Planet Mining Exploration Inc.
(formerly Planet Exploration Inc.)

Financial Statements

Years Ended March 31, 2014 and 2013

PLANET MINING EXPLORATION INC.
Index to Financial Statements
March 31, 2014 and 2013

HLB Cinnamon Jang Willoughby

Chartered Accountants
A Partnership of Incorporated Professionals

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Planet Mining Exploration Inc.:

We have audited the accompanying financial statements of Planet Mining Exploration Inc., which comprise of the statements of financial position as at March 31, 2014 and March 31, 2013 and the statements of operations and comprehensive loss, changes in equity and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 in our audits 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 Planet Mining Exploration Inc. as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"Cinnamon Jang Willoughby"

Chartered Accountants

Burnaby, BC
July 29, 2014

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PLANET MINING EXPLORATION INC.
Statements of Financial Position

	March 31, 2014	March 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	**$ 345,608**	$ 2,913,812
Investments in equity instruments at fair value through profit or loss (Note 5 and 12)	**2,867,178**	-
Investments in equity instruments at fair value through other comprehensive income (Note 5)	**450**	525
Receivables (Note 6 and 12)	**31,090**	652,060
Reclamation bond (Note 8)	**50,753**	50,753
Prepaid expenses	**18,787**	18,508
Total current assets	**3,313,866**	3,635,658
Resource properties (Note 7)	**1**	1
Total assets	**$ 3,313,867**	$ 3,635,659
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9 and 12)	**$ 139,392**	$ 176,133
Total liabilities	**139,392**	176,133
SHAREHOLDERS' EQUITY		
Capital and reserves		
Share capital (Note 10)	**14,005,651**	14,005,651
Contributed surplus (Note 10)	**1,820,510**	1,769,637
Accumulated other comprehensive loss	**(5,650)**	(5,575)
Deficit	**(12,646,036)**	(12,310,187)
Total equity	**3,174,475**	3,459,526
Total liabilities and equity	**$ 3,313,867**	$ 3,635,659

Nature and Continuance of Operations (Note 1)
Subsequent events (Note 7)

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.
Statements of Operations and Comprehensive Loss

	Year ended March 31, **2014**	2013
Expenses		
Comissions	**$ 23,072**	$ -
Insurance	**14,840**	18,536
Management and directors' fees (Note 12)	**357,346**	213,933
Office, general and consulting (Note 12)	**298,186**	319,991
Professional fees	**80,787**	145,004
Rent (Note 12)	**88,197**	41,723
Share-based compensation (Note 10c and 12)	**50,873**	45,514
Transfer agent and filing fees	**23,150**	32,869
Travel, promotion and shareholder information	**36,860**	69,980
Total expenses	**973,311**	887,550
Other expense (income)		
Net realized gain on disposal of investments in equity instruments	**(289,848)**	-
Net change in unrealized gain on investments in equity instruments	**(294,840)**	-
Loss on debt settlement (Note 12)	**30,000**	-
Provision for impairment (Note 12)	**-**	50,000
Interest income	**(39,797)**	(36,476)
Write down (recovery) of resource properties	**(42,977)**	7,523,968
Total other expenses (income)	**(637,462)**	7,537,492
Net loss for the period	**$ 335,849**	$ 8,425,042
Basic and diluted loss per common share	**$ (0.008)**	$ (0.205)
Weighted average number of common shares outstanding	44,539,190	41,067,957
Net loss for the period	**$ 335,849**	$ 8,425,042
Unrealized loss (gain) on investments in equity instruments, net of tax	**75**	225
Net comprehensive loss for the period	**$ 335,924**	$ 8,425,267

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

PLANET MINING EXPLORATION INC.
Statements of Changes in Equity

	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	-	-	53,364	-	-	53,364
Shares issued for cash	7,000,000	1,050,000	-	-	-	1,050,000
Share issue costs	-	(99,628)	19,233	-	-	(80,395)
Unrealized loss on available-for-sale securities	-	-	-	(225)	-	(225)
Net loss for the period	-	-	-	-	(8,425,042)	(8,425,042)
Change during the period	7,000,000	950,372	72,597	(225)	(8,425,042)	(7,402,298)
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	-	-	-	(75)	-	(75)
Net loss for the period	-	-	-	-	(335,849)	(335,849)
Change during the period	-	-	50,873	(75)	(335,849)	(285,051)
Balance, March 31, 2014	44,539,190	$ 14,005,651	$ 1,820,510	$ (5,650)	$ (12,646,036)	$ 3,174,475

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

PLANET MINING EXPLORATION INC.
Statements of Cash Flows

	Year Ended March 31, **2014**	2013
Cash used in operating activities		
Net loss for the period	**$ (335,849)**	$ (8,425,042)
Items not involving cash:		
Asset usage included in office, general and consulting	**111**	7,329
Interest accrued	**9,371**	(1,576)
Write down of resource properties	**(42,977)**	7,523,968
Loss on debt settlement	**30,000**	-
Provision for impairment	**-**	50,000
Share-based compensation	**50,873**	45,514
Unrealized loss on financial assets	**(294,840)**	-
	(583,311)	(799,807)
Changes in non-cash working capital items		
Receivables	**(24,920)**	67,206
Reclamation bond	**-**	(753)
Prepaid expenses	**(279)**	33,914
Accounts payable and accrued liabilities	**(33,101)**	62,895
Net cash used in operating activities	**(641,611)**	(636,545)
Net cash used in investing activities		
Investments in equity instruments, net	**(2,552,338)**	-
Interest received	**30,426**	-
Mineral exploration tax credit received	**595,319**	-
Additions to resource properties	**-**	(152,965)
Net cash used in investing activities	**(1,926,593)**	(152,965)
Cash received from financing activities		
Units issued for cash	**-**	1,050,000
Issue costs	**-**	(80,395)
Net cash received from financing activities	**-**	969,605
(Decrease) Increase in cash and cash equivalents	**$ (2,568,204)**	$ 180,095
Cash and cash equivalents, beginning of period	**$ 2,913,812**	$ 2,733,717
Cash and cash equivalents, end of period	**$ 345,608**	$ 2,913,812

Supplementary cash flow information (Note 13)

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 financial statements for the year ended March 31, 2014 were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at March 31, 2014, with significant accounting policies as described in the Note 3.

The 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 financial statements of the Company for the year ended March 31, 2014 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 29, 2014. Shortly thereafter, the financial statements are made available to shareholders and others through filing on the System for Electronic Document Analysis and Retrieval ("SEDAR").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are are in effect for the year ending March 31, 2014 and have been applied consistently to all periods presented in these financial statements.

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS (Note 3(c)). These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

(b) Foreign currencies

The Company's functional and reporting currency for all its operations is the Canadian dollar as this is the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the date of the statement of financial position. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

i) Financial assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired:

- measured at amortized cost
- measured at fair value

The classification is determined at initial recognition and depends on the company's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

i) Financial assets *(continued)*

A financial asset is measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value unless it is measured at amortized cost. The Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss.

A financial assets is classified as held for trading if it is acquired for the purpose of selling it in the near term.

ii) Financial liabilities

Financial liabilities are classified into one of the following categories:

- financial liabilities measured at amortized cost using effective interest method
- financial liabilities at fair value through profit or loss
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies
- financial guarantee contracts
- commitments to provide a loan at a below-market interest rate

iii) Reclassification

The Company can reclassify all affected financial assets only when it changes its business model for managing financial assets. The Company can not reclassify any financial liability.

The Company's financial instruments are classified and subsequently measured as follows:

Asset / Liability	**Classificiation**	**Subsequent measurement**
Cash and cash equivalents	Fair value through profit or loss	Fair Value
Receivables	Loans and receivables	Amortized cost
Investments in equity instruments at fair value through profit or loss	Fair value through profit or loss	Fair Value
Investments in equity instruments at fair value through other comprehensive income	Fair value through other comprehensive income	Fair Value
Warrants	Fair value through profit or loss	Fair Value
Reclamation bond	Amortized cost	Amortized cost
Accounts payable and accrued liablities	Other financial liabilities	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash.

(e) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

(f) General provisions, contingent liabilities and assets

Provisions are recognized when the Company has present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any depreciation.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

(g) Share capital

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Share-based compensation

The Company has a stock option plan as described in Note 10(c). An individual is classified as an employee, versus a consultant, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Compensation expense attributable to share based awards to employees is measured at the fair value at the date of grant using the Black-Scholes model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credit to share capital, adjusted for any consideration paid.

(i) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Income taxes *(continued)*

ii) Deferred income tax *(continued)*

Deferred tax is not recognized for the following temporary differences:

- liabilities arising from initial recognition of goodwill for which depreciation is not deductible for tax purposes;
- liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit; and
- liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

iii) Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(j) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Loss per share *(continued)*

dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Currently, the effect of potential issuances of shares under stock options and warrants would be anti-dilutive and accordingly, basic and diluted loss per share is the same.

(k) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive loss, components of other comprehensive loss and cumulative translation adjustments are presented in the statements of comprehensive loss and the statements of changes in equity.

(l) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of receivables which are included in the statements of financial position;
- the carrying value and the recoverability of resource properties, which are included in the statements of financial position, and
- the inputs used in the accounting for share-based compensation expense included in profit or loss.

4. CHANGE IN ACCOUNTING POLICIES

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. Early application is permitted. The Company has assessed its financial instruments and determined that the amendments to IFRS 9 did not have any significant impact on the financial statements.

IFRS 13 Fair Value Measurement , provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. As a result of the guidance in IFRS 13, the Company re-assessed its policies for measuring fair value.

IFRS 13 requires additional disclosures. Additional disclosures where required are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 15.

IAS 32 Financial Instruments: Presentation was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company has early adopted IAS 32 effective on March 1, 2013 and determined that there was no significant impact on the consolidated financial statements.

In October 2012, the IASB issued amendments to IFRS 10, IFRS 12 and IAS 27, "*Investment Entities*", which introduced an exception to the principle that all subsidiaries should be consolidated. The amendments require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss instead of consolidating all subsidiaries in its consolidated and separate financial statements. The amendments are effective from January 1, 2014 with early adoption permitted. The Company has not yet assessed the impact of the amendments on its financial statements.

Effective April 1, 2013, the Company has adopted the following new and revised standard,along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

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 March 31, 2014, the cost of the financial assets classified as "investments in equity instruments available for sale through profit or loss" amounts to $2,572,338 (March 31, 2013 - $nil) with the fair market value of $2,867,178 (March 31, 2013 - $nil) and the cost of the financial assets classified as "available for

4. CHANGE IN ACCOUNTING POLICIES *(continued)*

sale through other comprehensive income" amounts to $6,100 (March 31, 2013 - $6,100) with the fair market value of $450 (March 31, 2013 - $525).

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

5. INVESTMENTS IN EQUITY INSTRUMENTS

	March 31, 2014		Unrealized gains/(losses) included in OCI	Realized & unrealized gains/(losses) inluded in earnings
	Cost	Fair value		
Securities – available for sale	$ 2,368,233	$ 2,679,652	-	$ 593,355
Securities – fair value through profit and loss	525	450	(75)	-
Warrants – fair value through profit and loss	196,193	187,526	-	(8,667)
Total	**$ 2,561,951**	**$ 2,867,628**	**$ (75)**	**$ 584,688**

	March 31, 2013		Unrealized gains/(losses) included in OCI	Realized & unrealized gains/(losses) inluded in earnings
	Cost	Fair value		
Securities – available for sale	$ -	$ -	$ -	$ -
Securities – fair value through profit and loss	750	525	(225)	
Warrants – fair value through profit and loss	-	-	-	-
Total	**$ 750**	**$ 525**	**$ (225)**	

Unrealized losses on available-for-sale investments totalled $75 (2013 - $225 unrealized loss) with no amounts being reclassified to net earnings. All losses recognized on available-for-sale investments during the year were recorded in other comprehensive income on the statement of operations.

Realized and unrealized gains on equity securities classified at fair value through profit or loss totalled $584,688 (2013 - $nil).

During the year ended March 31, 2014 the Company purchased shares in various publicly listed entities with a total cost of $2,546,691. In some of these transactions, warrants were also acquired, with a total cost of $196,193. The cost of the shares and warrants were determined based on their fair value at the date of acquisition.

As consideration for settlement of a receivable from a company with common directors the Company received 200,000 common shares. These shares were classified as financial assets through profit or loss and initially recognized at a fair valueof $20,000. As at March 31, 2014 the Company recorded an unrealized loss of $6,000 through the profit or loss (Note 12).

6. RECEIVABLES

The Company's receivables relate to Goods and Services Tax (GST) receivable, interest receivable and a receivable from a third party.

The receivables balance is comprised of the following:

	March 31, 2014	*March 31, 2013*
GST recoverable	**$ 9,746**	$ 24,585
Mineral Exploration Tax Credit receivable	**-**	555,982
Interest receivable	**10,947**	1,576
Other receivable (note 12)	**10,397**	69,917
	$ 31,090	$ 652,060

7. 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 2014	$ 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 remaining 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.

Subsequent to the year ended March 31, 2014 the Company settled $69,353 of payables by diluting its interest in the Red Lake mineral property.

7. 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.

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.

8. RECLAMATION BOND

The Company designated the reclamation bond as measured at amortized cost financial asset which is measured 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.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	March 31, 2014	*March 31, 2013*
Accounts payable to third parties	**$ 84,831**	$ 83,750
Accounts payable to related parties (Note 12)	**5,061**	5,387
Accrued liabilities	**49,500**	86,996
	$ 139,392	$ 176,133

10. SHARE CAPITAL

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. 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 year ended March 31, 2014.

10. 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.

No preferred shares were issued during the year ended March 31, 2014.

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 year ended March 31, 2014, the Company recognized share-based compensation of $50,873 (2013 - $53,364) in contributed surplus, which will be applied to share capital upon exercise. The weighted average fair value of the options granted during the year ended March 31, 2014, was $0.04 per option (2013 - $0.07).

10. SHARE CAPITAL *(continued)*

c) Stock options *(continued)*

The fair value of stock options granted during the year ended March 31, 2014 and 2013 are determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	2014	2013
Weighted average risk-free interest rate	**1.10%**	1.22%
Weighted average estimated volatility	**96%**	90%
Weighted average expected life	5 **years**	4.9 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 year ended March 31, 2014.

	March 31, 2014		*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	**(570,000)**	**0.18**	-	-
Balance, end of period	**3,880,000**	**$ 0.22**	3,250,000	$ 0.24
Exercisable, end of period	**3,880,000**	**$ 0.22**	3,231,250	$ 0.24

As of March 31, 2014, the following stock options were outstanding and exercisable:

Number of Options Outstanding	***Exercise Price***	***Expiry Date***	***Number of Options Exercisable***
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
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
3,880,000			3,880,000

10. SHARE CAPITAL *(continued)*

d) Share purchase warrants

Warrant transactions are summarized as follows:

	March 31 2014		*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 10(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.

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

11. INCOME TAXES

Income tax expense (recovery) is recognized based on the weighted average annual income tax rate for the year applied to pre-tax income (loss). The Company's effective tax rate for the year ended March 31, 2014 was 25.00% (March 31, 2013 - 25.00%).

11. INCOME TAXES *(continued)*

Significant components of the Company's unrecognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2014	2013
Non-capital losses	**$ 787,128**	$ 624,221
Resource properties	**1,602,155**	1,602,155
Undeducted share issue costs	**12,794**	17,549
Investments in equity instruments	**(37,138)**	697
	2,364,940	2,244,622
Unrecognized deferred income tax assets	**(2,364,940)**	(2,244,622)
	$ -	$ -

At March 31, 2014 the Company had the following accumulated non-capital losses available for utilization in future years. These losses expire on the following dates:

March 31, 2026	$ 34,280
March 31, 2027	67,566
March 31, 2028	204,628
March 31, 2029	399,530
March 31, 2030	409,518
March 31, 2031	215,219
March 31, 2032	409,674
March 31, 2033	824,034
March 31, 2034	584,063
	$ 3,148,512

12. RELATED PARTY TRANSACTIONS

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

	March 31, 2013	March 31, 2013
Management fees	**$ 324,000**	$ 181,100
Share-based compensation	**$ 51,000**	$ 26,476

As at March 31, 2014, $5,061 (March 31, 2013 - $5,387) is payable to various officers and directors of the Company.

During the years ended March 31, 2014 and 2013, the Company incurred the following from a company in which directors and officers are employees:

	March 31, 2014	March 31, 2013
Management fees	**$ 33,346**	$ 35,283
Salaries paid to officers and included in Office, general and consulting	**$ 123,499**	$ 25,360
Capitalized to resource properties	**$ -**	$ 6,064

12. RELATED PARTY TRANSACTIONS *(continued)*

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 March 31, 2014, $nil (March 31, 2013 - $111) of this advance is outstanding. As at March 31, 2014, $10,397 (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.

During the year ended March 31, 2014, the Company paid $88,197 (March 31, 2013 - $32,664) in rent to companies with common directors, of which $nil (March 31, 2013 - $14,000) was prepaid. A total of $nil was payable with respect to these fees at March 31, 2014.

During the year ended March 31, 2013, the Company recorded a receivable from an entity with common directors in the amount of $100,000 (March 31, 2012 - $Nil). During the year ended March 31, 2014 the Company received 200,000 shares of the entity 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 March 31, 2014 the shares had a fair value of $14,000, consequently $6,000 was recorded as unrealized 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 year ended March 31, 2014 the Company subscribed for a convertible note of a company, of which directors and officers of the Company are directors. 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. During the year ended March 31, 2014 a gain of $15,000 was recorded on the convertible note.

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. $100,000 was allocated to fair value of the common shares and $100,000 to fair value of the warrants. The investment was recorded as an investment in equity instrument at fair value through profit or loss. During the year ended March 31, 2014 the Company recorded $91,063 in loss on investment in equity instruments related to this investment.

In September 2013, the Company participated in a private placement and purchased 666,667 units ("Units") at $50,000 of a company with directors in common. Each Unit consists of one common share and one half common share purchase warrant exercisable at $0.10 per common share for a period of five years. $24,728 was allocated to fair value of the common shares and $25,272 to fair value of the warrants. The investment was recorded as an investment in equity instrument at fair value through profit or loss. During the year ended March 31, 2014 the Company recorded $80,091 in unrealized gain on investment in equity instruments related to this investment.

In September 2013, the Company participated in a private placement and purchased 300,000 units ("Units") at $105,000 of a company with a director in common. Each Unit consists of one common share and one half common share purchase warrant exercisable at $0.50 per common share for a period of 18 months. $13,538 was allocated to fair value of warrants and $91,462 was allocated to common shares. The investment was recorded as an investment in equity instrument at fair value through profit or loss. During the year ended

12. RELATED PARTY TRANSACTIONS *(continued)*

March 31, 2014 the Company recorded $7,017 in unrealized loss on investment in equity instruments related to this investment.

13. SUPPLEMENTAL CASH FLOW INFORMATION

The components of cash and cash equivalents are as follows:

	March 31, 2014	March 31, 2013
Cash	**$ 175,608**	$ 413,812
Term deposits	**170,000**	2,500,000
Total cash and cash equivalents	**$ 345,608**	$ 2,913,812

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

	March 31, 2014	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:

	March 31, 2014	March 31, 2013
Interest received	**$ 30,426**	$ 34,497
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 8).

14. 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 March 31, 2014, the Company does not have any debt, other than

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

a) Capital Management *(continued)*

accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

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. 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 March 31, 2014, 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 cash equivalents and receivables.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash 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 a significant portion of the balance is GST recoverable from Government of Canada.

d) 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.

e) 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.

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

f) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, in accordance with IFRS 9, the Company is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

During periods of significantly broader market volatility or volatility experienced by the resource/commodity markets, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations.

15. FAIR VALUE

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

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

	March 31, 2014		**March 31, 2013**	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Cash and cash equivalents	$ 345,608	$ -	$ 2,913,812	$ -
Receivables	21,344	-	71,493	$ -
Financial assets at fair value through profit and loss				
Equity investments (a)	2,679,652	-	-	-
Warrants held (b)	-	187,526	-	-
Financial assets at fair value through other comprehensive income				
Equity investments (a)	525	-	750	-
Accounts payable and accrued liablities	114,392	-	176,133	-

15. FAIR VALUE *(continued)*

The methods of measuring each of these financial assets and liablities have not changed during the past year. The Company does not have any financial assets or liabilties measured at fair value based on unobservable inputs (Level 3). The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

(a) Equity investments
The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company.

(b) Warrants held
The fair value of warrants held that are not traded on an active market is determined using a Black Scholes pricing model based on assumptions that are support by observable current market conditions and as such are classified within Level 2 of the fair value hierarchy.