-interest bearing and loans amounting to \$596,177 bear an interest rate of 1% per month compounded monthly all with a due date December 31, 2014.

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)
For the Three Months Ended November 30, 2013 and 2012

7. SEGMENTED DISCLOSURE

Operating segment:

The Company has one operating segment, being the acquisition, exploration and evaluation of mineral properties.

Geographic segment:

The Company's assets, liabilities, expenses by geographic area as at and for the three months ended November 30, 2013 are as follows:

	November 30, 2013		
	Brazil	Canada	Total
	\$	\$	\$
Current assets	12,397	6,709	19,106
Exploration and evaluation asset	162,065	-	162,065
Total assets	174,462	6,709	181,171
Current liabilities	2,825	331,440	334,265
Non-current liabilities	-	596,177	596,177
Total liabilities	2,825	927,617	930,442
Expenses	-	52,132	52,132
Other expenses	-	18,013	18,013
Net loss	-	70,145	70,145

The Company's assets, liabilities, expenses by geographic area as at and for the year ended August 31, 2013 were as follows:

	August 31, 2013		
	Brazil	Canada	Total
	\$	\$	\$
Current (liabilities) assets	(1,175)	64,858	63,683
Exploration and evaluation asset	62,086	-	62,086
Total assets	60,911	64,858	125,769
Current liabilities	(1,386)	371,727	370,341
Non-current liabilities	-	472,860	472,860
Total liabilities	(1,386)	844,587	843,201
Expenses	36,025	460,735	496,760
Other expenses	-	2,893,881	2,893,881
Net loss	36,025	3,354,616	3,390,641

Kensington Court Ventures Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)
For the Three Months Ended November 30, 2013 and 2012

8. SUBSEQUENT EVENTS

- Lake Forest Development, the Company's largest shareholder is committed to providing additional loans to provide adequate working capital, since November 30 Lake Forest Development has loaned an additional \$64,330