HUDSON RIVER MINERALS LTD.
(An exploration stage company)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
December 31, 2014 and 2013

(Expressed in Canadian dollars)

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Wasserman
Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Hudson River Minerals Ltd.:

We have audited the accompanying financial statements of Hudson River Minerals Ltd. which comprise the statements of financial position as at December 31, 2014 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hudson River Minerals Ltd. as at December 31, 2014 and the results of its operations, changes in shareholders' equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which discloses the fact that the Company has a working capital deficiency of $108,759 at December 31, 2014 and has incurred accumulated losses since inception of $4,513,297 and describes other matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other matter

The comparative information, which comprise the statements of financial position as at December 31, 2013 and the statements of comprehensive loss, changes in shareholders equity and cash flows for the year then ended were audited by other auditors who expressed an unmodified opinion on those statements in their report dated May 6, 2014.

Wasserman Ramsay

Markham, Ontario
May 15, 2015

Chartered Accountants
Licensed Public Accountants

HUDSON RIVER MINERALS LTD.

(an Exploration Stage Company)

STATEMENTS OF FINANCIAL POSITION
As at December 31
(Expressed in Canadian Dollars)

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,964	$ 39,014
Marketable Securities *(Note 4)*	-	205,768
Prepaid and other expenses	-	10,119
Total Assets	$ 8,964	$ 254,902
LIABILITIES		
Current Liabilities		
Trade and other payables	$ 117,723	$ 109,712
Total Liabilities	117,723	109,712
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock *(Note 6)*	3,153,371	3,153,371
Contributed surplus	1,251,167	1,251,167
Deficit	(4,513,297)	(4,259,348)
Total Shareholders' Equity (Deficit)	(108,759)	145,190
Total Liabilities and Shareholders' Equity	$ 8,964	$ 254,902

See Note 1 Nature of Operations and Going Concern

Approved on behalf of the Board of Directors on May 15, 2015:

(Signed) *"Andrew Lindzon"*
Andrew Lindzon, Director

(Signed) "*Brian Vallesi*"
Brian Vallesi, Director

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

HUDSON RIVER MINERALS LTD.
(an Exploration Stage Company)

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended December 31
(Expressed in Canadian Dollars)

	2014	**2013**
Operating Expenses		
Consulting Fees *(Note 7)*	$ 24,000	$ 140,139
Impairment of exploration assets	-	106,431
Professional fees	10,432	71,629
General and administrative	13,749	53,352
(Gain) loss on disposition of properties	-	(2,568)
Total Operating Expenses	48,181	369,983
Other (income) Loss		
Loss on Marketable Securities *(Note 4)*	205,768	365,810
Net loss and comprehensive loss for the year	$ 253,949	$ 734,793
Weighted average number of common shares outstanding - basic and diluted	130,547,410	69,870,709
Loss per share – basic and diluted	$ (0.00)	$ (0.01)

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

HUDSON RIVER MINERALS LTD

(an Exploration Stage Company)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Accumulated Deficit	Total
		$	$	$	$
Balance as at December 31, 2012	48,415,410	2,764,927	1,251,167	(3,524,555)	491,539
Shares issued in partial payment for mineral property	132,000	1,980	-	-	1,980
Private Placement	82,000,000	410,000	-	-	410,000
Share issuance costs		(23,536)	-	-	(23,536)
Comprehensive loss	-	-	-	(734,793)	(734,793)
Balance as at December 31, 2013	130,547,410	3,153,371	1,251,167	(4,259,348)	145,190
Comprehensive loss	-	-	-	(253,949)	(253,949)
Balance as at December 31, 2014	130,547,410	3,153,371	1,251,167	(4,513,297)	(108,759)

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

HUDSON RIVER MINERALS LTD.
(an Exploration Stage Company)

STATEMENTS OF CASH FLOW
For the years ended December 31
(Expressed in Canadian Dollars)

	_2014_	**_2013_**
Operating Activities		
Net loss for the year	$ (253,949)	$(734,793)
Items not affecting cash:		
Impairment of Exploration assets		106,431
Gain on disposition of property		(2,568)
Loss on Marketable Securities	205,768	365,810
	(48,181)	(265,120)
Change in non-cash working capital items:		
Trade and other payables	8,011	(105,939)
Prepaid expenses	10,119	20,958
Cash used in Operating Activities	(30,051)	(350,101)
Investing Activities		
Expenditures on exploration and evaluation assets	-	(5,092)
Cash used in Investing Activities	-	(5,092)
Financing Activities		
Issuance of common shares and warrants, net	-	386,464
Cash provided by Financing Activities	-	386,464
Net change in cash and cash equivalents	(30,051)	31,271
Cash and cash equivalents, beginning of year	39,015	7,744
Cash and cash equivalents, end of year	$ 8,964	$ 39,015

Supplemental Cash Flow Information		
	$	$
Marketable securities acquired in exchange for mineral property	-	571,578
Shares issued in partial payment for mineral property	-	1,980

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

1. Nature of Operations and Going Concern

Hudson River Minerals Ltd., a private company ("HRM") was incorporated under the laws of the Province of Ontario on August 1, 2008. Pursuant to an Amalgamation and Qualifying Transaction Agreement (the "Amalgamation Agreement") dated December 18, 2009, with Prelim Capital Inc., a capital pool company.

The Company's registered head office is 38 Edmund Seager Drive, Thornhill, Ontario. The principal business activity of the Company was that of a mineral and mining company in Ontario, Canada. The Company has previously written off or disposed of all of its mineral property interests. The company is currently seeking other business opportunities.

As at December 31, 2014, the Company had negative working capital of approximately $108,759 and had not yet achieved profitable operations, and had accumulated losses of approximately $4,513,291. The Company expects to incur further losses in the development of its business, which casts substantial doubt upon the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing to discharge its liabilities as they come due and generate positive cash flows from operations.

The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned activities. There is also no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

Management intends to secure future financing through a combination of the issuance of new equity or debt instruments, the entering into joint venture arrangements and through monetization of existing assets. There is no assurance, however that any such initiatives will be successful.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any, which 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 in other than the normal course of business and at amounts that may differ from those shown in these financial statements. Such adjustments could be material.

2. Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as of December 31, 2014.

The financial statements were approved and authorized for issuance by the Board of Directors on May 15, 2015.

The financial statements have been prepared on the historical cost basis, except for certain non-current assets and financial instruments which are measured at fair value, as explained in the accounting policies described below.

3. Significant Accounting Policies

These financial statements have been prepared by management in accordance with International Financial Reporting Standards. Outlined below are those policies considered particularly significant:

Use of Estimates and Judgments
The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Critical Accounting Estimates

The significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Fair Value of Marketable Securities

Marketable securities are classified as held at fair value through profit or loss. These securities are composed of shares of public companies which are thinly traded. As such there is not always a ready market available for the sale of these investments. Management is required to estimate the fair value of these investments based on their knowledge of the investee's financial position and its future prospects from a market, management, operational, and acquisition standpoint. These judgments will affect the reported amounts for marketable securities and the fair value gain or loss on the statement of comprehensive loss.

Impairment of Exploration and Evaluation Assets

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Amount of Accrued Liabilities

Accrued liabilities are recorded based on an estimate of unbilled work performed by the Company's vendors as well as any other payments which the Company will be required to make in relation to the current year's operations. Management makes these estimates based on historical billings and its knowledge of current operations. These estimates will affect the reported amounts of accrued liabilities and general expenses.

Stock-Based Compensation Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

3. Significant Accounting Policies (Continued)

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and the financial statements continue to be prepared on a going concern basis. However, management does not believe the Company has sufficient funds to finance future operating costs, which may cast doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

Cash and Cash Equivalents
Cash and cash equivalents include cash on deposit at a Canadian chartered bank

Restricted Cash
The Company, from time to time, finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the Income Tax Act (Canada). Under the terms of these share issues, the deductions for income tax purposes of the related expenditures are renounced to the subscriber of the flow-through shares. On the filing date of the tax renunciation with the Canada Revenue Agency, capital stock is reduced and the deferred income tax liability is increased by the estimated tax benefits renounced by the Company to the subscribers, except to the extent that the Company has tax loss and/or tax resource pool carry-forward balances available to fully or partially offset the deferred tax liability, resulting in a deferred tax recovery. Amounts renounced and to be renounced but not yet expended on qualifying Canadian exploration and/or development form the basis of restricted cash. The Company has no restricted cash as of December 31, 2014.

Exploration and Evaluation Expenditures
The Company records its interest in exploration and evaluation ("E&E") assets at cost. E&E assets consist of exploration and mining concessions, options and contracts. Direct costs relating to the acquisition, exploration and development of such assets, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. Costs incurred before the Company has obtained the legal rights to explore an area are expensed to operations.

E&E costs consist of:

- Gathering exploration data through topographical and geological studies
- Exploratory drilling, trenching and sampling
- Determining the volume and grade of the resource
- Test work on geology, metallurgy, mining, geo technical and environmental; and
- Conducting engineering, marketing and financial studies
- Property acquisition costs

3. Significant Accounting Policies (Continued)

If the property is placed into production, deferred costs will be amortized and depleted using the unit-of-production method over the estimated economic life of the mine. The deferred costs would be written off if the property is sold or abandoned. If it is determined that the carrying value of a property exceeds its net recoverable amount as estimated by management, or exceeds the selling value of the property, a provision is made for the decline in value and charged against operations.

The amounts shown for exploration and evaluation assets represent costs incurred to date, less write-offs and recoveries, and do not necessarily reflect present or future values of the particular properties.

Impairment of Non-financial Assets
At the end of each reporting period, non-financial assets are reviewed for impairment to determine if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized in operations for assets carried at cost and treated as a revaluation decrease for assets carried at revalued amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Indicators for an impairment review arise typically when any one of the following circumstances applies:

Substantive expenditure on further exploration and evaluation is not planned
Title to the asset is compromised
Adverse changes in the regulatory or taxation environment; or
Adverse changes in commodity prices and markets

The existence of any of the above conditions may signify that impairment exists in the fair value of properties. The recoverability of the carrying values of the properties is dependent on the ability of the Company to obtain the necessary financing and permits to continue exploration, the establishment of economically recoverable reserves, future profitable production and/or proceeds from the disposition thereof.

Management periodically reviews the carrying value of exploration and evaluation assets to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the asset exceeds the estimated fair
value which is normally the discounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered and provides for impairment if so indicated, by reducing the carrying value of the asset to its estimated fair value.

Asset retirement obligations
The Company estimates the fair value of liabilities for asset retirement obligations and recognizes such obligations in the period in which they occurred. A corresponding increase in the carrying amount of the related asset is recorded and depreciated over the life of the asset. The estimates used in the valuations are based primarily on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimate are accounted for prospectively from the period the estimate is revised.

No obligation has been recorded with respect to the asset retirement obligations for the Company's exploration properties in these financial statements. The mining and processing activities that may give rise to a legal or constructive obligation have not yet occurred and/or the environmental disturbance which has occurred is not yet significant.

3. Significant Accounting Policies (Continued)

Share-based payment transactions
The fair value of stock options granted under the Company's share option plan is recognized as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest, adjusted for expected forfeitures. The fair-value of the options granted is measured using the Black-Scholes option pricing model. At the end of each financial reporting period the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest and considers actual forfeitures.

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Flow-through shares
Proceeds from the issuance of flow-through shares are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares.

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting for income taxes, the deferred income tax liability related to the temporary difference arising at the earlier of renunciation and when the qualifying expenditures are incurred, are recorded at that time together with a corresponding recognition of the premium in the consolidated statements of loss and comprehensive loss.

Deferred income taxes
The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, using the substantially enacted tax rates in existence at the reporting period end expected to apply when these temporary differences are expected to reverse. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized. The valuation of deferred income tax assets is adjusted, if necessary, by way of a valuation allowance to reflect the estimated realizable amount.

Loss per Share
Loss per share is calculated based on the weighted average number of shares issued and outstanding during the year. In the years when the Company reports a net loss and comprehensive loss, the effect of potential issuances of shares under options and warrants could be anti-dilutive and, therefore basic and diluted loss per share is the same.

Financial Instruments – Recognition and Measurement
The Company reports its financial instruments, including derivatives, if applicable, in the statement of financial position, and measures these either at fair value, in limited circumstances when fair value may not be considered most relevant, at cost or amortized cost. Gains or losses as a result of changes in fair value are recognized in the statement of loss and comprehensive loss.

3. Significant Accounting Policies (Continued)

The Company's financial instruments recognized consist of cash and cash equivalents, restricted cash and trade and other payables. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

All financial instruments are classified into one of the following five categories: fair value through profit and loss assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Fair value through profit and loss financial instruments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial assets are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method. Transaction costs are expensed as incurred for all financial instruments.

The Company has made the following classifications:

Instrument	Classification
Cash and marketable securities	Fair value through profit and loss
Trade and other payables	Other financial liabilities
Equity investment	Held for trading

Financial Instruments disclosures require the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1	Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
Level 3	Inputs that are not based on observable market data

The Company has classified its cash and cash equivalents, restricted cash and trade and other payables as Level 2 and equity investment as Level 1.

Future Accounting Changes

The following are new pronouncements approved by IASB. The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements, however they impact future periods.

The IASB has replaced IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with IFRS 9 – Financial Instruments ("IFRS 9"). IFRS 9 will be a new standard for the reporting of financial instruments which will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The company is evaluating the impact of the proposed standard on its consolidated financial statements.

4. Marketable Securities

During the prior year the company acquired 5,715,780 Common Shares of Zara Resources Inc. with a deemed cost of $571,578. In the prior year the shares had been written down by $365,810 to their fair market value of $205,768. In accordance with the terms of the original acquisition agreement, the Company was required to distribute the Zara shares to its shareholders on a pro rata basis (the "Distribution") within 18 months of closing or the Zara Shares would be cancelled. The Company did not distribute the shares within the required time-frame and therefore the shares were cancelled resulting in a write down of the balance of the carrying value of $205,768 in the current year.

5. Capital Management

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed. As of December 31, 2014 there were no more exploration assets in the company.

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 year ended December 31, 2014. The Company is not subject to externally imposed capital restrictions.

6. Capital Stock

(a) Common Shares

The Company's authorized share capital consists of an unlimited number of common shares..

Issuance of Common Shares - 2013

On February 15, 2013, 132,000 shares were issued to the prospectors of the Forge Lake properties under the agreements as at December 31, 2011 were approved by the TSX Venture for release.

On September 27, 2013 – 82,000,000 shares were issued at $0.005 cents pursuant to a non-brokered private placement for aggregate gross proceeds of $410,000. Share issuance costs of $23,536 were incurred as part of this private placement.

(b) Warrants and stock options:

The Company does not have any warrants or stock options outstanding as of December 31, 2014 and 2013

(Expressed in Canadian Dollars)

7. Related Party Transactions

During the year ended December 31, 2014, the Company expensed $Nil (2013 - $80,739) for management consulting services provided by Balch Exploration Consulting Inc., a company of which Stephen Balch is an officer and director. Mr. Balch was formerly the President and a director of the Company.

During the year ended December 31, 2014, the Company expensed $Nil (2013 - $33,900) for consulting services provided by David Jarvis, who was formerly an officer of the Company.

8. Income Taxes

Income Tax Provision

The following table reconciles the income tax provision from the expected amount based on the statutory income tax rate of 25% (2013 – 26.50%) to the amount reported:

The reconciliation of income taxes at Canadian statutory income tax rates to the income tax expense is as follows:

	2014 $	2013 $
Expected income tax recovery based on accounting income	(63,485)	(194,720)
Unrealized loss on marketable securities	51,440	96,940
Exploration and evaluation assets	-	27,523
Share issue costs	-	(10,061)
Valuation allowance	12,045	80,318
	-	-

Deferred income taxes

The components of deferred income tax have been calculated as noted below:

	2014 $	2013 $
Exploration and evaluation assets	320,000	338,679
Non-capital losses	294,500	299,948
Share issue costs	-	31,431
Capital and intangible assets	730	775
Less: Valuation allowance	(615,230)	(670,833)
	-	-

As of December 31, 2014, the Company had cumulative Canadian exploration expenses of approximately $ 1,280,000 (2013 - $ 1,280,000) which may be carried forward indefinitely to reduce future taxable income.

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

In addition, the Company had income tax non-capital loss carry forwards which expire as noted below:

	$
2037	27,000
2038	71,000
2039	120,000
2040	238,000
2041	105,000
2042	267,000
2043	302,000
2044	48,000
	1,178,000

9. Financial Risk Factors

Fair Value of Financial Instruments
The carrying value of the Company's cash and cash equivalents and trade and other payables approximate their fair value due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk
The Company is not exposed to credit risk attributable to customers. Additionally, the Company's cash and cash equivalents are held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Business Risk
There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. Hudson River's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

9. Financial Risk Factors (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in realizing assets or otherwise raising funds to meet commitments associated with financial instruments. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to discharge its liabilities as they come due. As at December 31, 2014, the Company had negative working capital of approximately $108,759. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, as needed, on terms satisfactory to the Company.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rate fluctuations through the interest earned on cash balances; however, management does not believe this exposure is significant.