Lakeside™
MINERALS INC

(AN EXPLORATION STAGE COMPANY)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2014 AND 2013

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Lakeside Minerals Inc., are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the 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 reviewing and approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company 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.

"Yannis Banks"
Yannis Banks
Chief Executive Officer

"Marco Guidi"
Marco Guidi
Chief Financial Officer

NOTICE TO READER
The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated statements for the three and six month periods ended July 31, 2014 and 2013 have not been reviewed by the Company's auditors.

LAKESIDE MINERALS INC.
Unaudited Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

Assets		**July 31, 2014**		January 31, 2014
Current				
Cash and cash equivalents	**$**	**205,849**	$	3,670
HST receivable and other receivables (note 6)		**58,403**		21,200
Prepaid expenses (note 8)		**7,000**		3,300
Note receivable (note 7)		**-**		56,542
Total assets	**$**	**271,252**	$	84,712
Liabilities				
Current				
Accounts payable and accrued liabilities (note 9)	**$**	**103,970**	$	460,507
Total current liabilities		**103,970**		460,507
Long term debt (note 9)		**148,778**		-
Total liabilities		**252,748**		460,507
Shareholders' Equity (Deficiency)				
Share capital (note 11)		**3,624,440**		3,130,895
Reserve for warrants (note 12)		**795,118**		674,118
Reserve for options (note 13)		**166,329**		166,329
Accumulated deficit		**(4,567,383)**		(4,347,137)
Total shareholders' equity (deficiency)		**18,504**		(375,795)
Total liabilities and shareholders' equity (deficiency)	**$**	**271,252**	$	84,712

Nature of operations and going concern (note 1)
Commitments and contingencies (note 16)
Events after the reporting date (note 18)

APPROVED ON BEHALF OF THE BOARD

"Jeremy Goldman" (Director) **"Yannis Banks"** (Director)

[The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.]

LAKESIDE MINERALS INC.
Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ended July 31, 2014	Three months ended July 31, 2013	**Six months ended July 31, 2014**	Six months ended July 31, 2013
Expenses				
Management, consulting fees and salaries (note 14)	**$ 70,269**	$ 42,026	**$ 112,769**	$ 117,054
Professional fees	**17,755**	4,711	**24,813**	10,095
Office and general	**(2,980)**	11,358	**25,104**	16,929
Share based payments (note 13)	**-**	4,500	**-**	4,747
Exploration and evaluation expenditures (note 5)	**73,010**	15,000	**73,010**	24,532
Corporate acquisition (note 17)	**43,658**	-	**43,658**	-
Total expenses	**(201,712)**	(77,595)	**(279,354)**	(173,357)
Other income				
Interest	**-**	-	**429**	24
Flow-through premium (note 10)	**-**	-	**-**	20,000
Gain on settlement of debt (note 11)	**54,259**	-	**54,259**	87,820
Forgiveness of debt	**-**	15,894	**4,420**	15,894
	54,259	15,894	**59,108**	123,738
Net loss and comprehensive loss	**$ (147,453)**	$ (61,701)	**$ (220,246)**	$ (49,619)
Weighted average shares outstanding				
- basic and diluted	**16,119,140**	10,199,571	**13,208,412**	9,704,670
Loss per share				
- basic and diluted	**$ (0.009)**	$ (0.006)	**$ (0.017)**	$ (0.005)

[The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.]

LAKESIDE MINERALS INC.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the six months ended July 31,		**2014**		2013
Operating Activities				
Net loss	**$**	**(220,246)**	$	(49,619)
Adjustments to reconcile net loss to cash flow:				
Share based payments		**-**		4,747
Shares issued for property		**24,000**		3,750
Share issued on corporate acquisition		**43,658**		-
Gain on forgiveness of debt		**(4,420)**		-
Gain on settlement of debt		**(54,259)**		(87,820)
Flow-through premium		**-**		(20,000)
Net change in non-cash working capital items:				
HST receivable and other receivables		**(37,203)**		140,947
Accounts payable and accrued liabilities		**(116,545)**		24,906
Long term debt		**148,778**		-
Prepaid expenses		**(3,700)**		6,155
Cash flow (used in) provided from operating activities		**(219,937)**		23,066
Investing Activities				
Cash acquired on corporate acquisition		**122,055**		-
Loan repayments received		**56,542**		-
Cash provided from investing activities		**178,597**		-
Financing Activities				
Issuance of share capital, net of issue costs		**243,519**		-
Repayment of proceeds for shares to be issued		**-**		(4,000)
Line of credit		**-**		(5,489)
Cash flow provided from (used in) financing activities		**243,519**		(9,489)
Net increase in cash		**202,179**		13,577
Cash and cash equivalents – beginning of period		**3,670**		18,026
Cash and cash equivalents – end of period	**$**	**205,849**	$	31,603

[The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.]

LAKESIDE MINERALS INC.
Unaudited Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Number of Shares *	Amount	Share based payments	Warrants	Shares to be Issued	Accumulated Deficit	Total
Balance at January 31, 2013	**8,493,874**	**$ 2,964,683**	**$ 161,582**	**$ 595,118**	**$ 4,000**	**$ (4,247,141)**	**$ (521,758)**
Issued for non-cash consideration:							
Issued for mineral properties	37,500	3,750	-	-	-	-	3,750
Issued for settlement of debt	1,668,196	166,820	-	-	-	-	166,820
Warrants issued for settlement of debt	-	-	-	79,000	-	-	79,000
Repayment of proceeds for shares to be issued	-	-	-	-	(4,000)	-	(4,000)
Share issuance costs	-	(4,358)	-	-	-	-	(4,358)
Share based payments	-	-	4,747	-	-	-	4,747
Net loss for the period	-	-	-	-	-	(49,619)	(49,619)
Balance at July 31, 2013	**10,199,570**	**$ 3,130,895**	**$ 166,329**	**$ 674,118**	**$ -**	**$ (4,296,760)**	**$ (325,418)**
Net loss for the period	-	-	-	-	-	(50,377)	(50,377)
Balance at January 31, 2014	**10,199,570**	**$ 3,130,895**	**$ 166,329**	**$ 674,118**	**$ -**	**$ (4,347,137)**	**$ (375,795)**
Issued for cash consideration:							
Private placement	5,800,000	290,000	-	-	-	-	290,000
Warrants issued on private placement		(58,000)	-	58,000	-	-	-
Share issuance costs		(36,126)	-	-	-	-	(36,126)
Issued for non-cash consideration:							
Issued for settlement of debt	5,425,906	217,036	-	-	-	-	217,036
Issued for mineral properties	600,000	24,000	-	-	-	-	24,000
Warrants issued on debt settlements		(37,000)	-	37,000	-	-	-
Shares issued on corporate acquisition (Note 17)	2,599,740	103,990	-	26,000	-	-	129,990
Share issuance costs		(10,355)	-	-	-	-	(10,355)
Net loss for the period		-	-	-	-	(220,246)	(220,246)
Balance at July 31, 2014	**24,625,216**	**$ 3,624,440**	**$ 166,329**	**$ 795,118**	**$ -**	**$ (4,567,383)**	**$ 18,504**

* *Number of shares outstanding is post four for one share consolidation of the Company's issued and outstanding shares on June 16, 2014.*

[The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.]

1. NATURE OF OPERATIONS AND GOING CONCERN

Lakeside Minerals Inc. and its subsidiary (the "Company") are engaged in the acquisition, exploration and development of mineral resource properties in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The address of the Company's registered office is 77 King Street West, Suite 2905, Toronto, Ontario M5K 1H1.

The Company is in the process of exploring, and has not yet determined whether there are economically viable reserves on the properties it owns or has optioned. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent upon such events as financing, discovery of reserves, and market demand conditions.

As is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

At July 31, 2014 the Company had a working capital of $167,282 (January 31, 2014 – working capital deficiency of $375,795) had not yet achieved profitable operations, has accumulated losses of $4,567,383 (January 31, 2014 – $4,347,137) and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company's ability to continue as a going concern. Lakeside will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent 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").

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on September 29, 2014.

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's January 31, 2014 annual financial statements.

2. BASIS OF PRESENTATION (continued)

2.3 Adoption of new and revised standards and interpretations

Standards and interpretations adopted

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after February 1, 2014. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

Several other new standards and amendments apply for the first time in 2014. However, they did not impact the annual consolidated financial statements of the Company.

The nature and impact of each new standard/amendment is described below:

- IAS 32 '*Financial instruments, Presentation'* –is effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted. IAS 32 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 adopted this policy February 1, 2014 and there was no effect on its consolidated financial statements.

- IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. The Company adopted this policy February 1, 2013 and there was no effect on its consolidated financial statements.

- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The Company adopted this policy February 1, 2013 and there was no effect on its consolidated financial statements.

- IFRIC 21 – Levies ("IFRIC 21") was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted. The Company adopted this policy February 1, 2013 and there was no effect on its consolidated financial statements.

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations (continued)

New standards and interpretations

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which are not yet effective and which the Company has not early adopted. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of lAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the lAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

3. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, reserves and accumulated deficit. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value;
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

3. CAPITAL MANAGEMENT, (continued)

As at July 31, 2014, the Company's capital consist of share capital, reserves for warrants, reserves for options and accumulated deficit in the amount of $18,504 (January 31, 2014 - $(375,795)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended July 31, 2014. The Company is not subject to externally imposed capital requirements.

4. RISK FACTORS

Fair value

The carrying amount of cash and cash equivalents, note receivable, line of credit, and accounts payables and accrued liabilities approximate fair value due to the relative short maturity of these financial instruments. As at July 31, 2014, cash and cash equivalents are considered level 1.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and note receivable. Cash and cash equivalents are held with a reputable Canadian chartered bank and law firm. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents and note receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at July 31, 2014, the Company had a cash and cash equivalents balance of $205,849 (January 31, 2014 - $3,670) and current liabilities of $103,970 (January 31, 2014 - $460,507).

Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of July 31, 2014, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES

Lakeside Minerals Inc. is engaged, through Lakeside Minerals Corp., a wholly-owned subsidiary of the Company, in acquiring, exploring, and developing mineral properties in the mining friendly jurisdiction of Quebec. Currently the Company holds a portfolio of properties with an emphasis on gold.

The evaluation and exploration expenditures for the Company for the six month periods ended July 31, 2014 and 2013 are as follows:

Property:		**2014**		**2013**
Launay	**$**	**73,010**	$	24,532
	$	**73,010**	$	24,532

To July 31, 2014, Lakeside holds one main property, Launay. On August 8, 2013, the Company terminated the option agreement on the original 36 claims of the Disson property and no longer considers the Disson property a material property. The Launay and Disson properties are briefly described below.

Launay Property

The property is located some 48 km northeast of Rouyn-Noranda, in Launay, Privat, and Manneville Townships, northwestern Quebec. Through staking, option and purchase agreements, the Company consolidated a large land package over the prospective Macamic deformation zone, a major deformation zone in the Abitibi subprovince. The primary Launay claim block is comprised of 182 contiguous and semi-contiguous claims:

- 29 claims, 11.7 sq km, are under option agreement to the Company to acquire a 100% interest, subject to property payments, work commitments and subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- 21 claims, 8.7 sq km, are 100% owned by the Company; these claims were purchased from Melkior Resources Inc. with Company shares: 15 of these claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000; the other 6 claims are subject to a 1% NSR with total buyback for $500,000
- 13 claims, 5.3 sq km, (initially 35 claims, 16.0 sq km) are 100% owned by the Company; these claims were acquired from Les Explorations Carat Inc. with cash payments and Company shares; claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- 11 claims, 4.5 sq km, are 100% owned by the Company; the claims were purchased from Jack Stoch Geoconsultant Services Ltd. with Company shares, subject to a two percent (2%) gross metal royalty ("GMR"); the Company has the option of first refusal to buy back a one percent (1%) GMR.
- 15 claims, 6.7 sq km, are 100% owned by the Company; these claims were purchased from 9219-8845 Québec inc. with Company shares; claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- The balance of the claims was staked and are 100% owned by the Company.

5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The Company entered into an agreement with arm's length parties dated December 7, 2010, to acquire a 100% interest in the Launay property originally consisting of 29 non-contiguous claims covering 11.7 sq km. Pursuant to the terms of the Launay Agreement, the Company issued 1,000,000 (250,000 post consolidation) shares of its common stock issued at an estimated fair value of $0.05 per common share and paid $10,000 to the vendors immediately upon signing the agreement. The Company also agreed to issue an additional 750,000 (187,500 post consolidation) common shares and pay $90,000 as follows:

a) $15,000 due within seven days of the Company completing a going public transaction (paid).
b) $20,000 and 250,000 (62,500 post consolidation) shares on the first anniversary of the agreement (paid and issued).
c) $25,000 (amended as per below) and 250,000 (62,500 post consolidation) shares on the second anniversary.
d) $30,000 (amended as per below) and 250,000 (62,500 post consolidation) shares on the third anniversary.

The Company shall perform $250,000 in exploration on the mining claims over a period of three years from the date of the agreement.

Upon successful completion of all these obligations the vendor shall transfer title to the claims to the Company, subject to a NSR of 2%, of which a 1% NSR may be acquired upon payment of $1,000,000.

On April 30, 2012, the Company entered into an agreement with Melkior Resources Inc. (TSX-V: MKR) ("Melkior") to acquire twenty-one (21) mineral claims, the Trojan and Launay South blocks, which are adjacent to Lakeside's Launay property claim blocks located in Privat and Launay Townships. Under the terms of the agreement, Lakeside acquired 100% interest in the mineral claims by issuing 750,000 (187,500 post consolidation) common shares (issued) to Melkior and recognizing the continuance of third party net smelter royalties on the mineral claims.

On June 5, 2012, the Company entered into an agreement with Les Explorations Carat Inc. ("Les Explorations") to acquire thirty-five (35) mineral claims, located east of the Rochette block and east and west of the Labreteche block. Under the terms of the agreement, Lakeside acquired 100% interest in the mineral claims by agreeing to make two cash payments of $5,000 each within 6 months (paid) and 12 months of the execution of the agreement; issuing 200,000 (50,000 post consolidation) common shares (issued) to Les Explorations; and, granting of a 2% net smelter royalty on the mineral claims. The Company can buy back half of the 2% net smelter royalty with a payment of $1,000,000.

On September 7, 2012, the Company entered into an agreement with privately owned Jack Stoch Geoconsultant Services Ltd. (JSGS) to acquire eleven (11) mineral claims covering 4.5 sq km, also known as the Freegold property. Under the terms of the agreement, the Company can acquire a 100% interest in the Freegold property subject to the Company issuing 600,000 (150,000 post consolidation) common shares (issued) to JSGS. JSGS retains a two percent (2%) GMR and the Company has the option of first refusal to buy back a one percent (1%) GMR.

5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

On October 22, 2012, the Company and its vendors amended the terms of the agreement relating to 29 of 229 claims of the Launay property. The cash payments of $25,000 payable on December 7, 2012 and $30,000 payable on December 7, 2013 have been amended to:

(a) $25,000 payable to the vendors on June 1, 2013 (amended as per below)
(b) $30,000 payable to the vendors on June 1, 2014

All of the common shares issuable remain the same.

On January 8, 2013, the Company entered into an agreement with 9219-8845 Quebec Inc. ("Canadian Mining House") to acquire 15 mineral claims. Under the terms of the agreement, the Company can acquire 100% interest subject to the Company issuing 150,000 (37,500 post consolidation) shares. Canadian Mining House retains a 2% net smelter royalty on the claims. The Company can buy back half of the 2% net smelter royalty with a payment of $1,000,000.

As of June 11, 2013, the Company and vendors negotiated an amendment to the terms of the option agreement relating to 29 claims of the Launay property. The cash payment of $25,000 payable on June 1, 2013 has been amended to $10,000 payable on June 1, 2013 (paid) and $15,000 payable on the earlier of the closing of any equity or convertible debt financing undertaken by the Company, or June 1, 2014 and $30,000 payable on June 1, 2014 In addition, the vendors acknowledge that the work commitments have been fulfilled and the Company's obligation is therein fully discharged.

On June 18, 2014, the Company amended the terms to its Launay property agreement. The final payment of $45,000 which had been due on June 1st, 2014 has now been restructured as follows:

- $30,000 will be payable in shares for a total issuance of 600,000 (issued) shares at $0.05
- $15,000 (paid) will be payable on June 30th, 2014
- An additional $15,000 will be payable on December 15th, 2014

The December 15th payment will be the final property payment after which Lakeside will have no further obligations to the vendors under the agreement. All other terms of the agreement of the Launay property remain the same.

Disson Property

Located 22 km northeast of La Sarre, northwestern Quebec, the Disson property consisted of 85 non-contiguous claims that covered a total area of 38.93 sq km. Of the 85 claims, 36 claims, 11.18 sq km, were under option agreement to earn 100% interest and 49 claims, 27.74 sq km, were 100% owned by the Company. On August 8, 2013 the Company terminated the option agreement on the original 36 claims of the Disson property and the Company does not intend to renew the remaining claims.

The Company entered into an agreement with arm's length parties dated December 7, 2010, to acquire a 100% interest in the Disson property initially consisting of 36 contiguous claims. Pursuant to the terms of the agreement, the Company issued 62,500 shares of its common stock issued at an estimated fair value of $0.05 per common share and paid $15,000 to the vendors immediately upon signing the agreement. The Company also agreed to issue an additional 1,350,000 (312,500 post consolidation) common shares and pay $245,000 as follows:

5. EXPLORATION AND EVALUATION EXPENDITURES, (continued)

a) $20,000 within seven days of the Company completing a going public transaction (paid).
b) $35,000 and 250,000 (62,500 post consolidation) shares on the first anniversary of the agreement (paid and issued).
c) $50,000 and 250,000 (62,500 post consolidation) shares on the second anniversary (issued), (amended as per below).
a) $60,000 and 250,000 (62,500 post consolidation) shares on the third anniversary (amended as per below).
b) $80,000 and 600,000 (125,000 post consolidation) shares on the fourth anniversary (amended as per below).

The agreement also called for the Company to perform $300,000 in exploration on the mining claims over a period of three years from the date of the agreement.

Upon successful completion of all these obligations the vendors shall transfer title to the claims to the Company, subject to a NSR of 1%, of which a 0.5% NSR may be acquired upon payment of $1,000,000.

Under the vendors' prior agreement with Globex Mining Enterprises Inc. a total of 32 Disson mining claims are subject to a 1% Gross Metal Royalty.

On July 31, 2011, the Company staked 40 claims covering 22.64 sq km south and west of the Disson claims.

On June 21, 2012, the Company staked an additional 9 claims covering 5.10 sq km adjacent to the southeast edge of the Disson claims.

On October 22, 2012, the Company and its vendors amended the cash terms of the agreement relating to 36 of 85 claims of the Disson property. The cash payments of $50,000 payable on December 7, 2012, $60,000 payable on December 7, 2013 and $80,000 payable on December 7, 2014 have been amended to:

(a) $25,000 payable to the vendors on June 1, 2013
(b) $30,000 payable to the vendors on June 1, 2014
(c) $40,000 payable to the vendors on June 1, 2015
(d) $95,000 payable to the vendors on June 1, 2016

All of the common shares issuable remain the same.

From February 2011 to August 2012, the Company spent $86,249 on exploration of the Disson property. Work included compilation, site visits, rock sampling and line cutting.

Prior to the June 1, 2013 property payment, the Company entered into negotiations with the vendor to modify the terms of the amended property payments. Due to the Company's limited financial resources and focus on the Launay project, on August 8, 2013 the Company terminated the option agreement on the original 36 claims of the Disson property. In order to preserve financial resources and focus on the Launay property, management has elected not to renew the remaining claims.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES, (continued)

Other Properties – In Quebec, the company also holds the Kipawa property.

Kipawa Property

The property is located 38 km east of the town of Témiscaming, northwestern Quebec, some 170 km south of city of Rouyn-Noranda. The property originally consisted of 45 contiguous claims in one irregularly shaped block covering a total of 26.48 sq km. The property now comprises 27 contiguous claims in one irregularly shaped block covering a total of 15.92 sq km. The property was under option agreement to acquire 100% interest.

The Company entered into an agreement with arm's length parties dated December 2, 2010, to acquire a 100% interest in the Kipawa property consisting of 45 claims located 38 km east of the town of Témiscaming, Quebec. Pursuant to the terms of the agreement, the Company issued 50,000 (12,500 post consolidation) shares of its common stock to the vendors immediately upon signing the agreement valued at $2,500. The Company also agreed to pay $4,500 within seven days of the Company closing a going public transaction (paid).

Upon successful completion of all these obligations the vendor shall transfer title to the claims to the Company.

As the Company did not intend to continue doing additional work on the Kipawa property and management did not intend to maintain the claims, the Company did not requested transfer of title of the claims from the vendor.

6. HST RECEIVABLE AND OTHER RECEIVABLES

The Company's HST and other receivables arise from harmonized services tax ("HST"), and amounts due from government taxation authorities.

Below is an aged analysis of the Company's HST and other receivables:

		July 31, 2014		January 31, 2014
Less than 1 year	**$**	**58,403**	$	21,200
Greater than 1 year		**-**		-
Total HST and other receivables	**$**	**58,403**	$	21,200

The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

7. NOTE RECEIVABLE

On December 23, 2013, the Company loaned USD$52,411 to Alpaca Resources Inc., bearing interest at 10% per annum. This note receivable would be considered as an advance payment relating to a joint venture arrangement to be entered between the Company and Alpaca Resources Inc. In the event of default the note is repayable immediately. As of July 31, 2014, $nil (January 31, 2014 - $56,542) is receivable under the note as the note receivable was fully collected.

(Expressed in Canadian Dollars)

8. PREPAID EXPENSES

		July 31, 2014		January 31, 2014
Advances to suppliers	$	**7,000**	$	3,300
Insurance		**-**		-
Total prepaid expenses	$	**7,000**	$	3,300

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, professional fees, amounts payable for financing activities and payroll liabilities.

The following is an aged analysis of the accounts payables:

		July 31, 2014		January 31, 2014
Less than 90 days	$	**50,277**	$	101,314
Greater than 90 days		**53,693**		359,193
Total accounts payable and accrued liabilities	$	**103,970**	$	460,507

During the six month period ended July 31, 2014, the terms of $148,778 (January 31, 2014 - $nil) in accounts payable were deferred on payment schedules extending to 2017.

10. FLOW-THROUGH PREMIUM

The Company financed its exploration activities through the issuance of flow-through shares, which transferred the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issued common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium was recorded as a liability on the Company's statement of financial position at the time of subscription. This liability was reduced when renunciation occurred, associated with such flow-through share issuances, with the premium recognized as income. Renunciation of flow through shares issued in the prior calendar year occurred during the year ended January 31, 2014 and thus flow-throw premium liability at July 31, 2014 amounts to $nil (January 31, 2014 - $nil).

11. SHARE CAPITAL

Share Issuances

<u>During the six month period ended July 31, 2014:</u>

On June 25, 2014, pursuant to the terms of the subscription agreement dated March 12, 2014 between Lakeside and Canada Pacific Capital Corp. ("Canada Pacific"), Canada Pacific subscribed for 5,800,000 units of Lakeside at a price of $0.05 per unit, for aggregate consideration of $290,000 in cash. Each unit consists of one common share and one-half of one common share purchase warrants exercisable a price of $0.10 per share at any time prior the third anniversary of issuance. Details of the warrant valuation are disclosed in Note 12.

11. SHARE CAPITAL (continued)

On June 23, 2014, the Company closed shares for debt agreements as per below:

(i) On March, 3, 2014, the Company entered into shares for debt agreements totalling $95,170, with arm's length and non-arm's length parties. Following the share consolidation a total of 217,303 Lakeside units for gross proceeds of $10,865 were issued to unrelated parties for settlement of debt, and 1,686,107 Lakeside shares for gross proceeds of $84,305 were issued to insiders and related parties for outstanding fees. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 12.

The 1,686,107 Lakeside shares issued to insiders and related parties are for settlements of outstanding fees to the following: $51,605 to the Foundation Opportunities Inc., ("FOI") and $32,700 to Cavalry Corporate Solutions Ltd. ("Cavalry").

(ii) On March 12, 2014, the Company entered into shares for debt agreement in the amount of $77,884, with an arm's length party. Following the Share Consolidation a total of 1,557,676 Lakeside Shares and 778,838 Lakeside Warrants were issued to Forages M. Rouillier Drilling Inc, a Quebec-based underground and surface drilling company. Each warrant is exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 12.

(iii) On March 31, 2014, the Company entered into shares for debt agreements totalling $15,641, with an arm's length party. Following the share consolidation a total of 312,820 Lakeside units for gross proceeds of $15,641 were issued for settlement of debt. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 12.

(iv) On April 23, 2014, the Company entered into shares for debt agreement with an arm's length party. Following the Share Consolidation an additional 1,652,000 Lakeside Units for gross proceeds of $82,600 was issued to an unrelated party for settlement of debt. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 12.

The total aggregate amount of debt settled for shares is $271,295 that resulted in the issuance of 3,739,799 Lakeside Units and 1,686,107 Lakeside Shares.

<u>During the year ended January 31, 2014:</u>
On March 4, 2013, the Company issued 150,000 shares (37,500 post consolidation shares) as part of its property option agreement for the Launay property. The shares were valued at $3,750 using the market price of the shares on the date of issuance.

11. SHARE CAPITAL (continued)

On March 25, 2013, the Company entered into shares for debt agreements totalling $333,640 with arm's length and non-arm's length parties. A total of 5,865,734 units (1,466,433 post consolidation units), for gross proceeds of $293,287 were issued to unrelated parties for settlement of debt, and 807,053 common shares (201,763 post consolidation shares) for gross proceeds of $40,353 were issued to insiders and related parties for outstanding fees. Each unit, priced at $0.05 ($0.20 post consolidation), consists of one (1) Share and one (1) share purchase warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of $0.10 ($0.40 post consolidation) per share for a period of five years from the closing date. The term of the warrant is subject to an acceleration right at the option of the Company, provided that the common shares of the Company trade at or above $0.40 ($1.60 post consolidation) for a full 20 consecutive trading days and the Company has provided warrant holders with 30 days prior written notice of the accelerated warrant exercise date. The shares issued were valued at $166,820, based on the market price of the shares on date of issuance, and the warrants were valued at $79,000 as per note 12 resulting in the Company recognizing a gain on settlement of debt in the amount of $87,820 for the year ended January 31, 2014.

On September 27, 2012, the Company issued 600,000 (150,000 post consolidation shares) shares as part of its property agreement for the Freegold property as part of the greater land package of the Launay property.

On November 8, 2012, the Company issued 250,000 shares (62,500 post consolidation shares), 400,000 shares (100,000 post consolidation shares) and 250,000 shares (62,500 post consolidation shares) as part of its property respective agreements to acquire the Disson, Dufay and Launay properties respectively.

On December 27, 2012, the Company closed a non-brokered private placement of 1,270,000 units (317,500 post consolidation units) for gross proceeds of $63,000. The private placement comprised two types of units. Each unit A (“Unit A”), priced at $0.04 per unit ($0.16 post consolidation), consists of one (1) common share of the Company (a "Common Share") and one half (1/2) of one Common Share purchase warrant (each a "Warrant A"); each unit B (“Unit B”), priced at $0.25 per unit ($1.00 post consolidation), consists of four (4) flow-through shares (each a "FT Share"), one (1) Common Share of the Company, and one (1) Common Share purchase warrant (“Warrant B”). The relative fair value of the flow-through premium on the units was determined to be $20,000.

Each full Warrant A entitles the holder to acquire one common share of the Company at a price of $0.06 ($0.24 post consolidation) per Common Share for a period of 12 months from the closing date, then the exercise price of the Warrant A rises to $0.10 ($0.40 post consolidation) for an additional 12 months. Each full Warrant B entitles the holder to acquire one common share of the Company at a price of $0.10 ($0.40 post consolidation) per share for a period of 24 months from the closing date. The terms of both the Warrant A and B are subject to an acceleration right at the option of the Company, provided that the common shares of the Company trade at or above $0.20 ($0.80 post consolidation) for a full 20 consecutive trading days and the Company has provided Warrant holders with 30 days prior written notice of the accelerated Warrant exercise date. Details of the warrant valuation are disclosed in Note 12.

The Company paid a cash amount equal to 8% ("Finder's Fee") of the gross proceeds received from the sale of Units B, and finder's warrants ("Finder's Warrant") equal to 8% of the number of Units B sold under the Offering. Each Finder’s Warrant will be exercisable at $0.25 ($1.00 post consolidation) to purchase five (5) additional common shares (the “Finder’s Shares”) and one (1) warrant, which is exercisable at a price of $0.10 ($0.40 post consolidation) per common share for a period of two (2) years from the closing date.

(Expressed in Canadian Dollars)

12. RESERVE FOR WARRANTS

Warrants to purchase common shares carry exercise prices and terms to maturity at July 31, 2014 as follows:

Date of Expiry	No. of warrants	Exercise Price ($)
December 27, 2014	6,250	0.24*
December 27, 2014	61,000	0.40
December 27, 2014 – broker	4,480	1.00**
June 23, 2017	1,869,899	0.10
June 25, 2017	4,199,877	0.10
March 26, 2018	1,466,434	0.40
	7,607,940	

* Up to December 27, 2014 and $0.40 thereafter.
** Exercisable into 1 unit to purchase 5 common shares and 1 warrant. Warrant is exercisable at a price of $0.40 per common share.

The following table summarizes the weighted average assumptions used with the Black-Scholes valuation model for the determination of the fair value of the warrants and broker warrants granted during the six month period ended July 31, 2014:

Issue date	June 23, 2014	June 24, 2014	June 24, 2014 (i)	Total
No. of warrants	1,869,899	2,900,000	1,299,877	6,069,776
Share price	$ 0.04	$ 0.04	$ 0.04	
Exercise price	$ 0.10	$ 0.10	$ 0.10	
Expected life in years	3.00	3.00	3.00	
Volatility	100%	100%	100%	
Risk-free interest rate	1.23%	1.21%	1.21%	
Dividend yield	-	-	-	
Fair value of warrants	$ 37,000	$ 58,000	$ 26,000	$ 121,000

(i) Issued as part of corporate acquisition (see Note 17)

Expected volatility is based on comparable companies.

(Expressed in Canadian Dollars)

12. RESERVE FOR WARRANTS, (continued)

The following table summarizes the weighted average assumptions used with the Black-Scholes valuation model for the determination of the fair value of the warrants and broker warrants granted during the year ended January 31, 2014:

Issue date	**March 26, 2013**	**Total**
No. of warrants	1,466,434	1,466,434
Share price	$ 0.10	
Exercise price	$ 0.40	
Expected life in years	5.00	
Volatility	100%	
Risk-free interest rate	1.33%	
Dividend yield	-	
Fair value of warrants	$ 79,000	$ 79,000

Expected volatility is based on comparable companies.

13. RESERVE FOR OPTIONS

The Company awards stock options to directors, management and employees of the Company. The compensation expense is recognized when options are issued if exercisable immediately; otherwise, expense is recognized over the vesting term.

The Company established a stock option plan to provide additional incentive to its directors, officers, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The stock option plan provides that the total number of shares which may be issued thereunder is limited to 10% of the aggregate number of shares outstanding. Under the terms of the plan, options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise stated. As at July 31, 2014, the Company has 1,950,022 (January 31, 2014 – 457,457) options available for issuance under the plan.

Lakeside has the following stock options outstanding:

	July 31, 2014		January 31, 2014	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding - beginning of period/year	**$ 0.85**	**562,500**	$ 0.92	662,500
Transactions during the period/year:				
Granted	**-**	**-**	0.40	185,000
Expired/cancelled	**0.80**	**(50,000)**	0.68	(285,000)
Outstanding	**$ 0.86**	**512,500**	$ 0.85	562,500
Exercisable	**$ 0.86**	**512,500**	$ 0.85	562,500

(Expressed in Canadian Dollars)

13. RESERVE FOR OPTIONS, (continued)

The weighted average remaining contractual life for outstanding options is as follows:

Price Range	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Number of Options - exercisable	Weighted Average Exercise Price
$0.40	100,000	$ 0.40	3.75	100,000	$ 0.40
$0.80	325,000	$ 0.80	1.73	325,000	$ 0.80
$1.60	87,500	$ 1.60	2.09	87,500	$ 1.60
$0.40 - $1.60	512,500	$ 0.86	2.19	512,500	$ 0.86

During the year ended January 31, 2014, $4,000 of share based payments was recorded in connection with 400,000 (100,000 post consolidation) options issued on May 1, 2013, $500 of share based payments was recorded in connection with vesting of 85,000 (21,250 post consolidation) options out of 340,000 (85,000 post consolidation) options issued on May 18, 2013 and $247 of share based payments expense was recognized in relation to the vesting of the options issued on March 23, 2011.

The estimated fair value of share based compensation during the year ended January 31, 2014 was determined using the Black-Scholes option pricing model with the following assumptions:

	May 1, 2013	May 18, 2013
Share price	$0.020	$0.015
Risk-free interest rate	1.15%	1.35%
Expected life of options	5 years	5 years
Expected volatility	100%	100%
Expected dividend yield	0%	0%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimated, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. Expected volatility is based on comparable companies.

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company and FOI entered into a financial advisory and consulting agreement on October 15, 2010. FOI is a subsidiary of Foundation Financial Holdings Corp. ("FFHC"). FFHC is an entity in which Adam Szweras, an officer of the Company, is a director and each of Yannis Banks, and officer and director of the Company, and Jeremy Goldman, a director of the Company, is an officer, director and shareholder. In consideration for services the Company agreed to pay a fee of $7,000 per month for a period of eighteen months that ended April 2012. The Company and FOI entered into a financial advisory and consulting agreement on April 14, 2012 and the Company agreed to pay a fee of $5,000 per month for a period of three months. This agreement was further replaced by an agreement in May 2012 where the Company agreed to pay $5,000 per month for a period of three months after which the contract continues on a month by month basis unless terminated by either party. For the six month period ended July 31, 2014, the Company was charged $30,000 by FOI (2013 - $30,000). At July 31, 2014 $39,689 (January 31, 2014 - $62,905) is included in long term debt (January 31, 2013 included in accounts payable and accrued liabilities) in relation to FOI.

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION, (continued)

The Company and Cavalry entered into a management services agreement on November 1, 2010. The management services agreement includes the services of the Company's Chief Financial Officer ("CFO"). Cavalry is an entity in which FFHC is the sole shareholder. In consideration for services the Company agreed to pay $4,000 for the first three month period and $5,000 per month until January 31, 2012. The agreement was amended to $7,500 per month thereafter. On May 1, 2013, the agreement was further amended to $5,000 per month. As of April 30, 2014, the agreement has been terminated. For the six month period ended July 31, 2014, the Company recorded $5,000 (2013 - $37,500) for management services provided by Cavalry. At July 31, 2014 $11,300 (January 31, 2014 - $41,740) is included in long term debt (January 31, 2013 included in accounts payable and accrued liabilities) in relation to Cavalry.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement on March 1, 2014, which includes the services of the Company's Chief Financial Officer ("CFO"). Branson is an entity in which FOI owns 49% of the shares. In consideration for services the Company agreed $4,500 per month for services. For the six month period ended July 31, 2014, the Company recorded $27,500 (2013 - $nil) for management services provided by Branson. At July 31, 2014 $8,475 (January 31, 2014 - $nil) is included in accounts payable and accrued liabilities in relation to Branson.

During the six month period ended July 31, 2014, Fogler Rubinoff LLP ("Fogler") a law firm in which Adam Szweras an officer of the Company is also a partner, provided $153,116 (2013 - $3,215) of legal services, which are included in professional fees and cost of share issuance in equity. Of this amount, $128,303 was related to the cost of share issuance in equity in relation to the Canada Pacific Capital Corp and Unite Capital Corp transactions. As at July 31, 2014, $54,809 (January 31, 2014 - $92,757) due to Fogler is included in accounts payable and accrued liabilities.

During the six month period ended July 31, 2014, $34,269 (2013 - $46,500) was paid to the former Chief Executive Officer. As at July 31, 2014, $nil (January 31, 2014 - $5,731) is included in accounts payable and accrued liabilities.

During the six month period ended July 31, 2014, $15,000 (2013 - $nil) was paid to the Chief Executive Officer. As at July 31, 2014, $nil (January 31, 2014 - $nil) is included in accounts payable and accrued liabilities.

On June 23, 2014, the Company issued 1,686,107 shares to insiders and related parties for settlements of outstanding fees as follows: $51,605 to the FOI, and $32,700 to Cavalry. No warrants were issued pursuant to settlements by insiders and related parties.

On March 26, 2013, the Company issued 807,053 shares to insiders and related parties for settlements of outstanding fees as follows: $20,353 to the Company's former CEO, $12,500 to FOI, and $7,500 to Cavalry. No warrants were issued pursuant to settlements by insiders and related parties.

15. SEGMENTED INFORMATION

At July 31, 2014, the Company's operations comprise of a single reporting operating segment engaged in mineral exploration in Quebec.

(Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

17. CORPORATE ACQUISITION

Unite Capital Corp:

During the six month period ended July 31, 2014, Lakeside acquired 100% of the issued and outstanding shares of Unite Capital Corp. ("Unite"). Pursuant to the acquisition, the Company issued 2,599,753 Lakeside Shares and 1,299,877 warrants in exchange for the outstanding common shares of Unite. Each warrant entitles the holder to purchase one Lakeside share at a price of $0.10 per share for a period of three years from issuance. All of the outstanding stock options of Unite were cancelled on completion of the transaction. Since the Acquisition resulted in the Lakeside shareholders holding 100% of the issued and outstanding shares of Unite, Lakeside is considered to be the acquirer for accounting purposes. The operations and changes in cash flow of Unite have been included from the date control was acquired (i.e. June 24, 2014) to the date of these consolidated financial statements. As Unite does not meet the definition of a business per IFRS 3, the Acquisition has been accounted for as an asset acquisition, whereby Lakeside is considered to issue additional shares in return for the net assets of Unite at their fair value as follows:

Fair Value of Unite's Net Assets Acquired

Cash	$	122,055
Accounts payable and accrued liabilities		(35,723)
Net assets acquired	$	86,332
Consideration paid:		
Shares issued on acquisition	$	103,990
Warrants considered issued on acquisition (Note 12)		26,000
Total	$	129,990
Allocated to:		
Net assets	$	86,332
Corporate acquisition cost	$	43,658

18. EVENTS AFTER THE REPORTING DATE

On September 16, 2014, the Company closed the previously announced unsecured convertible debenture financing under SIDEX's program "Field Action 2014" for gross proceeds of $50,000. The Debenture will pay an annual interest rate of 12%, payable semi-annually in cash or common shares of the Company. The Debenture shall be convertible at a price of $0.05 per Share until September 16, 2015 and $0.10 per Share from September 17, 2015 until September 16, 2016. The Company will also issue 1,000,000 warrants at the closing. Each Warrant is exercisable into Shares at a price of $0.07 per Share, for a period of 2 years from the Closing Date. The Debenture will mature 2 years from the Closing Date. The Debenture may be repaid at any time by the Company, subject to providing 45 days notice, and is repayable at maturity in cash or Shares at the option of the Company. The Warrants issued will be subject to a four-month hold period from the date of issuance.