American Creek Resources Ltd.

Unaudited Interim Financial Statements
For the three months ended
March 31, 2014
(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements of American Creek Resources Ltd. (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.

American Creek Resources Ltd.

Interim Statements of Financial Position

As at

(expressed in Canadian dollars)
(Unaudited)

	March 31, 2014 $	December 31, 2013 $
Assets		
Current assets		
Cash	23,859	104,290
Prepaid expenses and deposits (note 3)	12,071	17,684
Receivables (note 4)	13,566	13,347
	49,496	135,321
Long-term receivables (note 4)	29,855	29,855
Reclamation bonds (note 5)	66,000	66,000
Property and equipment	220,691	234,931
Exploration and evaluation assets (note 6)	13,870,698	13,870,698
	14,236,740	14,336,805
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	1,958,327	1,849,600
Short-term loan (note 8)	146,500	146,500
Current portion of long-term debt (note 9)	1,373	1,373
	2,106,200	1,997,473
Long-term debt (note 9)	43,293	33,627
	2,149,493	2,031,100
Shareholders' Equity		
Share capital (note 10)	25,365,777	25,365,777
Contributed surplus and warrants (note 10)	7,250,242	7,250,242
Deficit	(20,528,772)	(20,310,314)
	12,087,247	12,305,705
	14,236,740	14,336,805

Commitments (note 16)
Going concern (note 1)

See accompanying notes to these financial statements.

Approved by the Board of Directors

(signed) "Allan Burton" Director   (signed) "Darren Blaney" Director

American Creek Resources Ltd.
Statements of Loss and Comprehensive Loss
For the three month period ended March 31

(expressed in Canadian dollars)
(Unaudited)

	2014 $	2013 $
Expenses		
Advertising and promotion	9,619	2,597
Business development and property investigation	17,313	21,826
Corporate communications	5,575	9,101
Depreciation on equipment	9,816	13,878
Listing and transfer agent fees	5,600	7,100
Management fees (note 12)	125,625	106,250
Office and administration	36,628	25,057
Professional fees	18,073	523,628
Stock-based compensation (note 10)	-	214,124
Gain on disposition of assets	(9,791)	(5,378)
Net loss and comprehensive loss for the year	218,458	704,059
Basic and diluted loss per common share	0.00	0.01
Basic and diluted weighted average number of common shares outstanding	157,922,074	139,502,058

Going concern (note 1)

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Statements of Changes in Equity

For the three month period ended March 31

(expressed in Canadian dollars)
(Unaudited)

	Share capital				Total
	No. of Shares	Amount $	Contributed Surplus and Warrants $	Deficit $	Equity $
Balance as at January 1, 2013	139,051,861	24,495,612	7,035,271	(17,406,075)	14,124,808
Shares issued for cash					
Private placements	6,827,984	384,074	-	-	384,074
Valuation of warrants issued	-	(146,947)	146,947	-	-
Share issuance costs	-	(3,420)	-	-	(3,420)
Loss for the year	-	-	-	(704,059)	(704,059)
Balance as at March 31, 2013	145,879,845	24,729,319	7,182,218	(18,110,134)	13,801,403

	Share capital				Total
	No. of Shares	Amount $	Contributed Surplus and Warrants $	Deficit $	Equity $
Balance as at January 1, 2014	157,922,074	25,365,777	7,250,242	(20,310,314)	12,305,705
Shares issued for cash					
Private placements	-	-	-	-	-
Valuation of warrants issued	-	-	-	-	-
Share issuance costs	-	-	-	-	-
Loss for the period	-	-	-	(218,458)	(218,458)
Balance as at March 31, 2014	157,922,074	25,365,777	7,250,242	(20,528,772)	12,087,247

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

American Creek Resources Ltd.

Statements of Cash Flows

For the three month period ended March 31December 31, 2013

(expressed in Canadian dollars)

	2014 $	2013 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(218,458)	(704,059)
Items not affecting cash		
Depreciation on equipment	9,816	13,878
Gain on disposition of assets	(9,791)	(5,378)
	(218,433)	(695,559)
Changes in non-cash working capital		
Prepaid expenses and deposits	5,613	9,370
Receivables	(219)	14,393
Accounts payable and accrued liabilities	108,727	293,479
Cash used in operating activities	(104,312)	(378,317)
Financing activities		
Proceeds from issuance of long-term debt	10,000	-
Long-term debt repayment	(334)	-
Proceeds from issuance of capital stock	-	384,074
Share issuance costs	-	(3,420)
Cash provided by financing activities	9,666	380,654
Investing activities		
Proceeds on disposal of property and equipment	14,215	12,000
Cash provided by investing activities	14,215	12,000
(Decrease) increase in cash flow	(80,431)	14,337
Cash – Beginning of period	104,290	16,024
Cash – End of period	25,859	30,361

Supplemental disclosures with respect to cash flows (note 11)

See accompanying notes to these financial statements.

(expressed in Canadian dollars)

1 Nature of operations and going concern

American Creek Resources Ltd. (the "Company") was incorporated under the *British Columbia Business Corporations Act* on February 12, 2004 and continued into Alberta on August 26, 2005. The Company is engaged in the exploration and development of mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 92 – 2nd Ave W, Cardston, AB, Canada, T0K 0K0. The Company's registered address and records office is 700 – 9th Ave SW, Suite 3000, Calgary, Alberta, Canada, T2P 3V4.

The Company's primary listing is on the Venture Toronto Stock Exchange under the ticker symbol "AMK".

Going concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company incurred a net loss of $218,458 during the period ended March 31, 2014, generated negative cash flows from operations of $104,312 and, as of that date the Company's deficit was $20,528,772 and working capital deficiency was $2,056,704. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These circumstances, as well as the ongoing litigation discussed in note 19, cause material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company's exploration and development programs, including private placements, property dispositions, settling payables for shares and recovering legal costs where possible, so it can continue as a going concern. There is no assurance that these initiatives will be successful. The Company was also successful in the litigation against Teuton to obtain legal title to the highly prospective. Treaty Creek property which may improve its ability to attract investment in the form of private placements.

The Company's ability to continue as a going concern is dependent upon the existence of recoverable reserves and the ability to obtain necessary funds to develop properties with potential for profitable production in order to support its ongoing operating activities and exploration programs. These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported expenses that would be necessary if the Company were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

(expressed in Canadian dollars)

2 Basis of preparation and recent accounting pronouncements

Statement of Compliance

These condensed 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 financial statements should be read in conjunction with the annual audited financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies adopted are consistent with those of the previous financial year except as follows:

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

These financial statements were approved for issuance by the Company's board of directors ("Board") on May 30, 2014.

Basis of Measurement

The Company's financial statements are presented in Canadian dollars, the Company's functional currency, and all values are rounded to the nearest thousands of dollars, except where indicated otherwise. All references to $ are to Canadian dollars.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Standards, Amendments and Interpretations Not Yet Effective

New standards and interpretations issued but not yet adopted

The following are standards issued but not yet effective up to the date of issuance of these financial statements. The Company reasonably expects these standards to be applicable at a future time and intends to adopt these standards when they become effective.

- IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39, "Financial Instruments: Recognition and Measurements" that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value changes due to an entity's own credit risk is recorded in other comparative income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 is effective for

(expressed in Canadian dollars)

annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of adopting IRFS 9 on its financial statements.

- IAS 32, Financial Instruments: Presentation ("IAS 32") has been amended to clarify the requirements for offsetting financial assets and liabilities. The amendment to IAS 32 is effective for annual periods beginning on or after January 1, 2014, with retrospective application. The Company is currently evaluating the impact of adopting this amendment on its financial statements.

- IAS 36, Impairment of Assets ("IAS 36") was amended in May 2013, effective retrospectively for annual periods beginning on or after January 1, 2014. The amendment removes certain disclosures of the recoverable amount of a CGU containing goodwill, and adds disclosures of the recoverable amount of a CGU with impairment. The Company is currently evaluating the impact of adopting this amendment on its financial statements.

3 Prepaid expense and deposits

The prepaid expenses for the Company are comprised of the following:

	2014 $	2013 $
Prepaid rent	-	-
Insurance	10,346	16,480
Vendor prepayments	1,725	1,204
	12,071	17,684

4 Receivables

The Company's receivables arise from a goods and service tax receivable which are due from Canadian government taxation authorities. Long-term receivables arise from a vendor prepayment arrangement in 2009.

(expressed in Canadian dollars)

5 Reclamation Bonds

The Company has posted bonds with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bonds were posted in relation to the following properties and amounts:

	2014 $	2013 $
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Ironmist	10,000	10,000
	66,000	66,000

6 Exploration and evaluation assets

As at March 31, 2014, the Company's exploration and evaluation assets are located in Northern British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada $	Slippery Willow, B.C., Canada $	Treaty Creek, B.C., Canada $	Golden Lynx, B.C., Canada $	Total $
Acquisition costs – 01/01/14	2,211,402	231,400	66,750	-	2,509,552
Impairment	-	-	-	-	-
Acquisition costs – 03/31/14	2,211,402	231,400	66,750	-	2,509,552
Exploration costs – 01/01/14	4,958,934	3,442	6,398,770	-	11,361,146
Mining Exploration Tax Credit	-	-	-	-	-
Exploration costs – 03/31/14	4,958,934	3,442	6,398,770	-	11,361,146
	7,170,336	234,842	6,465,520	-	13,870,698

(expressed in Canadian dollars)

	Electrum, B.C., Canada $	Slippery Willow, B.C., Canada $	Treaty Creek, B.C., Canada $	Golden Lynx, B.C., Canada $	Total $
Acquisition costs – 01/01/13	2,211,402	231,400	66,750	36,662	2,546,214
Impairment	-	-	-	(36,662)	(36,662)
Acquisition costs – 12/31/13	2,211,402	231,400	66,750	-	2,509,552
Exploration costs – 01/01/13	5,022,763	3,442	6,398,770	-	11,424,975
Mining Exploration Tax Credit	(63,829)	-	-	-	(63,829)
Exploration costs – 12/31/13	4,958,934	3,442	6,398,770	-	11,361,146
	7,170,336	234,842	6,465,520	-	13,870,698

Electrum Property, British Columbia, Canada

The Electrum property is located north of Stewart, British Columbia. The claims were acquired via an option agreement for total cash payment of $210,000 and 2,500,000 common shares issued with fair value ranging from $0.12 to $0.75 per share. All payments under the agreement have been completed and the Company now holds a 100% working interest in the property subject to a 2% NSR royalty. The Company may purchase the 2% NSR royalty at any time for $1,000,000.

Slippery Willow Property, British Columbia, Canada

The Slippery Willow property is located adjacent to the Company's Electrum property. The property was purchased on February 9, 2007. The consideration paid consisted of $25,000 in cash and the issuance of 120,000 of the Company's common shares with a fair value of $1.72 per share.

Treaty Creek Property, British Columbia, Canada

The Treaty Creek property is located northeast of Stewart, British Columbia. In 2009, the Company concluded that they completed the requirements as set out in the option agreement to earn a 51% interest in the property by issuing 100,000 common shares with a fair value ranging from of $0.23 to $0.24 per share and by incurring the balance of aggregate exploration expenditures in excess of $5,000,000. Also in accordance with the agreement, the Company has elected to earn an additional 9% interest by providing the optionor with a positive feasibility study. Each of the claims are subject to either a 2% or 3% NSR royalty interest. The Company has the option to purchase certain royalty interests for $1,000,000. The company also has the option, and in certain circumstances is required to purchase other royalty interests for $6,000,000. Future obligations and disputes under the agreement are outlined in note 16.

(expressed in Canadian dollars)

Golden Lynx Property, British Columbia, Canada

The Golden Lynx property is located near Quesnel Lake, British Columbia and is comprised of claims staked by the Company. Staking costs in the amount of $36,662 were capitalized as exploration and evaluation assets for costs in the amount of $36,662. These claims were still considered by the Company to be prospective; however due to market conditions and cash restraints, were allowed to lapse during the previous year and all capitalized costs of $36,662 were written off.

Other than impairments noted above, no impairments were recorded for 2013 and 2014.

7 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are comprised of the following:

	2014 $	2013 $
Trade payables	1,953,327	1,829,600
Accrued liabilities	5,000	20,000
	1,958,327	1,849,600

All payables and accrued liabilities for the Company fall due within the next 12 months.

8 Short-term loan

	2014 $	2013 $
Arm's-length loan to supplement working capital, bearing no interest and repayable on demand. No regular interest or principal payments are required under the agreement. The loan may be converted to interest bearing at 5% per annum upon notice from the holder.	146,500	146,500

(expressed in Canadian dollars)

9 Long-term debt

	2014 $	2013 $
Arms-Length loan for leasehold improvements, bearing interest at 8% per annum and repayable in monthly instalments, including principal and interest of $400 until September 1, 2030. The initial loan amount was $35,000 with a final draw advanced during 2014 of $10,000 for a total initial loan amount of $45,000.	44,666	35,000
Less: Current portion	(1,373)	(1,373)
	43,293	33,627

10 Share capital

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

b) Issued and outstanding

Authorized
Unlimited number of common shares
Unlimited number of preferred shares

	Number of shares	$
Balance as at December 31, 2012	139,051,861	24,495,612
Issued for cash	10,536,880	592,699
Issued for settlement of payables	8,333,333	500,000
Warrant value (note 10)	-	(214,971)
Share issue costs	-	(7,563)
Balance as at December 31, 2013	157,922,074	25,365,777
Issued for cash	-	-
Issued for settlement of payables	-	-
Warrant value	-	-
Share issue costs	-	-
Balance as at March 31, 2014	157,922,074	25,365,777

Share issuance

During the period ended March 31, 2014, the Company had no transactions affecting share capital.

During the year ended December 31, 2013, the Company:

(expressed in Canadian dollars)

i) Completed the non-brokered private placement financing of 10,536,880 non-flow-through ("NFT") units at a price of $0.05625 per share for gross proceeds of $592,699. Each NFT unit consisted of one non-flow-through common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one NFT common share at an exercise price of $0.10 for a period of two years (subject to an accelerated clause under certain market conditions) from the date of issuance of the warrant.

ii) Issued 8,333,333 common shares at $0.06 per common share as partial payment of existing account payable to the Company's law firm. The shares were valued at the closing price on November 26, 2013.

Stock options transactions and the number of stock options outstanding are summarized as follows:

	Number of options $	Weighted average exercise price
Balance – December 31, 2012	13,455,000	0.10
Options expired	-	-
Options granted	-	-
Balance – December 31, 2013	13,455,000	0.10
Options expired	(1,500,000)	0.12
Options granted	-	-
Balance – March 31, 2014	11,955,000	0.10
Number of options currently exercisable	11,955,000	0.10

The following incentives stock options were outstanding and exercisable as at March 31, 2014:

Expiry Date	Exercise Price $	Number Outstanding $
March 1, 2016	0.10	6,505,000
March 29, 2016	0.10	600,000
March 20, 2022	0.10	4,850,000
		11,955,000

The following incentives stock options were outstanding and exercisable at December 31, 2013:

(expressed in Canadian dollars)

Expiry Date	Exercise Price $	Number Outstanding $
March 26, 2014	0.12	1,450,000
March 1, 2016	0.10	6,555,000
March 29, 2016	0.10	600,000
March 20, 2022	0.10	4,850,000
		13,455,000

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of options $	Weighted average exercise price $
Balance – December 31, 2012	20,630,000	0.10
Warrants granted	10,536,880	0.10
Warrants expired	-	-
Balance – December 31, 2013	31,166,880	0.10
Warrants granted	-	-
Balance – March 31, 2014	31,166,880	0.10

The following warrants to acquire common shares were outstanding at March 31, 2014:

Expiry Date	Exercise Price $	Number Outstanding
September 20, 2014	0.10	20,630,000
March 25, 2015	0.10	6,827,984
May 16, 2015	0.10	3,708,896
		31,166,880

The following warrants to acquire common shares were outstanding at December 31, 2013:

(expressed in Canadian dollars)

Expiry Date	Exercise Price $	Number Outstanding
September 20, 2014	0.10	20,630,000
March 25, 2015	0.10	6,827,984
May 16, 2015	0.10	3,708,896
		31,166,880

During the three months ended March 31, 2014, no warrants to acquire common shares were issued or expired.

The following warrants to acquire common shares were issued during the year ended December 31, 2013:

iii) The Company issued 10,536,880 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised at a price of $0.10 per common share at any time up to the expiry date of the warrants (March 25, 2015 and May 16, 2015).

The fair value of the common share purchase warrants was determined to be $214,971 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 83% volatility, a risk free interest rate of 1.20% and a term of 24 months.

Contributed surplus

The following is a summary of changes in contributed surplus from December 31, 2013 to March 31, 2014:

	2014 $	2013 $
Warrants	3,145,554	2,930,583
Share options	4,104,688	4,104,688
	7,250,242	7,035,271

(expressed in Canadian dollars)

11 Supplemental disclosures with respect to cash flows

	March 31, 2014 $	March 31, 2013 $
Cash paid during the year for income taxes	-	-
Cash paid during the year for interest	866	-

Supplementary disclosure of non-cash investing and financing activities during the periods ended March 31 and December 31:

	2014 $	2013 $
Shares issued for settlement of debt	-	500,000

12 Related party transactions

Included in accounts payable and accrued liabilities is $425,003 (2013 – $110,999) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the period ended March 31, 2014, the Company entered into the following related party transactions:

a) Paid fees in the amount of $45,000 (2013 – $37,500) to a company controlled by an officer of the Company for providing services to act as the Company's Chief Executive Officer. Expenses reimbursed in the amount of $3,000 (2013 – $3,000) were expensed as business development.

b) Paid fees in the amount of $45,000 (2013 – $37,500) to an officer of the Company for providing services to act as the Company's Chief Operating Officer. Expenses reimbursed in the amount of $3,000 (2013 – $3,000) in aggregate which were expensed as business development.

c) Paid fees in the amount of $35,625 (2013 – $37,500) to a company controlled by an officer of the Company for providing services to act as the Company's Chief Financial Officer. Expenses reimbursed in the amount of $3,345 (2013 – $3,463) in aggregate which were expensed as business development.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations.

13 Financial Instruments

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

(expressed in Canadian dollars)

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2014, the Company's financial instruments are comprised of cash, receivables, deposits reclamation bonds, accounts payable and accrued liabilities, and debt instruments. The carrying value of cash, receivables and accounts payable accrued liabilities and reclamation bonds approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Risk management

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, marketable securities, receivables and reclamation bonds.

The Company's cash is held through a Canadian chartered bank which is high-credit quality financial institution. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada which are all current. Long-term receivables are considered past due but the Company does not consider them to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2014, the Company had a cash balance of $23,859 and short-term receivables of $13,566 to settle current liabilities of $2,106,200 (see note 1). The Company forecasts its cash needs on a regular basis and seeks additional financing based on those forecasts. Since inception, the Company has financed its cash requirements primarily through issuance of securities. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. In certain circumstances extended credit arrangements have been negotiated with vendors. All arrangements negotiated are on terms less than one year. See note 1 for further discussion on going concern and its impact on liquidity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest rate risk

(expressed in Canadian dollars)

The Company's current policy is to hold deposits in highly rated banking institutions. Interest on short and long-term debt arrangements are fixed and are specifically disclosed.

b) Foreign currency rate risk

The Company is domiciled in Canada and its capital is raised in Canadian dollars and does not conduct regular business in any foreign country.

14 Capital management

The Company's working capital as at March 31, 2014 was $(2,056,704) (December 31, 2013 – $(1,862,152)). The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

The Company manages its cash and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities or further discussed in note 1 going concern. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

15 Segmented information

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

16 Commitments and contingencies

a) In 2009, the Company exceeded its requirements under an option agreement to acquire a 51% interest in the Treaty Creek property by incurring in excess of $5,000,000 of exploration related expenditures on the property. The Company also has the right to earn an additional 9% interest in the property by performing and paying all expenses related to providing the optionor with a positive feasibility study.

The Company initiated legal action in 2010 against Teuton Resources Corp. for failure to transfer title to the property under the terms of the initial earn-in agreement and for damages the Company may

(expressed in Canadian dollars)

have been subject to as a result. Teuton ("Teuton") disputes that all terms of the contract have been met by American Creek.

The trial of this matter was heard in Vancouver, British Columbia and was concluded on October 3, 2013. On April 14, 2014, a judgment was handed down by the British Columbia Supreme Court finding the Company has met its obligations under the agreement. Teuton has appealed the decision (see note 17).

17 Subsequent event

Teuton litigation

On April 14, 2014, the Supreme Court of British Columbia handed down a judgment in the litigation against Teuton Resources Corp. over the Treaty Creek property.

The Court found that the Company has met its obligations under the agreement with Teuton and that it has earned its 51% interest in the Treaty Creek property. The Court also found that Teuton breached the agreement in refusing to transfer title to the Treat Creek property to the Company. The Court has ordered Teuton to transfer 100% of legal title of all of the mineral claims comprising the Treaty Creek property to the Company which includes Teuton's 49% interest in those mineral claims held in trust pursuant to the parties' original agreement.

Teuton has appealed the Court's decision. The Company intends to respond vigorously and fully expects to prevail.

The Company is also proceeding with its claim that Teuton pay the Company special costs which may include the recovery of the significant legal fees related to this action.