MONARCH ENERGY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS (PREPARED BY MANAGEMENT)

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED MARCH 31, 2014 AND 2013

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MONARCH ENERGY LIMITED
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
MARCH 31, 2014

The accompanying condensed interim unaudited financial statements of Monarch Energy Limited (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

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

The accompanying interim unaudited financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

MONARCH ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT
(Unaudited - in Canadian dollars)

		March 31, 2014		September 30, 2013
ASSETS				
Current				
Cash and cash equivalents	$	3,982	$	9,574
Amounts receivable		315		315
GST/HST receivable		4,033		-
		8,330		9,889
Property and equipment (Note 3)		659		750
Reclamation bonds (Note 5)		48,001		41,894
Asset retirement obligation (Note 6)		28,854		28,854
	$	85,844	$	81,387
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	88,251	$	50,722
GST/HST payable		-		2,154
Due to related parties (Note 8)		89,255		119,964
InterCompany - ChroMedX (Note 8)		26,418		-
		203,924		172,840
Provision for well abandonment costs (Note 6)		28,854		28,854
		232,778		201,694
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Capital stock (Note 7(a))		19,466,341		19,466,341
Contributed surplus (Note 7(b))		1,636,009		1,636,009
Deficit		(21,249,284)		(21,222,657)
		(146,934)		(120,307)
	$	85,844	$	81,387

NATURE OPERATIONS AND GOING CONCERN, (Note 1)

Approved on behalf of the board:

"George Langdon" President and Director
"Michael Turko" Director

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

MONARCH ENERGY LIMITED

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED MARCH 31,
(Unaudited - in Canadian dollars)

	Three Months		Six Months	
	2014	2013	**2014**	2013
Revenue				
Petroleum and natural gas sales	**$ -**	$ -	**$ -**	$ 3,348
Direct costs				
Production expenses	**-**	461	**-**	3,846
	-	(461)	**-**	(498)
Expenses				
Consulting fees (Note 8)	**10,500**	17,000	**28,500**	35,000
Depreciation	**46**	66	**91**	131
Foreign exchange loss	**-**	5	**-**	5
Management fees (Note 8)	**-**	10,500	**10,500**	21,000
Office, general and administrative	**5,811**	4,427	**10,471**	7,911
Professional fees	**15,388**	19,780	**27,095**	20,055
Transfer agent and filing fees	**9,625**	6,191	**17,191**	8,575
Forgiveness of loan payable and accounts payable (Note 8)	**-**	-	**(67,000)**	-
Loss before undernoted items	**(41,370)**	(57,969)	**(26,848)**	(92,677)
Interest income	**116**	236	**221**	244
Net comprehensive loss for the period	**$ (41,254)**	$ (58,194)	**$ (26,627)**	$ (92,931)
Loss per share				
Basic and fully diluted (Note 11)	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	**101,851,860**	101,851,860	**101,851,860**	101,851,860

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

MONARCH ENERGY LIMITED

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED MARCH 31, 2014 and 2013

(Unaudited - in Canadian dollars)

	Capital Stock				
	Number of shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
Balance, October 1, 2012	101,851,860	$ 19,466,341	$ 1,636,009	$ (21,048,428)	$ 53,922
Net loss for the period	-	-	-	(92,931)	(92,931)
Balance, March 31, 2013	101,851,860	$ 19,466,341	$ 1,636,009	$ (21,141,359)	$ (39,009)
				-	
Balance, October 1, 2013	101,851,860	$ 19,466,341	$ 1,636,009	$ (21,222,657)	$ (120,307)
Net loss for the period	-	-	-	(26,627)	(26,627)
Balance, March 31, 2014	101,851,860	$ 19,466,341	$ 1,636,009	$ (21,249,284)	$ (146,934)

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

MONARCH ENERGY LIMITED
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED MARCH 31,
(Unaudited - in Canadian dollars)

	Three Months		Six Months	
	2014	2013	**2014**	2013
Cash flows from operating activities				
Net loss for the period	**$ (41,254)**	$ (58,194)	**$ (26,627)**	$ (92,931)
Adjustments not effecting cash:				
Depreciation	**46**	65	**91**	131
Forgiveness of loan payable and accounts payable	**-**	-	**(67,000)**	-
Changes in non-cash operations working capital				
Amounts receivable	**(2,442)**	3,238	**(5,797)**	(712)
Reclamation bonds	**(116)**	-	**(6,106)**	(236)
Accounts payable and accrued liabilities	**23,320**	37,049	**37,528**	68,804
Cash flows used in operating activities	**(20,446)**	(17,842)	**(67,911)**	(24,944)
Cash flows from investing activities				
Amounts loaned from intercompany	**10,418**	-	**26,418**	-
Amounts loaned from related party	**8,475**	-	**32,901**	-
Cash flows provided by investing activities	**18,893**	-	**59,319**	-
Net increase (decrease) in cash and cash equivalents	**(1,553)**	(17,842)	**(8,592)**	(24,944)
Cash and cash equivalents, beginning of period	**2,535**	20,499	**9,574**	27,601
Cash and cash equivalents, end of period	**$ 982**	$ 2,657	**$ 982**	$ 2,657

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Monarch Energy Limited (the "Company") was incorporated in British Columbia and is engaged in the exploration and evaluation of mineral properties. The principal business address of the Company is 65 Queen Street West, Toronto, Ontario, M5H 2M5.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows and also has negative working capital of $195,594 as at March 31, 2014. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

On December 20, 2013, the Company entered into a share exchange agreement with ChroMedX Ltd. ("ChroMedX") and ChroMedX Inc. pursuant to which the Company has agreed to acquire from the ChroMedX shareholders all of the issued and outstanding shares of ChroMedX in exchange for an equal number of common shares in the capital of the Company. It is expected, and as a condition of completion of the acquisition, that ChroMedX will be the registered holder of certain patents and patents pending in the biomedical technology field currently held by ChroMedX Inc.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed interim statement of financial position.

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these condensed interim unaudited financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended September 30, 2013.

The policies applied in these condensed interim unaudited financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual finanial statements for the year ended September 30, 2013.

The condensed interim unaudited financial statements were authorized for issue by the Board of Directors on May 30, 2014.

Recently Issued Accounting Pronouncements not yet Adopted

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will 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 through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). The effective date for IFRS 9 is yet to be determined.

(Unaudited - in Canadian dollars)

3. PROPERTY AND EQUIPMENT

	Computer equipment	Office equipment	Total
Cost			
Balance, October 1 , 2011	$ 5,264	$ 2,679	$ 7,943
Balance, September 30, 2012	$ 5,264	$ 2,679	$ 7,943
Balance, September 30, 2013	$ 5,264	$ 2,679	$ 7,943
Balance, March 31, 2014	$ 5,264	$ 2,679	$ 7,943
Accumulated Depreciation			
Balance, October 1, 2011	$ 4,833	$ 1,710	$ 6,543
Depreciation for the year	194	194	388
Balance, September 30, 2012	$ 5,027	$ 1,904	$ 6,931
Depreciation for the year	107	155	262
Balance, September 30, 2013	$ 5,134	$ 2,059	$ 7,193
Depreciation for the period	$ 29	$ 62	$ 91
Balance, March 31, 2014	$ 5,163	$ 2,121	$ 7,284
Carrying Amounts			
As at October 1, 2011	$ 431	$ 969	$ 1,400
As at September 30, 2012	$ 237	$ 775	$ 1,012
As at September 30, 2013	$ 130	$ 620	$ 750
As at March 31, 2014	$ 101	$ 558	$ 659

4. EXPLORATION AND EVALUATION ASSETS

The Company held an option agreement to earn up to 70% in a Property. However the Company had decided to let those claims lapse in 2012 as it was their decision not to further pursue the property and as a result, all costs associated with the property were written off to operations in fiscal 2012.

5. RECLAMATION BONDS

The Company holds reclamation bonds with the Alberta Energy Regulator as required by section 1.100(2) of the Oil and Gas Conservation Regulations and Directive 006: License Liability Rating Program and License Transfer Process. The reclamation bonds are held for the purposes of the future well abandonment (note 6).

6. ASSET RETIREMENT OBLIGATION

During 2013, the Company set up a provision to close and abandon a well using a discount rate of 5%. The Company expects to abandon the well in 10 years. The provision is capitalized as an asset retirement obligation in the statement of financial position.

(Unaudited - in Canadian dollars)

7. CAPITAL STOCK

(a) Common shares

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares.

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

(b) Stock option plan and share-based compensation

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Options issued to consultants vest at 25% every three months. Options to directors and employees fully vest immediately upon granting but the common shares on exercise are subject to a four month hold period from the date of exercise.

Compensation costs have been determined based on the fair value of the options at the grant date using the Black-Scholes option-pricing model. Compensation expense of $Nil was recorded in the statement of operations and comprehensive income (loss) during the period ended March 31, 2014 (2013 - $Nil).

The following table summarizes information concerning the Company's stock options outstanding as at March 31, 2013:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable - September 30, 2012 and September 30, 2013	5,300,000	$ 0.10
Cancelled	(300,000)	0.10
Outstanding as at March 31, 2014	**5,000,000**	**$ 0.10**

No stock options were granted during the period ended March 31, 2014.

The following common share purchase options are outstanding at March 31, 2014:

Date of Grant	Number of options outstanding and exercisable	Exercise Price	Weighted Average remaining life (years)	Expiry Date
February 1, 2011	5,000,000	$ 0.10	2.06	February 1, 2016
	5,000,000			

(c) Warrants

The Company had no outstanding share purchase warrants as at March 31, 2014.

(Unaudited - in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	March 31, 2014	March 31, 2013
Short-term benefits*	$ 10,500	$ 27,500

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

There were no transactions with other related parties during the period ended March 31, 2014.

As at March 31, 2014, amounts due to related parties consist of $85,865 (September 31, 2013 - $119,964) to companies controlled by officers and directors of the Company.

During the period ended December 31, 2013, the Company has negotiated with certain directors and an officer of the Company for the forgiveness agreement in the amount of $67,000.

During the period, ChroMedX advanced $26,418 to the Company. The amount is non-interest bearing and without specified terms of repayment.

9. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, due from related party, reclamation bonds, accounts payable and accrued liabilities, and amounts due to related parties. The fair value of the Company's receivables, due from related party, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities. The Company's other financial instrument, being reclamation bonds, are measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

The Company has cash balances, and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2014 , the Company did not have any investments in investment-grade short-term deposit certificates.

b) Commodity Price Risk

The Company is subject to price risk from fluctuations in market prices of gold, copper and other metals. Gold, copper and other metal prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control.

c) Foreign currency risk

As at March 31, 2014, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. During the year ended September 30, 2011, the Company sold its subsidiaries in the United Kingdom. As a result, the Company does not believe it has significant foreign currency risk.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These fund are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at March 31, 2014, the Company held cash of $3,982 to settle current liabilities of $203,924. The Company expects to fund these liabilities through the issuance of capital stock over the coming year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank.

10. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at March 31, 2014 the Company's capital stock was $19,466,341.

There were no changes in the Company's approach to capital management during the period ended March 31, 2014 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. 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 debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

11. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the period ended March 31, 2014 and 2013, this would be anti-dilutive.