Lions Gate Metals Inc.
(An Exploration Stage Company)

Condensed Interim Financial Statements
For the three months ended March 31, 2014
(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 unaudited interim financial statements 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 interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants, for a review of interim financial statements by an entity's auditor.

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	**March 31, 2014 $**	December 31, 2013 $
Assets			
Current assets			
Cash		**32,383**	19,341
Available-for-sale investments	4	**36,997**	57,841
Amounts receivable	5	**61,146**	58,171
Prepaid expenses		**12,028**	11,223
		142,554	146,576
Non-current assets			
Reclamation deposits		**60,724**	60,724
Equipment	6	**24,590**	26,530
Exploration and evaluation assets	7	**5,521,180**	5,621,180
		5,606,494	5,708,434
Total assets		**5,749,048**	5,855,010
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**61,042**	41,158
Due to related parties	8	**11,165**	5,197
		72,207	46,355
Equity			
Share capital	9	**21,057,337**	21,057,337
Share purchase warrants		**250,000**	250,000
Contributed surplus		**5,452,007**	5,452,007
Accumulated other comprehensive loss		**(28,612)**	(22,499)
Deficit		**(21, 053,891)**	(20,928,190)
		5,676,841	5,808,655
Total liabilities and equity		**5,749,048**	5,855,010

Nature of operations and going concern – Note 1
Commitments – Notes 7, 9 and 12
Events after the reporting date – Notes 7 and 9

Approved on behalf of the Board of Directors on May 29 , 2014:

"Arni Johannson" Director "*William Filtness, CA*" Director

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

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	**For the three months ended March 31, 2014 $**	March 31, 2013 $
Operating Expenses			
Amortization	6	**1,940**	2,628
Finance fees and bank charges		**222**	176
Consulting fees		**5,403**	2,779
Director fees		**-**	3,000
Filing and transfer agent fees		**3,181**	13,747
Office, rent and administration		**7,405**	45,446
Professional fees	8	**30,367**	22,770
Salaries and benefits	8	**35,591**	70,519
Travel, advertising and promotion		**27,653**	17,062
Total administrative expenses		**(111,762)**	(178,127)
Other income (expense)			
Finance income		**264**	584
Impairment of available-for-sale investments	4	**(14,004)**	(90,371)
Loss on sale of investments	4	**(199)**	-
Net loss for the period		**(125,701)**	(267,914)
Other comprehensive loss			
Fair value loss on available-for-sale investments	4	**(6,113)**	-
Total comprehensive loss for the period		**(131,814)**	(267,914)
Basic and diluted loss per share		**(0.02)**	(0.05)
Weighted average number of shares outstanding		**7,036,921**	6,481,401

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital $	Share purchase warrants $	Contributed surplus $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance at December 31, 2012	25,647,826	20,932,337	1,863,972	3,838,035	-	(20,233,479)	6,400,865
Loss for the period	-	-	-	-	-	(267,914)	(267,914)
Expiry of warrants	-	-	(1,145,793)	1,145,793	-	-	-
Shares issued for acquisition of mineral property	2,500,000	125,000	-	-	-	-	125,000
Balance at March 31, 2013	28,147,826	21,057,337	718,179	4,983,828	-	(20,501,393)	6,257,951
Loss for the period	-	-	-	-	(22,499)	(426,797)	(449,296)
Expiry of warrants	-	-	(468,179)	468,179	-	-	-
Shares exchanged on a 4:1 basis	(21,110,905)	-	-	-	-	-	-
Balance at December 31, 2013	7,036,921	21,057,337	250,000	5,452,007	(22,499)	(20,928,190)	5,808,655
Loss for the period	-	-	-	-	(6,113)	(125,701)	(131,814)
Balance at March 31, 2014	7,036,921	21,057,337	250,000	5,452,007	(28,612)	(21,053,891)	5,676,841

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

Lions Gate Metals Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended,	
	March 31, 2014	March 31, 2013
	$	$
Cash flows (used in) provided by:		
Operating activities		
Net loss for the period	**(125,701)**	(267,914)
Items not affecting cash		
Amortization	**1,940**	2,628
Impairment of available-for-sale investments	**14,004**	90,371
Loss on sale of available-for-sale investments	**199**	-
Changes in non-cash operating working capital:		
Amounts receivable	**(2,975)**	(6,741)
Prepaid expenses	**(805)**	50,935
Accounts payable and accrued liabilities	**19,884**	(16,232)
Due to related parties	**5,968**	3,000
Net cash used in operating activities	**(87,486)**	(143,953)
Investing activities		
Exploration and evaluation assets	**-**	(192,726)
Proceeds from sale of marketable securities	**13,125**	-
Purchase of marketable securities	**(12,597)**	-
Cash deposit received on option of mineral property	**100,000**	-
Net cash from (used in) investing activities	**100,528**	(192,726)
Increase (decrease) in cash	**13,042**	(336,679)
Cash at beginning of period	**19,341**	1,004,834
Cash at end of period	**32,383**	668,155

Non-cash items excluded from investing and financing activities:

Change in accrued but unpaid exploration and evaluation expenditures	**-**	285
Share-based payment on acquisition of mineral property	**-**	125,000

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

1. Nature of Operations and Going Concern

Lions Gate Metals Inc. (the "Company") was incorporated under the Canada Business Corporations Act on March 28, 1980, and is in the business of acquiring, exploring and developing mineral properties. The Company is listed on the TSX Venture Exchange ("TSX-V") and is currently in the exploration stage with mineral properties in Canada. The Company's registered and records office is located at #490 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, future profitable production or disposition thereof, and the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These condensed interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the three months ended March 31, 2014 the Company incurred a comprehensive loss of $131,814 (March 31, 2013: $267,914) and as of that date the Company's deficit was $21,053,891 (December 31, 2013: $20,928,190). As at March 31, 2014 the Company had working capital of $70,347,which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding.

These conditions may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Presentation and Critical Accounting Estimates

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The audited annual consolidated financial statements for the year ended December 31, 2013 included the accounts of the Company, and its inactive wholly-owned subsidiary, Northern Canadian Metals Inc. The condensed interim financial statements of the Company for the three months ended March 31, 2014 are presented on a non-consolidated basis due to dissolution of this subsidiary and have been prepared using the same accounting policies as detailed in the Company's audited consolidated financial statements for the year ended December 31, 2013. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual consolidated financial statements for the year ended December 31, 2013.

These condensed interim financial statements were approved by the Company's Board of Directors for issue on May 29, 2014.

These condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a high degree of judgment or complexity where assumptions and estimates are significant to the financial statements are considered to be determination of going concern, the assessment of carrying value, confirmation of title, and recoverability of mineral properties and the financial instrument classification of its investment in Canadian Uranium Corp. ("CanU").

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used (Note 1).

Management has determined the exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, the evaluation of permitting and environmental issues and local support for the project, and the ability to find joint venture partners if necessary.

The investment in Canadian Uranium Corp. ("CanU") consists of 4,500,000 common shares received in exchange for the assignment of the Whitford Lake Option (Note 7). Management does not believe that it is able to exert significant influence over the financial and operating policy decisions of CanU and expects its ownership interest to decrease over time as CanU continues to issue more shares. Accordingly the Company has classified the investment as available for sale. If this classification was not appropriate the investment in CanU would be accounted for using the equity method whereby the Company would initially record its investment at cost and record its share of any subsequent profits or losses.

(Unaudited - Expressed in Canadian dollars)

3. Changes in Accounting Policies and Accounting Standards Issued but Not Yet Effective

Financial instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

The Company has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective.

4. Available-For-Sale Investments

Available-for-sale investments consist of investments in equity shares. The fair value of the publicly traded shares has been determined directly by reference to published price quotations in an active market. For the years ended December 31, 2012 and 2013, the Company noted a significant or prolonged decline in the fair value of investments below cost. As a result of this objective evidence of impairment, the cumulative loss was removed from other comprehensive income and recognized as impairment. A further $14,004 of impairment has been recognized for the three months ended March 31, 2014. In addition, during the year ended December 31, 2013 $22,499 was recognized as a fair value loss in other comprehensive income and a further $6,113 has been similarly recorded for the three months ended March 31, 2014.

	March 31, 2014		December 31, 2013	
Quoted equity shares	# of shares	Cost and Fair Value $ [1]	# of shares	Cost and Fair Value $ [1]
Copper One Inc.	20,000	1,200	20,000	1,000
Coventry Resources Inc.	17,600	352	17,600	1,056
Catalyst Copper Corp.	16,700	501	16,700	835
Chalice Gold Mines Ltd.[2]	8,895	1,334	-	-
Wolf Resource Development Corp.	104,166	6,250	104,166	18,750
Touchstone Gold Ltd.	400,000	4,000	400,000	6,000
Archer Petroleum Corp. [3]	146,000	23,360	151,000	30,200
		36,997		57,841

[1] Cost includes original cost less any impairment.

[2] During the three months ended March 31, 2014, Chalice Gold Mines Ltd. ("Chalice") acquired a 100% interest in a property held by Coventry Resources Inc. ("Coventry") in exchange for 46,000,000 common shares of Chalice. These shares were distributed directly to Coventry

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shareholders on a pro rata basis. The shares were initially fair valued at $1,421 being the quoted market price at the date of acquisition.

[3] During the three months ended March 31, 2014 the Company purchased an additional 61,000 shares of Archer Petroleum Corp. for cash of $12,597 and sold 66,000 shares for cash proceeds of $13,125. The Company recorded a loss on the sale of shares in the amount of $199.

In addition during the year ended December 31, 2013, pursuant to the Whitford Lake Option Assignment Agreement (Note 7), the Company acquired 4,500,000 shares in CanU. A $nil value was attributed to these shares on acquisition which is estimated to also approximate fair market value at March 31, 2014.

5. Amounts Receivable

Amounts receivable consists of:

	March 31, 2014	December 31, 2013
	$	$
GST Recoverable	5,439	5,689
Other Receivables [1]	40,707	37,482
Due from CanU	15,000	15,000
Total	61,146	58,171

[1] Other receivables include amounts owing for the sub-rental of office premises.

6. Equipment

	Computer Equipment
	$
Cost at December 31, 2013 and March 31, 2014	56,594
Accumulated Amortization	
At December 31, 2013	30,064
Amortization charge	1,940
At March 31, 2014	32,004
Net book value	
At December 31, 2013	26,530
At March 31, 2014	24,590

(Unaudited - Expressed in Canadian dollars)

7. Exploration and Evaluation Assets

Balance at March 31, 2014

	Province of British Columbia		Province of Saskatchewan	
	Poplar	Copperline	Whitford Lake	**Total**
	$	$	$	$
Deferred Acquisition Costs				
Balance at December 31, 2013	1,286,745	1	340,000	1,626,746
Cash received	-	-	(100,000)	(100,000)
Balance at March 31, 2014	1,286,745	1	240,000	1,526,746
Deferred Exploration				
Balance at December 31, 2013 and March 31, 2014	3,899,434	-	95,000	3,994,434
Total at March 31, 2014	5,186,179	1	335,000	5,521,180

Balance at December 31, 2013

	Province of British Columbia		Province of Saskatchewan	
	Poplar	Copperline	Whitford Lake	**Total**
	$	$	$	$
Deferred Acquisition Costs				
Balance at December 31, 2012	1,261,692	1	-	1,261,693
Paid by issue of shares	-	-	125,000	125,000
Paid in cash	-	-	300,000	300,000
Paid in cash re work commitment	25,053	-	-	25,053
Cash received	-	-	(85,000)	(85,000)
Balance at December 31, 2013	1,286,745	1	340,000	1,626,746
Deferred Exploration				
Balance at December 31, 2012	3,882,635	-	-	3,882,635
Consulting	6,861	-	-	6,861
Field Expenditures	-	-	25,000	25,000
Geophysical	9,526	-	189,000	198,526
Miscellaneous	412	-	-	412
Balance at December 31, 2013	3,899,434	-	214,000	4,113,434
Write down of mineral property	-	-	(119,000)	(119,000)
Total at December 31, 2013	5,186,179	1	435,000	5,621,180

Poplar mineral property

In prior years, the Company entered into various option agreements to acquire a 100% interest in certain mineral claims, known as the Poplar mineral property interest (“Poplar 1, 2 and 3”), situated in the Omineca Mining District of B.C. The Company has met all required cash payments and share issuances related to these option agreements, and has staked additional adjacent hectares (“Poplar 4”).

The Poplar 2 and 3 properties are subject to a 1% NSR which can be purchased by the Company for $1,000,000 and $100,000 respectively less any NSR amounts previously paid. All mineral claims are current and in good standing.

On October 16, 2012, the Company entered into a binding Letter of Intent (the "LOI") with Canadian Dehua International Mines Group Inc. ("Dehua"), whereby the Company would grant Dehua an option to acquire a one hundred percent (100%) interest in the Poplar Project in exchange for a non-refundable cash payment of $15,000,000, including $1,000,000 received on signing, and exploration work to be completed by Dehua over a two year period. A consultant fee of $58,000 was paid with respect to this LOI.

On October 24, 2013 the Company announced that it had formally ended its agreement with Dehua and is currently determining other options in order to further advance the Poplar project.

Copperline mineral property

On July 17, 2010 the Company entered into a purchase agreement to acquire a 60% interest in the Copperline mineral property in British Columbia and, in exchange issued 2,700,000 pre-consolidation common shares and undertook to assume all of the vendor’s rights and obligations with respect to the property. The Copperline property is subject to an underlying NSR of 1.25% for part of the property and 2.0% for the remainder. The Company can repurchase 1.25% and 0.5% respectively of these royalties with a $500,000 cash payment.

The Company’s interest in this property is carried at a nominal value based on Management’s assessment of current recoverable value. The Company continues to ensure that all mineral claims are current and remain in good standing with such costs being charged to operations in the period incurred.

Whitford Lake mineral property

Pursuant to the terms of an Option Agreement dated February 18, 2013, and amended on August 26, 2013, with St. Jacques Mineral Corp., the Company has agreed to acquire an undivided 100% interest in the Whitford Lake Property located in the Athabasca Basin in Saskatchewan in exchange for the following:

Non-refundable cash payments required:

1) $25,000 due February 18, 2013 (paid)
2) An additional $75,000 due within five days of receipt of regulatory approval ("approval date") (paid)
3) An additional $200,000 due by September 3, 2013 (paid)

Non-refundable cash payments required with obligation transferred pursuant to Option Assignment Agreement with CanU (below):

4) An additional $100,000 due by December 31, 2013 (paid by CanU)
5) An additional $750,000 due by February 18, 2017

Share issuances required:

2,500,000 pre-consolidated common shares to be issued within five days of the approval date (issued).

Exploration expenditures required:

$3,000,000 of qualifying exploration expenditures to be incurred on the property before February 18, 2017 or the equivalent amount to be paid to the Vendor in cash.

This property is subject to a 1% NSR one half of which can be purchased by the Company for $750,000 less any NSR amounts previously paid.

In September 2013, the Company entered into a Whitford Lake Option Assignment Agreement with CanU, which was later amended on December 1, 2013, whereby it would transfer all of its interest in the Whitford Lake Option Agreement to CanU in exchange for the following:

Non-refundable cash payments required:

1) $60,000 due on or before December 3, 2013 (received)
2) $200,000 due within 2 days following CanU completing any equity offering generating gross proceeds in excess of $600,000 ($125,000 received at March 31, 2014 and $30,000 subsequent to that date); and
3) $260,000 due within 5 days following CanU completing the listing of its shares on a recognized stock exchange.

Share issuances required:

1) 4,500,000 common shares of CanU (shares received – Note 4)

Additionally CanU would assume all of the Company's obligations, liabilities and responsibilities required under the original Whitford Lake option agreement and the additional addendum dated August 26, 2013 including the cash payment of $100,000 required on or before December 31,

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2013. As at December 31, 2013 the Company has recorded a write down of $119,000 with respect to the Whitford Lake mineral property.

During the three months ended March 31, 2014 the President and CEO of the Company became a director of CanU.

8. Related Party Transactions

Related party transactions for the three months ended March 31, 2014 and 2013 are as follows:

	March 31, 2014	March 31, 2013
Professional fees	12,392	5,805
Director fees	-	3,000
Salaries and Management fees	33,000	40,500
Total	45,392	49,305

Key management of the Company includes the President, CFO and the Directors. For the three months ended March 31, 2014, compensation in respect of services provided by key management consists of $22,500 (March 31, 2013: $30,000) in management fees paid to the President and $3,900 (March 31, 2013: $3,600) in professional fees paid for CFO services to Malaspina Consultants Inc., a Company in which the CFO is an associate.

Also included in related party transactions during the three months ended March 31, 2014 are salaries of $10,500 (March 31, 2013: $10,500) paid to the Exploration Manager (formerly VP Exploration) and accounting fees of $8,492 (March 31, 2013: $2,205) paid to Malaspina Consultants Inc.

The amounts due to related parties are non-interest bearing and payable on demand and are comprised of $3,000 (December 31, 2013: $3,000) for director fees payable to former directors, $1,321 payable to a director for travel expense incurred on behalf of the Company (December 31, 2013: $Nil) and $6,844 (December 31, 2013: $2,197) for professional fees payable to Malaspina Consultants Inc.

9. Share Capital

On November 11, 2013 the common shares of the Company were consolidated on the basis of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same 4 for 1 basis. All shares are reflected on a post-consolidation basis unless otherwise noted.

Common Shares

i) Authorized - unlimited number of common shares without par value

ii) Issued and outstanding – 7,036,921 (December 31, 2013: 7,036,921) common shares

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(a) Flow-through Obligation

Flow through share arrangements involve resource expenditure deductions for income tax purposes which are renounced to purchasers of common shares in accordance with income tax legislation. Each flow through share entitles the holder to a 100% tax deduction in respect of qualifying Canadian Exploration Expenses (“CEE”) as defined. The Company was required to incur a total of $459,000 of eligible CEE by December 31, 2013 with respect to the flow through shares issued for the period ended December 31, 2012. As at December 31, 2013, the Company believes it has fulfilled this requirement.

(b) Share Purchase Warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance December 31, 2012	5,500,000	1.19
Expired	(5,344,500)	1.19
Warrants exchanged on a 4:1 basis	(117,187)	1.00
Balance December 31, 2013 and March 31, 2014	39,063	4.00

As at March 31, 2014 the Company had outstanding warrants as follows:

Number of Warrants	Exercise Price	Expiry Date
39,063	$ 4.00	July 13, 2015

(c) Stock options

The Company has a Rolling Incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company. A maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. Terms of the Plan, considered to be the most significant, provide that the Directors have the right to grant options to acquire common shares of the Company at a price not less than the closing market price of the shares on the date the Company grants the option, less any discount permitted by the TSX-V, at terms of up to ten years. The majority of stock options vest immediately on the date of grant unless otherwise required by the TSX-V or the Board of Directors.

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The following is a summary of changes in stock options:

	Number of Options	Weighted Average Price $	Weighted Average Remaining Contractual Life
Balance December 31, 2012	1,611,000	0.83	3.2 years
Cancelled	(821,000)	0.82	
Options exchanged on a 4:1 basis	(592,500)	0.84	
Balance, December 31, 2013	197,500	3.34	1.97 years
Cancelled	(50,000)	4.40	
Balance, March 31, 2014	147,500	3.19	1.87 years

Details of stock options outstanding and exercisable as at March 31, 2014 are as follows:

Number of Options	Exercise Price $	Expiry Date	Vesting Provisions
6,250	2.88	April 1, 2014	Vested
6,250	4.28	September 18, 2014	Vested
12,500	4.40	January 15, 2015	Vested
84,750	3.20	January 3, 2016	Vested
37,750	2.64	April 4, 2017	Vested
147,500			

Subsequent to March 31, 2014, 6,250 options exercisable at $2.88 expired unexercised.

10. Financial Instruments and Risk Management

a) Fair value of financial instruments

At March 31, 2014 the Company’s financial instruments consist of cash, available-for-sale investments, amounts receivable, reclamation deposit, accounts payable and accrued liabilities and due to related parties. The carrying values of these financial instruments other than available for sale investments approximates their fair value because of their short term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Company uses Level 1 inputs to measure available for sale investments except for the shares held in CanU which are measured using Level 3 inputs.

b) Financial instrument risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

Credit risk
Credit risk exposure primarily arises with respect to the Company's cash, other receivables and due from related party. The Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at March 31, 2014 the Company had sufficient cash and available-for-sale investments of $69,380 to settle current liabilities excluding amounts payable to related parties of $61,042 which primarily consisted of short term accounts payable settled within 30 days.

Market risk
Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company has no foreign exchange rate risk as all amounts are denominated in Canadian dollars. Other than available for sale investments it also holds no financial instruments that expose it to other price risk.

Interest rate and commodity price risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

11. Segmented Reporting

The Company operates in one reportable operating and geographic segment, being the exploration and evaluation of mineral properties in Canada.

12. Commitment

Effective January 1, 2013, the Company committed to a two and one half year office lease. Gross payments required pursuant to the terms of this lease are expected to approximate $40,740 and $20,634 for the 2014 and 2015 fiscal years respectively. Of these amounts the Company expects its share, after deducting amounts receivable from cost sharing arrangements currently in place, to approximate $4,500 for the remainder of fiscal 2014 and $3,000 in fiscal 2015.

13. Comparative Amounts

Certain amounts from the prior year have been reclassified to conform with the presentation basis adopted for the current year.