Planet Mining Exploration Inc.

(formerly Planet Exploration Inc.)

Condensed Interim Financial Statements

Six Months Ended September 30, 2013 and 2012

(Unaudited – prepared by management)

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
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September 30, 2013 and 2012

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of 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 condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Financial Position
(Unaudited – prepared by management)

	September 30, 2013	March 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,430,352**	$ 2,913,812
Investments in equity instruments at fair value through profit or loss (Note 3)	**1,511,579**	-
Investments in equity instruments at fair value through other comprehensive income (Note 3)	**300**	525
Receivables (Note 4 and 9)	**32,261**	652,060
Reclamation bond (Note 6)	**50,753**	50,753
Prepaid expenses	**9,807**	18,508
Total current assets	**3,035,052**	3,635,658
Resource properties (Note 5)	**1**	1
Total assets	**$ 3,035,053**	$ 3,635,659
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 108,848**	$ 176,133
Total liabilities	**108,848**	176,133
SHAREHOLDERS' EQUITY		
Capital and reserves		
Share capital (Note 8)	**14,005,651**	14,005,651
Contributed surplus (Note 8)	**1,820,510**	1,769,637
Accumulated other comprehensive loss	**(5,800)**	(5,575)
Deficit	**(12,894,156)**	(12,310,187)
Total equity	**2,926,205**	3,459,526
Total liabilities and equity	**$ 3,035,053**	$ 3,635,659

Nature and Continuance of Operations (Note 1)

Approved and authorized by the Board of Directors

"David Birkenshaw" Director *"Tony M. Ricci"* Director

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited – prepared by management)

	Three months ended September 30, **2013**	Three months ended September 30, 2012	Six months ended September 30, **2013**	Six months ended September 30, 2012
Expenses				
Insurance	**$ 3,710**	$ 5,332	**$ 7,343**	$ 11,272
Management and directors' fees (Note 9)	**100,655**	16,358	**154,799**	42,537
Office, general and consulting (Note 9)	**68,804**	53,662	**129,850**	102,713
Professional fees	**6,125**	17,660	**40,537**	24,740
Rent (Note 9)	**19,216**	6,000	**38,173**	12,000
Share-based compensation (Note 8c and 9)	**87**	26,607	**50,873**	41,647
Transfer agent and filing fees	**16,472**	5,393	**28,574**	9,940
Travel, promotion and shareholder information	**9,239**	12,379	**17,228**	34,069
Total expenses	**224,308**	143,391	**467,377**	278,918
Other expense (income)				
Net loss (gain) on disposal of investments in equity instruments	**(42,076)**	-	**(42,076)**	-
Net loss (gain) on investments in equity instruments	**150,890**	-	**150,890**	-
Loss on debt settlement	**30,000**		**30,000**	
Interest income	**(8,421)**	(8,460)	**(22,222)**	(16,491)
Total other expenses (income)	**130,393**	(8,460)	**116,592**	(16,491)
Net loss for the period	**$ 354,701**	$ 134,931	**$ 583,969**	$ 262,427
Basic and diluted loss per common share	**$ (0.008)**	$ (0.004)	**$ (0.013)**	$ (0.007)
Weighted average number of common shares outstanding	**44,539,190**	37,691,364	44,539,190	37,615,693
Net loss for the period	**$ 354,701**	$ 134,931	**$ 583,969**	$ 262,427
Unrealized loss (gain) on investments in equity instruments, net of tax	**65**	225	**225**	(300)
Net comprehensive loss for the period	**$ 354,766**	$ 135,156	**$ 584,194**	$ 262,127

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Condensed Interim Statements of Changes in Equity
(Unaudited – prepared by management)

	Share Capital			*Accumulated*		
	Number of Shares	*Amount*	*Contributed Surplus*	*Other Comprehensive Loss*	*Deficit*	*Total*
Balance, March 31, 2012	37,539,190	$ 13,055,279	$ 1,697,040	$ (5,350)	$ (3,885,145)	$ 10,861,824
Share-based compensation	-	-	49,497	-	-	49,497
Shares issued for cash	7,000,000	1,050,000	-	-	-	1,050,000
Share issue costs	-	(89,173)	8,778	-	-	(80,395)
Unrealized loss on available-for-sale securities	-	-	-	300	-	300
Net loss for the period	-	-	-	-	(262,427)	(262,427)
Change during the period	7,000,000	960,827	58,275	300	(262,427)	756,975
Balance, September 30, 2012	44,539,190	$ 14,016,106	$ 1,755,315	$ (5,050)	$ (4,147,572)	$ 11,618,799
Balance, March 31, 2013	44,539,190	$ 14,005,651	$ 1,769,637	$ (5,575)	$ (12,310,187)	$ 3,459,526
Share-based compensation	-	-	50,873	-	-	50,873
Unrealized loss on available-for-sale securities, net of tax	-	-	-	(225)	-	(225)
Net loss for the period	-	-	-	-	(583,969)	(583,969)
Change during the period	-	-	50,873	(225)	(583,969)	(533,321)
Balance, September 30, 2013	44,539,190	$ 14,005,651	$ 1,820,510	$ (5,800)	$ (12,894,156)	$ 2,926,205

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

PLANET MINING EXPLORATION INC.
(formerly Planet Exploration Inc.)
Statements of Cash Flows
(Unaudited – prepared by management)

	Six months Ended September 30, 2013	2012
Cash used in operating activities		
Net loss for the period	**$ (583,969)**	$ (262,427)
Items not involving cash:		
Asset usage included in office, general and consulting	**111**	-
Interest accrued	**6,005**	(162)
Loss on debt settlement	**30,000**	-
Share-based compensation	**50,873**	41,647
Unrealized loss on financial assets	**150,890**	-
	(346,090)	(220,942)
Changes in non-cash working capital items:		
Receivables	**(8,516)**	185,713
Prepaid expenses	**8,701**	5,058
Accounts payable and accrued liabilities	**(67,285)**	85,623
Net cash used in operating activities	**(413,190)**	55,452
Net cash used in investing activities		
Investments in equity instruments, net	**(1,642,469)**	-
Interest received	**16,217**	-
Mineral exploration tax credit received	**555,982**	-
Additions to resource properties	**-**	(307,214)
	(1,070,270)	(307,214)
Cash received from financing activities		
Units issued for cash	**-**	1,050,000
Issue costs	**-**	(69,300)
Net cash received from financing activities	**-**	980,700
(Decrease) Increase in cash and cash equivalents	**$ (1,483,460)**	$ 728,938
Cash and cash equivalents, beginning of period	**$ 2,913,812**	$ 2,733,717
Cash and cash equivalents, end of period	**$ 1,430,352**	$ 3,462,655

Supplementary cash flow information (Note 10)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Planet Mining Exploration Inc. ("the Company") was incorporated in Canada as Planet Exploration Inc. on January 29, 1996 under the Alberta Business Corporations Act. On April 12, 2012, the Company changed its name to Planet Mining Exploration Inc. under the British Columbia Business Corporations Act.

The Company is in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. The Company's shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol "PXI".

On February 7, 2013, the Company announced its intention to become a publicly traded investment issuer that will capitalize on the track record of success of its management in the resource industry. The adoption of the Company's new business model constitutes a "change of business" (the "COB") for the Company pursuant to Exchange Policy 5.2 – *Change of Business and Reverse Takeovers* ("Policy 5.2").

The Company's shareholders approved the COB at the annual general and special meeting of shareholders convened on March 15, 2013. In April 2013, the Company received conditional approval from the TSX Venture Exchange to complete its change from a "junior mineral exploration company" to an "investment issuer", subject to satisfaction of certain conditions imposed by the Exchange. Pursuant to the COB, the Company intends to become an investment issuer focused on the resource market. The Company's proposed investment activities will primarily be in the resource sector, including precious metals, uranium and coal, oil and gas, base metals, potash, lithium and rare earths.

To date, the Company has not generated significant revenues from operations. These financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's registered office and its principal place of business is located at Suite 302, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company's shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol "PXI".

2. BASIS OF PREPARATION

Statement of compliance

The condensed interim financial statements for the six months ended September 30, 2013 were prepared in accordance with the International Financial Reporting Standards ("IFRS") in effect at September 30, 2013. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

2. BASIS OF PREPARATION *(continued)*

The condensed interim financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements*. The Company has elected to present the 'Statement of Comprehensive Loss' as a single statement, 'Statement of Loss and Comprehensive Loss.'

The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company's recent audited Financial Statements for the year ended March 31, 2013. These Condensed Interim Financial Statements for the six months ended September 30, 2013 should be read in conjunction with the audited Financial Statements for the year ended March 31, 2013.

The condensed interim financial statements of the Company for the six months ended September 30, 2013 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 28, 2013. Shortly thereafter, the condensed interim financial statements are made available to shareholders and others through filing on the System for Electronic Document Analysis and Retrieval ("SEDAR").

3. INVESTMENTS IN EQUITY INSTRUMENTS

The majority of the Company's investments consist of common shares of publicly traded companies, and therefore have no fixed maturity date or coupon rate. Financial assets acquired after April 1, 2013 are classified as "investments in equity instruments available for sale" with the change in fair value recognized in profit or loss. Financial assets acquired before April 1, 2013 are classified as "investments in equity instruments available for sale" with the change in fair value recognized in other comprehensive income. The fair value of the listed investments has been determined directly by reference to published price quotations in an active market.

As at September 30, 2013, the cost of the financial assets classified as "investments in equity instruments available for sale through profit or loss" amounts to $1,662,470 (March 31, 2013 - $nil) with the fair market value of $1,511,579 (March 31, 2013 - $nil) and the cost of the financial assets classified as "available for sale through other comprehensive income" amounts to $6,100 (March 31, 2013 - $6,100) with the fair market value of $300 (March 31, 2013 - $525).

As at September 30, 2013, included in total investments were securities of a private company with a fair value totalling $200,000. The amounts at which the Company's private company investment could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments.

Convertible debentures and convertible notes are carried as though converted to common shares.

4. RECEIVABLES

The Company's receivables relate to Harmonized Sales Tax (HST) receivable, interest receivable and advance to an unrelated management company.

The receivables balance is comprised of the following:

	September 30, 2013	*March 31, 2013*
GST recoverable	**$ 14,666**	$ 24,585
Mineral Exploration Tax Credit receivable	**-**	555,982
Interest receivable	**7,581**	1,576
Other receivable (note 9)	**10,014**	69,917
	$ 32,261	$ 652,060

5. RESOURCE PROPERTIES

	Red Lake (Sidace Lake) Property	***Golden Loon Property***	***Total***
Balance, March 31, 2012	$ 5,329,531	$ 2,269,864	$ 7,599,395
Exploration costs	-	89,963	89,963
Mineral Exploration Tax Credit	-	(165,389)	(165,389)
Write down of resource properties	(5,329,530)	(2,194,438)	(7,523,968)
Change during the period	(5,329,530)	(2,269,864)	(7,599,394)
Balance, March 31, 2013 and September 30, 2013	$ 1	$ -	$ 1

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Red Lake, Ontario, Canada

The Company currently owns a 40% (March 31, 2012 – 40%) interest in the Red Lake, Ontario mineral property claims. The remainder 60% is held by affiliates of Goldcorp Inc.

Due to the Company changing its business from junior mining exploration to investment issuer, it is unlikely that the Company will undertake any exploration activities with regards to the Red Lake property. As such, the Company wrote off the costs capitalized to the Red Lake property as at March 31, 2013 to $1.

5. RESOURCE PROPERTIES *(continued)*

Golden Loon, British Columbia

On February 15, 2011, the Company signed an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometers north of Kamloops, British Columbia. Pursuant to the terms of the option agreement, the Company must:

(a) pay in the aggregate $500,000 to Tilava Mining Corporation as follows:

- (i) $10,000 upon signing of the agreement (paid);
- (ii) $90,000 upon approval by TSX Venture Exchange (paid);
- (iii) $200,000 on or before February 1, 2012 (paid);
- (iv) $200,000 on or before February 1, 2013;

(b) issue in aggregate 2,000,000 common shares as follows:

- (i) 600,000 common shares upon approval by TSX Venture Exchange (issued);
- (ii) 600,000 common shares upon earlier of incurring $750,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage I”) or February 1, 2012 (issued);
- (iii) 800,000 common shares upon earlier of incurring an aggregate of $2,250,000 in exploration expenditures and receiving an engineering report which recommends further work (“Stage II”) or February 1, 2013;

(c) incur exploration expenditures of not less than $4,500,000 as follows:

- (i) $750,000 before February 1, 2012 (completion of Stage I) (incurred);
- (ii) an additional $1,500,000 before February 1, 2013 (completion of Stage II) for an aggregate of $2,250,000;
- (iii) an additional $2,250,000 before February 1, 2014 (completion of Stage III).

The Company can purchase a 100% interest (“Additional Option”) in the Golden Loon property at any time, by paying $375,000 and issuing that number of common shares with a deemed value of $1,000,000. The deemed value of the Company’s common shares for the purpose of exercising the Additional Option shall be the mean closing price for the Company’s common shares on the Exchange for the preceding 20 trading days. The Company, at its option, may elect to pay, after satisfying the minimum cash payment of $375,000, the remaining $1,000,000 in cash or any combination of cash and common shares.

A finders’ fee was paid on the project in accordance with TSX rules.

5. RESOURCE PROPERTIES *(continued)*

Golden Loon, British Columbia *(continued)*

During the period ended March 31, 2013, the Company withdrew from its option agreement on the Golden Loon property. The Company wrote off the costs capitalized to Golden Loon property as at March 31, 2013.

6. RECLAMATION BOND

The Company designated the reclamation bond as held-to-maturity financial asset which is measured at amortized cost using the effective interest method. Any changes to the carrying amount of the reclamation bond, including impairment losses, are recognized in the profit or loss.

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia. The investment bears the variable interest rate of prime less 2.25% per annum, maturing April 27, 2014 and is restricted for general use. The reclamation bonds relate to the Golden Loon resource property.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	September 30, 2013	*March 31, 2013*
Accounts payable to third parties	**$ 82,688**	$ 83,750
Accounts payable to related parties (Note 9)	**10,270**	5,387
Accrued liabilities	**15,890**	86,996
	$ 108,848	$ 176,133

8. SHARE CAPITAL

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value, first preferred shares, and second preferred shares. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

No common shares were issued during the six months ended September 30, 2013.

8. SHARE CAPITAL *(continued)*

a) Common shares *(continued)*

Issued During the Year Ended March 31, 2013:

On September 28, 2012, the Company closed a non-brokered private placement consisting of 7,000,000 units of the Company, at $0.15 per unit, for gross proceeds of $1,050,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company, for a period of 12 months, at an exercise price of $0.25 per share. Of the $1,050,000 consideration received, $910,931 has been attributed to common shares and $139,069 has been attributed to share purchase warrants.

In connection with the private placement, the Company paid finders' fees of $80,395, and has issued 420,000 finders' warrants with a fair value of $19,233 to finders who introduced subscribers for this offering to the Company. Each finders' warrant is exercisable into one common share of the Company, at a price of $0.25 per share for a period of 12 months.

b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

The Company did not issue any preferred shares.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

During the six months ended September 30, 2013, the Company recognized share-based compensation of $50,873 (2012 - $41,647) in contributed surplus, which will be applied to share capital upon exercise. The weighted average fair value of the options granted during the six months ended September 30, 2013, was $0.04 per option (2012 - $0.17).

8. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

The fair value of stock options granted during the six months ended September 30, 2013 is determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	2013	2012
Weighted average risk-free interest rate	**1.10%**	1.66%
Weighted average estimated volatility	**96%**	85%
Weighted average expected life	5 **years**	5 years
Weighted average expected dividend yield	**0%**	0%

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility which was estimated based on historical volatility of the Company's publicly-traded shares. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

No options were exercised during the six months ended September 30, 2013.

	September 30, 2013		*March 31, 2013*	
	Number of Options	***Weighted Average Exercise Price***	*Number of Options*	*Weighted Average Exercise Price*
Balance, beginning of period	**3,250,000**	**$ 0.24**	3,015,000	$ 0.27
Cancelled	**-**	**-**	(530,000)	0.22
Granted	**1,200,000**	**0.15**	765,000	0.16
Expired	**-**	**-**	-	-
Balance, end of period	**4,450,000**	**$ 0.24**	3,250,000	$ 0.24
Exercisable, end of period	**4,450,000**	**$ 0.24**	3,231,250	$ 0.24

8. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

As of September 30, 2013, the following stock options were outstanding and exercisable:

Number of Options Outstanding	*Exercise Price*	*Expiry Date*	*Number of Options Exercisable*
370,000	$ 0.17	December 18, 2013	370,000
1,050,000	$ 0.34	November 11, 2015	1,050,000
150,000	$ 0.35	March 31, 2016	150,000
730,000	$ 0.20	October 13, 2016	730,000
125,000	$ 0.22	November 3, 2016	125,000
200,000	$ 0.20	January 3, 2014	200,000
50,000	$ 0.25	April 3, 2017	50,000
575,000	$ 0.15	July 25, 2017	575,000
1,200,000	$ 0.15	May 2, 2018	1,200,000
4,450,000			4,450,000

d) Share purchase warrants

Warrant transactions are summarized as follows:

	September 30 2013		*March 31, 2013*	
	Number of Warrants	***Weighted Average Exercise Price***	*Number of Warrants*	*Weighted Average Exercise Price*
Balance, beginning of period	**3,920,000**	**$ 0.25**	9,850,000	$ 0.25
Issued in private placement	**-**	**$ -**	3,500,000	$ 0.25
Issued to finders	**-**	**$ -**	420,000	$ 0.25
Expired	**3,920,000**	**$ 0.25**	(9,850,000)	$ 0.25
Balance, end of period	**-**	**$ -**	3,920,000	$ 0.25

The proceeds from the units issued in private placement during the year ended March 31, 2013 (Note 8(a)) were allocated between common shares and common share purchase warrants recorded in share capital on a pro-rata basis based on relative fair values of the shares of $0.15 and purchase warrants of $0.0458. The fair value of purchase warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility - 117%; risk-free interest rate - 1.08%; expected life - 1 year. The weighted average value of purchase warrants issued during the year ended March 31, 2013 was $0.0458 per warrant.

8. SHARE CAPITAL *(continued)*

d) Share purchase warrants *(continued)*

Each share purchase warrant is exercisable for one common share. The following table summarizes information about warrants outstanding and exercisable at March 31, 2013:

Exercise Price	*Expiry Date*	*Warrants Outstanding*	*Weighted Average Remaining Contracted Life (Years)*
$ 0.25	September 28, 2013	3,920,000	0.50

9. RELATED PARTY TRANSACTIONS

Amounts paid and accrued to directors, officers and companies in which directors and officers are shareholders are as follows:

	September 30, 2013	September 30, 2012
Management fees	**$ 134,000**	$ 25,650
Share-based compensation	**$ 51,000**	$ 25,120

As at September 30, 2013, $5,021 (March 31, 2013 - $5,387) is payable to various officers and directors of the Company.

During the six months ended September 30, 2013 and 2012, the Company incurred the following from a company in which directors and officers are employees:

	September 30, 2013	September 30, 2012
Management fees	**$ 20,799**	$ 16,887
Office, general and consulting	**$ 68,068**	$ 21,252
Capitalized to resource properties	**$ -**	$ 5,940

Included in office, general and consulting are salaries paid to officers amounting to $59,030 during the six months ended September 30, 2013 (September 30, 2012 - $nil).

During the year ended March 31, 2012, the Company advanced funds to a company in which certain directors and officers are employees for the use of office equipment. As at September 30, 2013, $nil (March 31, 2013 - $111) of this advance is outstanding. As at September 30, 2013, $10,014 (March 31, 2013 - $19,807) was loaned to this company to cover subsequent month expenditures. These expenses were the charged to the Company at cost without markup.

9. RELATED PARTY TRANSACTIONS *(continued)*

During the six months ended September 30, 2013, the Company paid $38,173 (September 30, 2012 - $12,000) in rent to companies with common directors, of which $nil (September 30, 2012 - $12,000) was prepaid. A total of $nil was payable with respect to these fees at September 30, 2013.

During the year ended March 31, 2013, the Company recorded a receivable from a company with common directors in the amount of $100,000 (March 31, 2012 - $Nil). During the six months ended September 30, 2013 the Company received 200,000 shares of the company with a fair value of $20,000 as settlement of this receivable. The shares were recorded as investment at fair value through profit or loss. As at September 30, 2013 the shares had a fair value of $16,000, consequently $4,000 was recorded as loss on investment in equity instruments, $30,000 as loss on debt settlement and $50,000 was recorded in the prior period as a provision for impairment.

During the six months ended September 30, 2013 the Company subscribed for a convertible note of a company, of which a director and officer of the Company is a director. The note has a principal amount of $50,000 and bears an interest at 10% per annum maturing upon the earlier of twelve months from the date of issuance or the conversion date. The debt could be converted at any time before maturity at the option of the Company into common shares of the company at $0.05 per share. The principal amount is subject to a 10% discount. The convertible note is carried as though converted into common shares and recorded as investment at fair value through profit or loss. There was no loss recorded on the convertible note during the six months ended September 30, 2013.

In April 2013, the Company participated in a private placement and purchased 1,333,333 units ("Units") at $200,000 of a company of which a director of the Company is an officer and director. Each Unit consists of one common share and one common share purchase warrant exercisable at $0.25 per common share for a period of five years. The investment was recorded as an investment in equity instrument at fair value through profit or loss. During the six months ended September 30, 2013 the Company recorded $86,667 in loss on investment in equity instruments related to this investment.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The components of cash and cash equivalents are as follows:

	September 30, 2013	March 31, 2013
Cash	**$ 430,352**	$ 413,812
Term deposits	**1,000,000**	2,500,000
Total cash and cash equivalents	**$ 1,430,352**	$ 2,913,812

10. SUPPLEMENTAL CASH FLOW INFORMATION *(continued)*

The significant non-cash financing and investing transactions during the period are as follows:

	September 30, 2013	March 31, 2013
Capitalized exploration expenditures included in accounts payable	**$ -**	$ 69,353
Capitalized exploration expenditures included in accounts receivable	**$ -**	$ 555,982
Capitalized share-based compensation included in resource properties	**$ -**	$ 7,850

Other cash flow information:

	September 30, 2013	September 30, 2012
Interest received	**$ 16,217**	$ 16,329
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

Restricted cash of $50,753 (March 31, 2013 - $50,753) relates to guaranteed investment certificates held at a Canadian financial institution as reclamation bond for Golden Loon resource property (see Note 5).

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at September 30, 2013, the Company does not have any debt, other than accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. During the six months ended September 30, 2013, the Company was considered to be in the exploration and evaluation stage. In April 2013, the Company received conditional approval from the TSX Venture Exchange to complete its change from a "junior mineral exploration company" to an "investment issuer", subject to satisfaction of certain conditions imposed by the Exchange. During the period ended September 30, 2013, the Company received an extension to complete is proposed COB.

c) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and receivables.

b) Credit Risk *(continued)*

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents, and other assets with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents are held with major Canadian based financial institutions. The Company views the credit risk associated with receivables as minimal as the balance primarily consists of GST recoverable from Government of Canada.

c) Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

d) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (*continued)*

e) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its resource properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

The estimated fair value of financial assets is equal to their carrying values due to the short-term nature of these instruments.

f) Fair-value risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

b) Fair-value risk *(continued)*

Level 1 - Unadjusted quoted prices in active markets for identical assets or 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 fair value of cash and cash equivalents and investments in equity instruments are measured based on level 1 of the fair value hierarchy.

The estimated fair value of financial instruments approximates their carrying values due to the short-term nature of these instruments.