

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

**Condensed Interim Financial Statements**

**Three Months Ended June 30, 2014 and 2013**

*(Unaudited – prepared by management)*

**PLANET MINING EXPLORATION INC.**  
**Index to Condensed Interim Financial Statements**  
**June 30, 2014 and 2013**

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NOTICE OF NO AUDITOR'S REVIEW of  
CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM FINANCIAL STATEMENTS

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**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.**  
**Condensed Interim Statements of Financial Position**

	June 30, 2014	March 31, 2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 160,694	\$ 345,608
Investments in equity instruments at fair value through profit or loss (Note 4 and 10)	2,952,568	2,867,178
Investments in equity instruments at fair value through other comprehensive income (Note 4)	525	450
Receivables (Note 5 and 10)	33,884	31,090
Reclamation bond (Note 7)	50,753	50,753
Prepaid expenses	14,130	18,787
<b>Total current assets</b>	<b>3,212,554</b>	<b>3,313,866</b>
Resource properties (Note 6)	1	1
<b>Total assets</b>	<b>\$ 3,212,555</b>	<b>\$ 3,313,867</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 9 and 10)	\$ 260,998	\$ 139,392
<b>Total liabilities</b>	<b>260,998</b>	<b>139,392</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Capital and reserves</b>		
Share capital (Note 9)	14,005,651	14,005,651
Contributed surplus (Note 9)	1,820,510	1,820,510
Accumulated other comprehensive loss	(5,575)	(5,650)
Deficit	(12,869,029)	(12,646,036)
<b>Total equity</b>	<b>2,951,557</b>	<b>3,174,475</b>
<b>Total liabilities and equity</b>	<b>\$ 3,212,555</b>	<b>\$ 3,313,867</b>

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 condensed interim financial statements.*

**PLANET MINING EXPLORATION INC.**  
**Condensed Interim Statements of Operations and Comprehensive Loss**

	Three months ended June 30,	
	2014	2013
<b>Expenses</b>		
Comissions	\$ 8,177	\$ -
Insurance	3,728	3,633
Management and directors' fees (Note 10)	144,149	54,144
Office, general and consulting (Note 10)	60,514	61,046
Professional fees	14,979	34,412
Rent (Note 10)	16,562	18,957
Share-based compensation (Note 9(c) and 10)	-	50,786
Transfer agent and filing fees	5,522	12,102
Travel, promotion and shareholder information	6,391	7,989
Total expenses	<b>260,022</b>	243,069
<b>Other expense (income)</b>		
Net realized loss on disposal of investments in equity instruments	7,008	-
Net change in unrealized gain on investments in equity instruments	(35,442)	-
Interest income	(8,595)	(13,801)
Total other expenses (income)	<b>(37,029)</b>	(13,801)
<b>Net loss for the period</b>	<b>\$ 222,993</b>	\$ 229,268
Basic and diluted loss per common share	<b>\$ (0.005)</b>	\$ (0.005)
Weighted average number of common shares outstanding	44,539,190	44,539,190
<b>Net loss for the period</b>	<b>\$ 222,993</b>	\$ 229,268
Unrealized loss (gain) on investments in equity instruments, net of tax	(75)	160
<b>Net comprehensive loss for the period</b>	<b>\$ 222,918</b>	\$ 229,428

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

**PLANET MINING EXPLORATION INC.**  
**Condensed Interim Statements of Changes in Equity**

	<i>Share Capital</i>		<i>Contributed Surplus</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>				
<b>Balance, March 31, 2013</b>	44,539,190	\$ 14,005,651	\$ 1,769,637	\$ (5,575)	\$ (12,310,187)	\$ 3,459,526
Share-based compensation	-	-	50,786	-	-	50,786
Unrealized loss on available-for-sale securities	-	-	-	(160)	-	(160)
Net loss for the period	-	-	-	-	(229,268)	(229,268)
Change during the period	-	-	50,786	(160)	(229,268)	(178,642)
<b>Balance, June 30, 2013</b>	44,539,190	\$ 14,005,651	\$ 1,820,423	\$ (5,735)	\$ (12,539,455)	\$ 3,280,884
<b>Balance, March 31, 2014</b>	44,539,190	\$ 14,005,651	\$ 1,820,510	\$ (5,650)	\$ (12,646,036)	\$ 3,174,475
Unrealized loss on available-for-sale securities, net of tax	-	-	-	75	-	75
Net loss for the period	-	-	-	-	(222,993)	(222,993)
Change during the period	-	-	-	75	(222,993)	(222,918)
<b>Balance, June 30, 2014</b>	44,539,190	\$ 14,005,651	\$ 1,820,510	\$ (5,575)	\$ (12,869,029)	\$ 2,951,557

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

**PLANET MINING EXPLORATION INC.**  
**Condensed Interim Statements of Cash Flows**

	Three months ended June 30,	
	2014	2013
<b>Cash used in operating activities</b>		
Net loss for the period	\$ (222,993)	\$ (229,268)
Items not involving cash:		
Asset usage included in office, general and consulting	-	111
Interest accrued	4,819	(8,506)
Share-based compensation		50,786
Unrealized loss on financial assets	(35,442)	-
	<u>(253,616)</u>	<u>(186,877)</u>
<b>Changes in non-cash working capital items</b>		
Receivables	(21,027)	583,773
Prepaid expenses	4,657	4,562
Accounts payable and accrued liabilities	121,606	47,620
<b>Net cash used in operating activities</b>	<u>(148,380)</u>	<u>449,078</u>
<b>Net cash used in investing activities</b>		
Investments in equity instruments, net	(49,948)	(424,385)
Interest received	13,414	-
<b>Net cash used in investing activities</b>	<u>(36,534)</u>	<u>(424,385)</u>
(Decrease) Increase in cash and cash equivalents	\$ (184,914)	\$ 24,693
Cash and cash equivalents, beginning of period	\$ 345,608	\$ 2,913,812
Cash and cash equivalents, end of period	<u>\$ 160,694</u>	<u>\$ 2,938,505</u>

Supplementary cash flow information (Note 11)

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

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**June 30, 2014**  
*(Unaudited – prepared by management)*

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**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 three months ended June 30, 2014 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in effect at June 30, 2014. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

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, 2014. These Condensed Interim Financial Statements for the three months ended June 30, 2014 should be read in conjunction with the audited Financial Statements for the year ended March 31, 2014.



**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

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**2. BASIS OF PREPARATION(continued)**

The condensed interim financial statements of the Company for the three months ended June 30, 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 August 28, 2014. 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. 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.

**PLANET MINING EXPLORATION INC.**  
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**June 30, 2014**  
*(Unaudited – prepared by management)*

**3. CHANGE IN ACCOUNTING POLICIES (continued)**

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.

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

**4. INVESTMENTS IN EQUITY INSTRUMENTS**

Investments at cost and fair value consist of the following:

	<b>June 30, 2014</b>	
	<b>Cost</b>	<b>Fair market value</b>
Securities – available for sale through profit or loss	\$ 2,543,594	\$ 2,757,624
Securities – fair value through other comprehensive income	6,100	525
Warrants – fair value through profit or loss	241,495	194,944
<b>Total</b>	<b>\$ 2,791,189</b>	<b>\$ 2,953,093</b>

	<b>March 31, 2014</b>	
	<b>Cost</b>	<b>Fair market value</b>
Securities – available for sale through profit or loss	\$ 2,368,233	\$ 2,679,652
Securities – fair value through other comprehensive income	6,100	450
Warrants – fair value through profit and loss	196,193	187,526
<b>Total</b>	<b>\$ 2,570,526</b>	<b>\$ 2,867,628</b>

Unrealized gain on available-for-sale investments totalled \$75 (June 30, 2013 - \$160 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 \$28,434 (June 30, 2013 - \$nil).

During the year ended March 31, 2014, 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 value of \$20,000. As at June 30, 2014 the Company recorded an unrealized loss of \$3,000 through the profit or loss (Note 10).

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**June 30, 2014**  
*(Unaudited – prepared by management)*

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**5. 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:

	<i>June 30, 2014</i>	<i>March 31, 2014</i>
GST recoverable	\$ 6,744	\$ 9,746
Interest receivable	6,128	10,947
Other receivable (note 10)	21,012	10,397
	<u>\$ 33,884</u>	<u>\$ 31,090</u>

**6. RESOURCE PROPERTIES**

Title to resource property 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.

**7. 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, 2015 and is restricted for general use. The reclamation bonds relate to the Golden Loon resource property.

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

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**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

	<i>June 30, 2014</i>	<i>March 31, 2014</i>
Accounts payable to third parties	\$ 140,748	\$ 84,831
Accounts payable to related parties (Note 10)	114,000	5,061
Accrued liabilities	6,250	49,500
	<b>\$ 260,998</b>	<b>\$ 139,392</b>

**9. 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 three months ended June 30, 2014 and year ended March 31, 2014.

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 three months ended June 30, 2014 and 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 three months ended June 30, 2014, the Company recognized share-based compensation of \$nil (2013 - \$50,786) in contributed surplus, which will be applied to share capital upon exercise. The weighted average fair value of the options granted during the three months ended June 30, 2013, was \$0.04 per option.

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

**9. SHARE CAPITAL (continued)**

c) Stock options (continued)

The fair value of stock options granted during the three months ended June 30, 2014 and 2013 are determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	<u>2014</u>	<u>2013</u>
Weighted average risk-free interest rate	- %	1.10%
Weighted average estimated volatility	- %	96%
Weighted average expected life	-	5 years
Weighted average expected dividend yield	- %	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 three months ended June 30, 2014.

	<u>June 30, 2014</u>		<u>March 31, 2014</u>	
	<i>Number of Options</i>	<i>Weighted Average Exercise Price</i>	<i>Number of Options</i>	<i>Weighted Average Exercise Price</i>
Balance, beginning of period	<b>3,880,000</b>	<b>\$ 0.22</b>	3,250,000	\$ 0.24
Cancelled	-	-	-	-
Granted	-	-	1,200,000	0.15
Expired	-	-	(570,000)	0.18
Balance, end of period	<b>3,880,000</b>	<b>\$ 0.22</b>	<b>3,880,000</b>	<b>\$ 0.22</b>
Exercisable, end of period	<b>3,880,000</b>	<b>\$ 0.22</b>	<b>3,880,000</b>	<b>\$ 0.22</b>

As of June 30, 2014, the following stock options were outstanding and exercisable:

<i>Number of Options Outstanding</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	<i>Number of Options Exercisable</i>
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
<b>3,880,000</b>			<b>3,880,000</b>

**PLANET MINING EXPLORATION INC.**  
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*(Unaudited – prepared by management)*

**9. SHARE CAPITAL (continued)**

d) Share purchase warrants

Warrant transactions are summarized as follows:

	<b>June 30 2014</b>		<b>March 31, 2014</b>	
	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of period	-	\$ -	3,920,000	\$ 0.25
Issued in private placement	-	\$ -	-	\$ -
Issued to finders	-	\$ -	-	\$ -
Expired	-	\$ -	(3,920,000)	\$ 0.25
Balance, end of period	-	\$ -	-	\$ -

**10. RELATED PARTY TRANSACTIONS**

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

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Management and directors' fees	\$ 142,000	\$ 45,000
Share-based compensation	\$ -	\$ 51,000

As at June 30, 2014, \$114,000 (March 31, 2014 - \$5,061) is payable to various officers and directors of the Company.

During the three months ended June 30, 2014 and 2013, the Company incurred the following from a company in which directors and officers are employees:

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Management fees	\$ 2,149	\$ 9,144
Salaries paid to officers and included in Office, general and consulting	\$ 30,452	\$ 28,837

During the year ended March 31, 2012, the Company advanced funds to a company in which certain directors and officers are employees. As at June 30, 2014, \$21,011 (March 31, 2014 - \$10,397) was loaned to this company to cover subsequent month expenditures. These expenses were charged back to the Company at cost without markup.

During the three months ended June 30, 2014, the Company paid \$16,562 (June 30, 2013 - \$18,957) in rent to companies with common directors. A total of \$nil was payable with respect to these fees at June 30, 2014.

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

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**10. RELATED PARTY TRANSACTIONS (continued)**

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 June 30, 2014 the shares had a fair value of \$11,000 (March 31, 2014 - \$14,000 ), consequently \$3,000 was recorded as unrealized loss on investment in equity instruments.

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. There was no change in fair market value of the convertible note during the three months ended June 30, 2014.

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 three months ended June 30, 2014 the Company recorded \$20,000 (June 30, 2013 - \$nil) in unrealized gain 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 three months ended June 30, 2014 the Company recorded \$66,541 in unrealized loss 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 three months ended June 30, 2014 the Company recorded \$61,975 in unrealized gain on investment in equity instruments related to this investment.

**11. SUPPLEMENTAL CASH FLOW INFORMATION**

The components of cash and cash equivalents are as follows:

	<b>June 30, 2014</b>	March 31, 2014
Cash	\$ (11,520)	\$ 175,608
Term deposits	172,214	170,000
Total cash and cash equivalents	<b>\$ 160,694</b>	<b>\$ 345,608</b>

**PLANET MINING EXPLORATION INC.**  
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*(Unaudited – prepared by management)*

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**11. SUPPLEMENTAL CASH FLOW INFORMATION***(continued)*

Restricted cash of \$50,753 (March 31, 2014 - \$50,753) relates to guaranteed investment certificates held at a Canadian financial institution as reclamation bond for Golden Loon resource property (see Note 7).

**12. 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 June 30, 2014, the Company does not have any debt, other than 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 its 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.



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

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.

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.

**13. 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).

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**13. FAIR VALUE (continued)**

	June 30, 2014		March 31, 2014	
	Level 1	Level 2	Level 1	Level 2
Cash and cash equivalents	\$ 160,694	\$ -	\$ 345,608	\$ -
Receivables	27,139	-	21,344	-
Financial assets at fair value through profit and loss				
Equity investments (a)	2,757,624	-	2,679,652	-
Warrants held (b)	-	194,944	-	187,526
Financial assets at fair value through other comprehensive income				
Equity investments (a)	525	-	450	-
Accounts payable and accrued liabilities	146,998	-	114,392	-

The methods of measuring each of these financial assets and liabilities have not changed during the past year. The Company does not have any financial assets or liabilities 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 supported by observable current market conditions and as such are classified within Level 2 of the fair value hierarchy.