# NWT URANIUM CORP.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE THREE MONTHS ENDED JUNE 30, 2013

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company has been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**NWT URANIUM CORP.**
**Condensed Interim Consolidated Statements of Financial Position**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | June 30, 2013 | March 31, 2013 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash and cash equivalents (Note 3) | **$ 5,926,123** | $ 5,822,935 |
| Amounts receivable and prepaid expenses (Note 4) | **135,741** | 68,246 |
| Income taxes recoverable | **155,978** | 155,978 |
| Current portion of loan receivable (Note 5) | **10,571** | 10,211 |
| Other investments (Note 7) | **914,914** | - |
| | **7,143,327** | 6,057,370 |
| **Loan receivable** (Note 5) | **163,602** | 157,614 |
| **Equipment** (Note 6) | **113,403** | 103,605 |
| **Other investments** (Note 7) | **-** | 1,386,292 |
| **Investment in URU Metals Limited** (Note 8) | **2,351,154** | 2,519,043 |
| | **$ 9,771,486** | $ 10,223,924 |
| **Liabilities and Equity** | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 9) | **$ 351,821** | $ 366,740 |
| Income taxes payable | **3,225,206** | 3,225,206 |
| | **3,577,027** | 3,591,946 |
| **Equity** (statement and Note 10) | **6,194,459** | 6,631,978 |
| | **$ 9,771,486** | $ 10,223,924 |

**NATURE OF OPERATIONS** (Note 1)

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

## NWT URANIUM CORP.
## Condensed Interim Consolidated Statements of Loss
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 |
|---|---|---|
| **Expenses** | | |
| General and administrative expenses (Note 13) | **$ (222,513)** | $ (1,022,479) |
| **Net loss for the period before the following:** | **(222,513)** | (1,022,479) |
| Interest income | **3,325** | 14,338 |
| Gain (loss) on sale of other investments | **168,500** | (927,126) |
| Equity loss in significantly influenced company (Note 8) | **(167,889)** | (276,150) |
| Permanent impairment on other investments (Note 7) | **(42,485)** | - |
| **Net loss for the period** | **$ (261,062)** | $ (2,211,417) |
| Loss per share - basic (Note 12) | **$ (0.00)** | $ (0.02) |
| Loss per share - diluted (Note 12) | **$ (0.00)** | $ (0.02) |

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

## NWT URANIUM CORP.
## Condensed Interim Consolidated Statements of Comprehensive Loss
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 |
|---|---|---|
| **Net loss for the period** | **$ (261,062)** | $ (2,211,417) |
| **Other comprehensive loss** | | |
| **Items that will be reclassified subsequently to income** | | |
| Net change in unrealized losses on available-for-sale investments | | |
| Net unrealized loss on available-for-sale investments | **(173,602)** | (2,223,002) |
| Reclassification of realized gain on available-for-sale investments to income | **(2,855)** | (399,940) |
| **Comprehensive loss for the period** | **$ (437,519)** | $ (4,834,359) |

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

**NWT URANIUM CORP.**
**Condensed Interim Consolidated Statements of Cash Flows**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 |
|---|---|---|
| **Cash (used in) provided by** | | |
| **OPERATING ACTIVITIES** | | |
| Net loss for the period | **$ (261,062)** | $ (2,211,417) |
| Equity loss in significantly influenced company | **167,889** | 276,150 |
| (Gain) loss on sale of other investments | **(168,500)** | 927,126 |
| Permanent impairment on portfolio investments available-for-sale | **42,485** | - |
| Depreciation | **5,817** | 6,650 |
| Changes in non-cash working capital items: | | |
| Amounts receivable and prepaid expenses | **(67,495)** | (61,528) |
| Accounts payable and accrued liabilities | **(14,919)** | (156,587) |
| Loan receivable | **(6,348)** | (3,952) |
| | **(302,133)** | (1,223,558) |
| **INVESTING ACTIVITIES** | | |
| Purchase of equipment | **(15,615)** | (1,899) |
| Purchase of other investments | **(27,577)** | - |
| Proceeds from sale of other investments | **448,513** | 1,396,894 |
| | **405,321** | 1,394,995 |
| **Change in cash and cash equivalents** | **103,188** | 171,437 |
| **Cash and cash equivalents, beginning of period** | **5,822,935** | 8,248,634 |
| **Cash and cash equivalents, end of period** | **$ 5,926,123** | $ 8,420,071 |

**SUPPLEMENTAL INFORMATION:**

| | | |
|---|---|---|
| Interest received | **$ 3,325** | $ 13,900 |

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

**NWT URANIUM CORP.**
**Condensed Interim Consolidated Statements of Changes in Equity**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | | Reserves | | | |
|---|---|---|---|---|---|
| | Share Capital | Equity Settled Share-based Payments Reserve | Available-for-sale Revaluation Reserve | Deficit | Total |
| Balance, March 31, 2012 | $ 21,618,953 | $ 7,955,990 | $ (354,252) | $ (5,817,537) | $ 23,403,154 |
| Comprehensive loss for the period | - | - | (2,622,942) | - | (2,622,942) |
| Net loss for the period | - | - | - | (2,211,417) | (2,211,417) |
| **Balance, June 30, 2012** | **$ 21,618,953** | **$ 7,955,990** | **$ (2,977,194)** | **$ (8,028,954)** | **$ 18,568,795** |
| Balance, March 31, 2013 | $ 21,618,953 | $ 7,955,990 | $ (1,208,242) | $ (21,734,723) | $ 6,631,978 |
| Comprehensive loss for the period | - | - | (176,457) | - | (176,457) |
| Net loss for the period | - | - | - | (261,062) | (261,062) |
| **Balance, June 30, 2013** | **$ 21,618,953** | **$ 7,955,990** | **$ (1,384,699)** | **$ (21,995,785)** | **$ 6,194,459** |

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

## 1. NATURE OF OPERATIONS

NWT Uranium Corp. (the "Company" or "NWT") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated September 26, 2003. The Company's shares are publicly traded on the TSX Venture Exchange (the "Exchange") under the symbol NWT.

The Company holds strategic investments in other companies. The primary office is located at 85 Richmond Street West, Suite 702, Ontario, Canada, M5H 2C9. On November 24, 2011, the Company changed its year end from December 31 to March 31.

On January 14, 2013, the Company had been advised by the Exchange that the Company has been deemed to have undertaken a change of business from a mining issuer to an investment issuer. As a result of the deemed change of business, the Company will be obtaining shareholder approval for the change of business and will be preparing an information circular in connection with obtaining such shareholder approval. The Company continues to work with the Exchange in order to ensure that all documentation and filings are acceptable to the Exchange in order for the Company to obtain Exchange approval for the change of business.

The Exchange deemed NWT to have undertaken a change of business due to the fact that NWT had purchased common shares of other TSX Venture Exchange issuers. NWT will continue to carry out mining activities until such time as all required approvals are obtained from the Exchange.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on August 29, 2013.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 29, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2014 could result in restatement of these condensed interim consolidated financial statements.

### Changes in accounting policies

Certain pronouncements were issued by the IASB and IFRIC that are mandatory for accounting periods after June 30, 2013 or later periods. The following new standards have been adopted:

(i) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. As at April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Changes in accounting policies (continued)

(ii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. As at April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iii) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. As at April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iv) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy have been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs; and
- information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

The Company's adoption of IFRS 13, on April 1, 2013, did not have a material financial impact upon the unaudited condensed interim consolidated financial statements, however, certain new or enhanced disclosures are required and can be found in note 17.

(v) IAS 1 – Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. As at April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) IAS 28 - Investments in Associates and Joint Ventures ("IAS 28") was issued by the IASB in May 2011 and supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. IAS 28 also provides guidance on how the equity method of accounting is to be applied and also prescribes how investments in associates and joint ventures should be tested for impairment. As at April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

**Recent Accounting Pronouncements**

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier adoption is permitted.

(ii) IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

## 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS IN THE BANK OF CYPRUS

In March 2013, the Cyprus government reached an agreement with the Eurogroup to receive a 10 billion Euro loan to refinance its public debt and achieve its macroeconomic targets. As a condition of receiving the Eurogroup loan, Cyprus's two major banks, Laiki Bank and Bank of Cyprus were restructured to restore their capital requirements. The recapitalization involved a conversion of a portion of deposits in excess of 100,000 Euro held as at March 26, 2013 to equity in the Bank of Cyprus. The provisions of the recapitalization allow for 37.5% of the excess amount to be converted to Class A shares, 22.5% of the excess amount to remain temporarily blocked and subject to total or partial conversion to Class A shares, and a further 30% of the excess amount to remain temporarily blocked.

At March 26, 2013, the Company held $2,047,069 of cash in a Bank of Cyprus account which was subject to the provisions above. During fiscal 2013, the Company recorded a provision of $1,739,076 on these cash balances based on the current economic outlook.

In addition, the Company held common shares in the Bank of Cyprus as part of its portfolio of other investments. During fiscal 2013, the Company recorded an impairment loss of $3,058,586 on this investment of shares which includes a reallocation of $1,708,739 of amounts previously recorded in other comprehensive loss.

**(Expressed in Canadian Dollars) (Unaudited)**

## 4. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

| | | June 30, 2013 | | March 31, 2013 |
|---|---|---|---|---|
| Sales tax receivable - Canada | **$** | **24,376** | $ | 1,424 |
| Other receivable | | **46,101** | | 36,531 |
| Prepaid expenses | | **65,264** | | 30,291 |
| | **$** | **135,741** | $ | 68,246 |

## 5. LOAN RECEIVABLE

The loan receivable was issued during 2009 to a consultant of the Company in the amount of US$201,000. This consultant provides consulting services related to the acquisition of properties in Asia, among other things. The consultant subsequently became a director of the Company. The loan was provided for temporary housing and office space. As at June 30, 2013, the loan receivable is $174,173 (US$165,595) (March 31, 2013 - $167,825 (US$165,182).

The terms of the loan are as follows:

- Interest will be paid annually, prior to the end of the calendar year;
- The interest rate on the loan will be the same rate (1%) as is used to calculate taxable benefits for employees and shareholders per Canada Revenue Agency;
- The term of the loan is 20 years, renewable at the option of the Company;
- Minimum annual principal repayment is USD$10,050;
- Any annual principal repayment amounts in excess of the minimum annual principal repayment amount can be carried forward to reduce the minimum amount of principal repayments required in subsequent years; and
- The loan is unsecured and can be repaid at any time without penalty.

## 6. EQUIPMENT

| **Cost** | | **Computer equipment** | | **Furniture and fixtures** | | **Field equipment** | | **Total** |
|---|---|---|---|---|---|---|---|---|
| Balance, March 31, 2013 | $ | 44,906 | $ | 95,924 | $ | 41,750 | $ | 182,580 |
| Additions | | - | | - | | 15,615 | | 15,615 |
| Balance, June 30, 2013 | $ | 44,906 | $ | 95,924 | $ | 57,365 | $ | 198,195 |

| **Accumulated Depreciation** | | **Computer equipment** | | **Furniture and fixtures** | | **Field equipment** | | **Total** |
|---|---|---|---|---|---|---|---|---|
| Balance, March 31, 2013 | $ | 35,063 | $ | 24,707 | $ | 19,205 | $ | 78,975 |
| Depreciation during the period | | 738 | | 3,561 | | 1,518 | | 5,817 |
| Balance, June 30, 2013 | $ | 35,801 | $ | 28,268 | $ | 20,723 | $ | 84,792 |

| **Net Carrying Value** | | **Computer equipment** | | **Furniture and fixtures** | | **Field equipment** | | **Total** |
|---|---|---|---|---|---|---|---|---|
| Balance, March 31, 2013 | $ | 9,843 | $ | 71,217 | $ | 22,545 | $ | 103,605 |
| Balance, June 30, 2013 | $ | 9,105 | $ | 67,656 | $ | 36,642 | $ | 113,403 |

**(Expressed in Canadian Dollars) (Unaudited)**

## 7. OTHER INVESTMENTS

Other investments consists of shares held in publicly listed companies. The fair market value as at June 30, 2013 was $914,914 (March 31, 2013 - $1,386,292).

The Company uses the following criteria to determine if there is objective evidence that a permanent impairment has occurred:

(i) The length of time that the investment has been impaired;
(ii) The market price of the investment at the date of the period end assessment;
(iii) Financial condition and near-term prospects of the investment company; and
(iv) The ability of the Company to retain the investment for a period of time sufficient for a recovery in market value.

For the three months ended June 30, 2013, the Company recorded an impairment loss of $42,485 (three months ended June 30, 2012 - $nil) with respect to its other investments.

## 8. INVESTMENT IN URU METALS LIMITED

As at June 30, 2013, the Company owned 52,783,339 common shares (March 31, 2013 - 52,783,339 common shares) in URU Metals Limited ("URU") (formerly Niger Uranium Limited) which represents approximately 39.9% (March 31, 2013 - 46.6%) of URU Metals Limited's shareholding.

As at December 31, 2010, the Company classified this investment as a portfolio investment which had a cost of $17,274,774 and was measured at its fair value of $5,096,041. On March 26, 2012, the Company acquired an additional 12,515,000 common shares of URU and the Company's ownership increased to 46.2% of the outstanding common shares of URU. For the period ended March 31, 2012, the Company recorded an impairment loss of $12,136,400 with respect to this investment.

As a result of the increased ownership, the Company determined that as at March 26, 2012 it acquired significant influence over URU and therefore accounted for this investment using the equity method. The Company's share of losses in URU was reported in net (loss) income from the date of acquisition of significant influence.

For the three months ended June 30, 2013, the Company recorded an equity loss of $167,889 (three months ended June 30, 2012 - $276,150) relating to this investment.

The fair market value as at June 30, 2013 was $1,788,956 (March 31, 2013 - $2,132,053).

| | |
|---|---|
| Balance, January 1, 2010 | $ **20,742,448** |
| Unrealized loss | **(15,646,407)** |
| Balance, December 31, 2010 | **5,096,041** |
| Acquisition of common shares | **1,581,733** |
| Unrealized gain | **42,333** |
| Equity loss in URU | **(15,026)** |
| **Balance, March 31, 2012** | **6,705,081** |
| Acquisition of common shares | **27,460** |
| Equity loss in URU | **(4,213,498)** |
| **Balance, March 31, 2013** | **2,519,043** |
| Equity loss in URU | **(167,889)** |
| **Balance, June 30, 2013** | $ **2,351,154** |

**(Expressed in Canadian Dollars) (Unaudited)**

## 8. INVESTMENT IN URU METALS LIMITED (continued)

The Company's share of loss in URU was derived from the most recent set of available financial information of URU. Financial highlights of the Company's investment in URU as at June 30, 2013 include the following:

| | | |
|---|---|---|
| As at June 30, 2013: | | |
| Total assets | **$** | **4,478,194** |
| Total liabilities | **$** | **471,281** |
| | | |
| Three months ended June 30, 2013: | | |
| Revenue | **$** | **-** |
| Loss for the period | **$** | **420,734** |

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | June 30, 2013 | March 31, 2013 |
|---|---|---|
| Due within the year | | |
| Trade payables | **$ 351,821** | $ 366,740 |

## 10. SHARE CAPITAL

**a) Authorized**

Unlimited number of common shares

**b) Issued and outstanding**

| | Number of Shares | Amount |
|---|---|---|
| **Balance, June 30, 2013, March 31, 2013, June 30, 2012 and March 31, 2012** | **132,141,342** | **$ 21,618,953** |

## 11. STOCK OPTIONS

The Company has a stock option plan for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the issued and outstanding common shares of the Company. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant, subject to all applicable regulatory requirements. The vesting term of the options is fixed by the Board of Directors of the Company at the time of grant and may vary from immediate vesting to up to 24 months.

**(Expressed in Canadian Dollars) (Unaudited)**

## 11. STOCK OPTIONS (continued)

The following table represents a continuity of stock options for the periods ended June 30, 2013 and 2012:

| | Number of Stock Options | Weighted Average Exercise Price |
|---|---|---|
| **Balance, March 31, 2012** | **13,010,000** | **$ 0.21** |
| Options expired | (100,000) | 0.72 |
| **Balance, June 30, 2012** | **12,910,000** | **$ 0.21** |
| | | |
| **Balance, March 31, 2013** | **12,610,000** | **$ 0.19** |
| Options expired | (4,670,000) | 0.19 |
| **Balance, June 30, 2013** | **7,940,000** | **$ 0.19** |

As at June 30, 2013, the Company had the following stock options outstanding:

| Outstanding Options | Exercisable Options | Weighted Average Remaining Contractual Life (years) | Weighted Average Exercise Price ($) | Expiry Date |
|---|---|---|---|---|
| 1,900,000 | 1,900,000 | 0.13 | 0.15 | August 15, 2013 |
| 400,000 | 400,000 | 0.63 | 0.10 | February 14, 2014 |
| 470,000 | 470,000 | 1.02 | 0.115 | July 9, 2014 |
| 5,170,000 | 5,170,000 | 2.50 | 0.225 | December 28, 2015 |
| 7,940,000 | 7,940,000 | 1.75 | 0.19 | |

## 12. LOSS PER SHARE

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 |
|---|---|---|
| Net loss for the period | **$ (261,062)** | $ (2,211,417) |
| Net loss per share | | |
| Basic | **$ (0.00)** | $ (0.02) |
| Diluted [(i)] | **$ (0.00)** | $ (0.02) |
| Weighted average number of shares outstanding - basic and diluted | **132,141,342** | 132,141,342 |

[(i)] Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

**(Expressed in Canadian Dollars) (Unaudited)**

## 13. GENERAL AND ADMINISTRATIVE EXPENSES

| | Three Months Ended June 30, 2013 | 2012 |
|---|---|---|
| **Expenses** | | |
| Management and administrative services (Note 16) | **$ 134,895** | $ 573,027 |
| Professional fees | **66,196** | 182,914 |
| Office and administration | **159,119** | 166,860 |
| Travel expenses | **28,972** | 79,854 |
| Shareholders information | **3,967** | 10,755 |
| Regulatory fees | **9,229** | 1,162 |
| Investor relations and promotion | **26,854** | 8,087 |
| Depreciation | **5,817** | 6,650 |
| Foreign exchange gain | **(212,536)** | (6,830) |
| | **$ 222,513** | $ 1,022,479 |

## 14. IMPAIRMENT OF LOAN RECEIVABLE

The loan receivable was initially a deposit on the transaction by Niketo to purchase the assets of Union Securities Ltd. ("Union") on March 28, 2012. The deposit was structured as a subordinated loan agreement, dated March 28, 2012. The terms of the purchase could not be agreed upon, and Niketo demanded that the amounts owed under the subordinated loan agreement be returned by Union. Based on information at the quarter end, it was determined that in order to collect the amounts owing under the subordinated loan agreement, legal action would need to be taken.

Niketo has initiated legal action in order to recover the full amount that was provided to Union Securities Ltd. as a deposit. Though there is a valid claim for the repayment of this deposit, there is uncertainty with respect to the collection, the amount, and the timing of collection for the amounts owed to Niketo. Accordingly, the Company has provided a reserve for this amount, and any future recoveries will be recognized in the period they occur.

## 15. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company's reportable segments are based upon the geographic region for the Company's operations or tradable financial instruments, and include Canada, Mexico, Africa and Cyprus.

As at June 30, 2013, cash and cash equivalents of $152,644 (March 31, 2013 - $3,802,889) were held in Canadian chartered banks, $5,773,434 (March 31, 2013 - $2,019,248) held in Cyprus, $45 (March 31, 2013 - $798) held in Mexico and $nil (March 31, 2013 - $nil) is held in Africa. Total assets are held as follows:

| June 30, 2013 | Canada | Mexico | Africa | Cyprus | Total |
|---|---|---|---|---|---|
| Current assets | $ 626,269 | $ 45 | $ - | $ 6,517,013 | $ 7,143,327 |
| Equipment | 113,403 | - | - | - | 113,403 |
| Other assets | 163,602 | - | 2,351,154 | - | 2,514,756 |
| **Total assets** | **$ 903,274** | **$ 45** | **$ 2,351,154** | **$ 6,517,013** | **$ 9,771,486** |

**(Expressed in Canadian Dollars) (Unaudited)**

## 15. SEGMENTED INFORMATION (continued)

| March 31, 2013 | Canada | Mexico | Africa | Cyprus | Total |
|---|---|---|---|---|---|
| Current assets | $ 4,037,324 | $ 798 | $ - | $ 2,019,248 | $ 6,057,370 |
| Equipment | 103,605 | - | - | - | 103,605 |
| Other assets | 642,326 | - | 2,519,043 | 901,580 | 4,062,949 |
| **Total assets** | **$ 4,783,255** | **$ 798** | **$ 2,519,043** | **$ 2,920,828** | **$ 10,223,924** |

| Three months ended June 30, 2013 | Canada | Mexico | Africa | Cyprus | Total |
|---|---|---|---|---|---|
| Net loss allocation for the period | $ (20,226) | $ (4) | $ (263,647) | $ 22,815 | $ (261,062) |

| Three months ended June 30, 2012 | Canada | Mexico | Africa | Cyprus | Total |
|---|---|---|---|---|---|
| Net loss allocation for the period | $ (1,186,057) | $ 56 | $ (554,510) | $ (470,906) | $ (2,211,417) |

The allocation of net loss to each segment is based on the income and expenses associated with each segment in the period reported.

## 16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management of the Company was as follows:

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 |
|---|---|---|
| Salaries and benefits | **$ 48,500** | $ 37,606 |
| Directors fees | **16,497** | 21,497 |
| Management fees (i) | **127,398** | 569,613 |
| Consulting fees | **-** | 3,200 |
| | **$ 192,395** | $ 631,916 |

(i) Included in management fees are: a) management and severance fees paid to Reananaree Consulting Services, a company controlled by the former President and Chief Executive Officer ("CEO") of NWT; b) management fees paid to DAS Capital Ltd, a company controlled by the President and CEO of NWT. The management fees are related to the CEO function performed; and c) consulting fees paid to Alegana Enterprises Ltd., a company controlled by a director of the Company.

Included in loan receivable at June 30, 2013 is $174,173 (March 31, 2013 - $167,825) owing from the director noted above (Note 5).

Included in accounts payable and accrued liabilities at June 30, 2013 is $16,497 (March 31, 2013 - $16,497) owing to these related parties. Included in amounts receivable and prepaid expense at June 30, 2013 is $20,716 (March 31, 2013 - $nil) owing from these related parties.

**(Expressed in Canadian Dollars) (Unaudited)**

## 17. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measured at fair value on a recurring basis:

| As at June 30, 2013 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Aggregate fair value |
|---|---|---|---|---|
| Other investments | $ 914,914 | $ - | $ - | $ 914,914 |

(b) Fair values of financial assets and liabilities

| | June 30, 2013 | | March 31, 2013 | |
|---|---|---|---|---|
| | **Carrying amount** | **Estimated fair value** | **Carrying amount** | **Estimated fair value** |
| Financial assets | | | | |
| Cash and cash equivalents | **$ 5,926,123** | **$ 5,926,123** | $ 5,822,935 | $ 5,822,935 |
| Amounts receivable | **46,101** | **46,101** | 36,531 | 36,531 |
| Loan receivable | **174,173** | **174,173** | 167,825 | 167,825 |
| | **$ 6,146,397** | **$ 6,146,397** | $ 6,027,291 | $ 6,027,291 |
| Available-for-sale | | | | |
| Other investments | **$ 914,914** | **$ 914,914** | $ 1,386,292 | $ 1,386,292 |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | **$ 351,821** | **$ 351,821** | $ 366,740 | $ 366,740 |

The Company does not offset financial assets with financial liabilities.

**(Expressed in Canadian Dollars) (Unaudited)**

## 18. COMMITMENTS

The Company entered into an office lease which expires on November 30, 2015. The future minimum lease payments are as follows:

| Year end | Amount | |
|---|---|---|
| March 31, 2014 | $ | 38,891 |
| March 31, 2015 | | 51,855 |
| March 31, 2016 | | 34,570 |
| | $ | 125,316 |