FINLAY MINERALS LTD.

Condensed Interim Financial Statements

First Quarter ended March 31, 2014

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These interim financial statements of the Company for the period ending March 31, 2014 have been prepared by management and have not been subject to review by the Company's auditors.

FINLAY MINERALS LTD.

Condensed Balance Sheets
(Unaudited - Expressed in Canadian Dollars)

	March 31, 2014	December 31, 2013
	$	$
Assets		
Current assets		
Cash and cash equivalents	39,773	56,412
Amounts receivable	1,142	3,625
Prepaid expenses	1,964	2,945
	42,879	62,982
Reclamation deposits	57,200	57,200
Mineral properties (note 3)	7,655,725	7,649,550
	7,755,804	7,769,732
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	12,427	10,383
Due to related parties (note 5)	5,303	5,303
	17,730	15,686
Non-current liability		
Deferred income taxes	1,424,372	1,428,524
	1,442,102	1,444,210
Equity		
Share capital (note 6)	7,570,399	7,570,399
Contributed surplus	1,115,290	1,115,290
Deficit	(2,371,987)	(2,360,167)
	6,313,702	6,325,522
	7,755,804	7,769,732

See accompanying notes to the condensed interim financial statements

Approved by the Board of Directors and authorized for issue on May 28, 2014.

"Robert F. Brown"	"John Barakso"
Robert Brown, Director	John Barakso, Chairman of the Board & Director

FINLAY MINERALS LTD.

Condensed Interim Statements of Comprehensive (Loss) Income
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	$	$
Operating costs and expenses		
Advertising and promotion	2,401	120
Bank charges and interest	66	93
Insurance	982	982
Legal and accounting	-	2,930
Office and administration	2,373	1,941
Rent	2,866	2,777
Shareholder relations	-	3,145
Telephone	222	186
Travel and accommodation	929	3,673
Trust and filing fees	6,204	6,373
Loss before other item	(16,043)	(22,220)
Interest income	73	237
Loss before tax	(15,970)	(21,983)
Future income tax recovery	4,152	5,458
Net loss and comprehensive loss for the period	(11,818)	(16,525)
Weighted average number of common shares outstanding	55,170,993	53,532,705
Basic and diluted loss per share	$ (0.00)	$ (0.00)

See accompanying notes to the condensed interim financial statements

FINLAY MINERALS LTD.

Condensed Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(11,818)	(16,525)
Item not involving the use of cash		
Future income tax recovery	(4,152)	(5,458)
	(15,970)	(21,983)
Changes in non-cash operating capital:		
Amounts receivable	2,483	(1,781)
Prepaid expenses	981	1,821
Accounts payable and accrued liabilities	2,044	2,078
Due to related parties	-	4,250
	(10,462)	(15,615)
Investing activity		
Mineral property costs	(6,176)	(1,016)
	(6,176)	(1,016)
Financing activity		
Cash from shares issued	-	-
Share issue costs	-	-
	-	-
(Decrease) increase in cash and cash equivalents	(16,639)	(16,631)
Cash and cash equivalents, beginning of the period	56,412	59,640
Cash and cash equivalents, end of the period	39,773	43,009
Cash and cash equivalents consist of:		
Cash	27,758	31,131
Short-term deposits	12,015	11,878
	39,773	43,009

See accompanying notes to condensed interim financial statements

Supplementary disclosure:

During the three month period ended March 31, 2014, the company received $73 (2013 - $237) in interest and accrued $2,093 (2013 - $10,670) in exploration expenditures in accounts payable and accrued liabilities and due to related parties.

FINLAY MINERALS LTD.

Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Deficit	Total Equity
		$	$	$	$
December 31, 2013	56,507,705	7,570,399	1,115,290	(2,360,167)	6,325,522
Net loss for the period	-	-	-	(11,818)	(11,818)
March 31, 2014	56,507,705	7,570,399	1,115,290	(2,371,985)	6,313,704
December 31, 2012	53,532,705	7,398,458	1,115,290	(2,252,771)	6,260,977
Private placement	-	-	-	-	-
Share issue costs	-	-	-	-	-
Net loss for the period	-	-	-	(16,525)	(16,525)
March 31, 2013	53,532,705	7,398,458	1,115,290	(2,269,296)	6,244,452

See accompanying notes to condensed interim financial statements

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the acquisition and exploration of resource properties. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

These financial statements have been prepared on the going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses since inception and a loss for the three months ended March 31, 2014 of $11,818 (2013 - $16,525), has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going-concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going-concern will be impaired. The outcome of these matters cannot be predicted at this time.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These 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 the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's 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 applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual financial statements for the year ended December 31, 2013.

2) SIGNIFICANT ACCOUNTING POLICIES (*continued*)

b) Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements.

- Impairment

  The Company considers both external and internal sources of information in assessing whether there are any indicators that mineral interests are impaired. External sources of information include changes in the market, and the economic and legal environment in which the Company operates. Internal sources of information include the manner in which mineral interests are being used or are expected to be used. Management has assessed impairment indicators on the Company's mineral interests and has concluded that no impairment indicators existed as of March 31, 2014.

c) New accounting standards and recent pronouncements

The following standards are effective for annual years beginning on or after January 1, 2013. The Company has assessed the impact of these standards and has determined that they would not have a material impact on the Company.

- IFRS 13, Fair Value Measurement, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement under IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There are no other IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

3) EXPLORATION AND EVALUATION EXPENDITURES

Omineca Mining Division
British Columbia

Silver Hope Claims

The Company has a 100% interest in 29 mineral tenures, eight of which are subject to a 1½% Net Smelter Returns royalty ("NSR"), and were acquired during 2006 by the issue of two million common shares. One half of the NSR (3/4%) is purchasable prior to a production decision for one million dollars.

Atty and Pil Claims

The Company has a 100% interest in 50 mineral claims (formerly 376 mineral claim units) of which 23 mineral claims were acquired from a private company controlled by a director of the Company, in consideration for the issuance to that private company of nine million common shares (post subdivision) and a 3% NSR. The Company is also obligated to issue a further two million shares to this private company when the property is put into commercial production and may also, prior to that date, purchase a 1½ % NSR (½ of the 3% NSR) for two million dollars.

(Unaudited - Expressed in Canadian dollars)

3) EXPLORATION AND EVALUATION EXPENDITURES (*continued*)

	December 31, 2012	Net Additions	December 31, 2013	Net Additions	March 31, 2014
	$	$	$	$	$
BRITISH COLUMBIA					
Silver Hope Claims					
Acquisition	166,873	-	166,873	-	166,873
Assay, IP and linecutting	149,555	10,260	159,815	-	159,815
Camp and travel	63,502	19,673	83,175	-	83,175
Drilling	1,179,317	-	1,179,317	-	1,179,317
Equipment rental	27,913	-	27,913	-	27,913
Field office	8,392	-	8,392	-	8,392
Geological and geophysical	694,266	78,227	772,493	3,667	776,160
Road construction	31,208	12,290	43,498	-	43,498
Tenure management	28,914	2,730	31,644	-	31,644
BCMETC refund	(6,664)	(7,850)	(14,514)	-	(14,514)
	2,343,276	115,330	2,458,606	3,667	2,462,273
Atty and Pil Claims					
Acquisition	29,076	-	29,076	-	29,076
Assay, IP and linecutting	253,944	118	254,062	-	254,062
Camp and travel	1,021,979	815	1,022,794	960	1,023,754
Drilling	1,466,687	-	1,466,687	-	1,466,687
Equipment rental	130,483	-	130,483	-	130,483
Field office	117,449	-	117,449	429	117,878
Geological and geophysical	1,725,052	-	1,725,052	945	1,725,997
Road construction	392,273	-	392,273	-	392,273
Tenure management	48,941	4,559	53,500	175	53,675
BCMETC refund	(432)	-	(432)	-	(432)
	5,185,452	5,492	5,190,944	2,509	5,193,453
Total exploration and evaluation expenditures	7,528,728	120,822	7,649,550	6,176	7,655,726

4) RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	3 Months Ended March 31, 2014	Year Ended December 31, 2013
	$	$
Share-based compensation	-	-
Total management compensation	-	-

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties.

5) DUE TO RELATED PARTIES

At March 31, 2014, the Company owes private companies owned by a director and the Company's president $5,303 (December 31, 2013 - $5,303). The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

(Unaudited - Expressed in Canadian dollars)

6) SHARE CAPITAL

a) The authorized share capital of the Company consists of: an unlimited number of common shares.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

	3 Months Ended March 31, 2014		Year Ended December 31, 2013	
	Number of Shares	$	Number of Shares	$
Opening balance	56,507,705	7,570,399	56,507,705	7,570,399
Issued for:				
Private placements	-	-	-	-
Ending balance	56,507,705	7,570,399	56,507,705	7,570,399

b) Share purchase options

The following is a summary of the changes in the Company's outstanding stock options:

	3 Months Ended March 31, 2014		Year Ended December 31, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	4,600,000	0.15	4,600,000	0.15
Granted	-	-	-	-
Expired	-	-	-	-
Balance, end of the year	4,600,000	0.15	4,600,000	0.15
Exercisable, end of the year	4,600,000	0.15	4,600,000	0.15
Weighted average years to expiry		2.14		2.38

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	3 Months Ended March 31, 2014		Year Ended December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	10,763,399	0.18	11,450,899	0.19
Issued	-	-	1,487,500	0.15
Expired	-	-	(2,175,000)	0.24
Balance, end of the year	10,763,399	0.18	10,763,399	0.18
Weighted average years to expiry		1.35		1.60

(Unaudited - Expressed in Canadian dollars)

6) SHARE CAPITAL (*continued*)

d) The continuity of agent options is as follows:

	3 Months Ended March 31, 2014		Year Ended December 31, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	-	-	-	-
Expired	-	-	-	-
Balance, end of the year	-	-	-	-

e) The continuity of agent warrants is as follows:

	3 Months Ended March 31, 2014		Year Ended December 31, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	-	-	21,600	0.45
Expired	-	-	(21,600)	0.45
Balance, end of the year	-	-	-	-
Weighted average years to expiry		-		-

7) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

8) EVENTS AFTER THE REPORTING PERIOD

On April 3rd, 2014 the Company announced a hard cash non-brokered private placement of up to $125,000 (the "HC Financing"). The HC Financing will consist of 2,500,000 units. Each hard cash unit would consist of one common share at $0.05 and one share purchase warrant with a term of 12 months and an exercise price of $0.06; warrant terms will reduce to 30 days on notice that FYL has closed at no less than $0.10 cents for at least 20 consecutive trading days.

The private placement shares, any shares acquired upon exercise of the warrants, and any securities issued in payment of finder's fees will be subject to a four-month hold period.

The funds will be used for working capital and for further delineation of drill targets on the Silver Hope Property as a result of the field exploration work completed in 2013.