# NWT URANIUM CORP.

## CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

**(Expressed in Canadian Dollars)**

## Management’s Responsibility for Financial Reporting

The accompanying audited consolidated financial statements of NWT Uranium Corp. (the "Company") are the responsibility of the Board of Directors.

The audited 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 audited financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the reporting date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards and its interpretation as issued by the International Accounting Standards Board.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the audited consolidated financial statements; and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited 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 audited 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 audited 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.

MNP LLP

**Independent Auditor's Report**

To the Shareholders of
NWT Uranium Corp.

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NWT Uranium Corp., which comprise the consolidated statement of financial position as at March 31, 2014, 2013 and April 1, 2012 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years ended March 31, 2014 and 2013, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of NWT Uranium Corp. as at March 31, 2014, 201 and April 1, 2012, and its financial performance and its cash flows for the years ended March 31, 2014, and 2013 in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 3 to the financial statements which highlights the change in accounting policy for the early adoption of *Investment Entities* (amendments to IFRS 10 – "*Consolidated Financial Statements*", IFRS 12 – "*Disclosure of Interest in Other Entities*" and IAS 27 – "*Separate Financial Statements*").

MNP LLP

**Chartered Professional Accountants**
**Licensed Public Accountants**

Toronto, Ontario
July 29, 2014

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

| | **March 31, 2014** | **March 31, 2013** (Note 3) | **April 1, 2012** (Note 3) |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents (Note 7) | **$ 4,259,929** | $ 5,822,935 | $ 8,248,634 |
| Amounts receivable and prepaid expenses (Note 8) | **127,232** | 68,246 | 664,558 |
| Income taxes recoverable | **155,978** | 155,978 | 1,894,751 |
| Current portion of loan receivable (Note 9) | **11,110** | 10,211 | 10,041 |
| Other investments (Note 11) | **1,181,740** | 1,386,292 | 8,780,186 |
| | **5,735,989** | 7,443,662 | 19,598,170 |
| **Loan receivable** (Note 9) | **160,901** | 157,614 | 165,915 |
| **Equipment** (Note 10) | **95,953** | 103,605 | 125,218 |
| **Investment in URU Metals Limited** (Note 12) | **1,070,077** | 2,132,053 | 6,477,167 |
| | **$ 7,062,920** | $ 9,836,934 | $ 26,366,470 |
| **Liabilities and Equity** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities (Notes 13 and 21) | **$ 409,715** | $ 366,740 | $ 258,024 |
| Income taxes payable | **3,530,335** | 3,225,206 | 2,933,206 |
| | **3,940,050** | 3,591,946 | 3,191,230 |
| Share capital (Note 14) | **21,618,953** | 21,618,953 | 21,618,953 |
| Contributed surplus | **7,955,990** | 7,955,990 | 7,955,990 |
| Deficit | **(26,452,073)** | (23,329,955) | (6,399,703) |
| | **3,122,870** | 6,244,988 | 23,175,240 |
| | **$ 7,062,920** | $ 9,836,934 | $ 26,366,470 |

**NATURE OF OPERATIONS** (Note 1)
**SUBSEQUENT EVENTS** (Note 24)

APPROVED ON BEHALF OF THE BOARD:

Signed *"John Zorbas "*__________, Director

Signed *"Henry Kloepper"*__________, Director

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

**NWT URANIUM CORP.**
**Consolidated Statements of Loss and Comprehensive Loss**
**(Expressed in Canadian Dollars)**

| Year Ended March 31, | 2014 | 2013 (Note 3) |
|---|---|---|
| **Investment income (loss)** | | |
| Interest income | **$ 10,557** | $ 70,953 |
| Dividend income | **14,809** | - |
| Gain (loss) on sale of other investments | **108,127** | (1,204,356) |
| Unrealized gain (loss) in other investments | **66,945** | (5,217,202) |
| Unrealized loss in investment in URU Metals Limited (Note 12) | **(1,061,976)** | (4,372,574) |
| Total investment loss | **(861,538)** | (10,723,179) |
| **Expenses** | | |
| General and administrative expenses (Note 17) | **(2,943,921)** | (3,280,962) |
| **Net loss for the year before the following:** | **(3,805,459)** | (14,004,141) |
| Impairment of Cyprus cash deposits (Note 7) | **(370,949)** | (1,739,076) |
| Lawsuit settlement | **-** | (71,149) |
| Impairment of loan receivable (Note 18) | **-** | (500,000) |
| Foreign exchange gain (loss) | **1,054,290** | (276,013) |
| **Net loss before provision for income taxes** | **(3,122,118)** | (16,590,379) |
| **Provision for income taxes** | | |
| Current income taxes (Note 19) | **-** | 339,873 |
| | **-** | 339,873 |
| **Net loss and comprehensive loss for the year** | **$ (3,122,118)** | $(16,930,252) |
| Loss per share - basic (Note 16) | **$ (0.02)** | $ (0.13) |
| Loss per share - diluted (Note 16) | **$ (0.02)** | $ (0.13) |

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

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

| Year Ended March 31, | 2014 | 2013 (Note 3) |
|---|---|---|
| **Cash (used in) provided by** | | |
| **OPERATING ACTIVITIES** | | |
| Net loss for the year | **$ (3,122,118)** | $(16,930,252) |
| Unrealized (gain) loss in other investments | **(66,945)** | 5,217,202 |
| Unrealized loss in investments in URU Metals Limited | **1,061,976** | 4,372,574 |
| (Gain) loss on sale of other investments | **(108,127)** | 1,204,356 |
| Depreciation | **23,267** | 26,943 |
| Impairment of loan receivable | **-** | 500,000 |
| Changes in non-cash working capital items: | | |
| Amounts receivable and prepaid expenses | **(58,986)** | 96,312 |
| Accounts payable and accrued liabilities | **42,975** | 108,716 |
| Income taxes recoverable | **-** | 1,738,773 |
| Income taxes payable | **305,129** | 292,000 |
| Loan receivable | **(4,186)** | 8,131 |
| | **(1,927,015)** | (3,365,245) |
| **INVESTING ACTIVITIES** | | |
| Purchase of equipment | **(15,615)** | (5,330) |
| Purchase of other investments | **(3,375,339)** | (633,603) |
| Proceeds from sale of other investments | **3,754,963** | 1,605,939 |
| Acquisition of common shares in URU Metals Limited | **-** | (27,460) |
| | **364,009** | 939,546 |
| **Change in cash and cash equivalents** | **(1,563,006)** | (2,425,699) |
| **Cash and cash equivalents, beginning of year** | **5,822,935** | 8,248,634 |
| **Cash and cash equivalents, end of year** | **$ 4,259,929** | $ 5,822,935 |

**SUPPLEMENTAL INFORMATION:**

| | 2014 | 2013 |
|---|---|---|
| Interest received | **$ 10,557** | $ 70,953 |
| Income taxes paid | **$ -** | $ 74,195 |
| Income taxes received | **$ -** | $ 1,486,221 |

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

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

| | Share Capital | Equity Settled Share-Based Payments Reserve | Deficit | Total |
|---|---|---|---|---|
| Balance, March 31, 2012 (Note 3) | $ 21,618,953 | $ 7,955,990 | $ (6,399,703) | $ 23,175,240 |
| Net loss for the year | - | - | (16,930,252) | (16,930,252) |
| **Balance, March 31, 2013** (Note 3) | **$ 21,618,953** | **$ 7,955,990** | **$ (23,329,955)** | **$ 6,244,988** |
| Net loss for the year | - | - | (3,122,118) | (3,122,118) |
| **Balance, March 31, 2014** | **$ 21,618,953** | **$ 7,955,990** | **$ (26,452,073)** | **$ 3,122,870** |

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 January 14, 2013, the Company was 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. Subsequently, the Company suspended trading of its shares effective August 27, 2013. 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. During the year ended March 31, 2014, the Company retrospectively adopted the IASB issued Investment Entities (Amendments to IFRS 10 - "Consolidated Financial Statements", IFRS 12 - "Disclosure of Interest in Other Entities" and IAS 27 - "Separate Financial Statements") and changed its accounting policy regarding its investments (see note 3).

As an investment company, the Company will focus its resources on investments in other companies. The investment objective of the Company will be to provide its shareholders with long-term capital growth by investing in a diversified portfolio of public companies and commodities.

The consolidated financial statements were approved by the Board of Directors on July 29, 2014.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended March 31, 2014.

### (b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(l).

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

### (c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

| Company | Registered | Principal activity |
|---|---|---|
| NWT Uranium Corp. | Ontario, Canada | Holding company |
| Niketo Co. Ltd. (1) | Republic of Cyprus | Holding company |
| Northwest Mineral Mexico, S.A de C.V.(1) | Mexico | Inactive exploration company |

(1) 100% owned by NWT Uranium Corp. and consolidated as Niketo Co. Ltd. provides services relating to investment activities.

### (d) Financial instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred. Securities are accounted for at the trade date.

Measurement in subsequent periods depends on the classification of the financial instrument.

*i) Financial assets at fair value through profit or loss (FVTPL)*

Financial assets are classified as FVTPL when acquired principally for the purpose of trading or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of loss. Other investments and investments in URU Metals Limited on the consolidated statements of financial position are designated as FVTPL in accordance with their accounting policy change (note 3).

*ii) Available-for-sale financial assets*

Financial assets are classified as available-for-sale when so designated by management. Financial assets classified as available-for-sale are measured at fair value, with changes recognized in other comprehensive (loss) income and accumulated in equity until the gain or loss is realized, at which time they will be recorded in net (loss) income. Other than temporary impairments on available-for-sale financial assets are recorded in net (loss) income.

In the year ended March 31, 2014, the Company adopted the accounting policy change to reclass financial assets classified as available-for-sale to financial assets at FVTPL (note 3).

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

### (d) Financial instruments (continued)

*iii) Loans and receivables*

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Cash, amounts receivable and loan receivable are classified as loans and receivables.

*iv) Other financial liabilities*

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other financial liabilities. The Company does not currently apply hedge accounting.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

### (e) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is recorded on the declining balance basis at the following annual rates:

| | |
|---|---|
| Computer equipment | 30% |
| Furniture and fixtures | 20% |
| Field equipment | 20% |
| Vehicle | 30% |

### (f) Cash and cash equivalents

Cash consists of cash on hand and balances with banks. Cash equivalents include short-term investments, such as money market deposits, certificates of deposits or similar type highly liquid investments with a maturity of three months or less from the date of purchase.

### (g) Impairment of assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of (loss) income.

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

### (g) Impairment of assets (continued)

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### (h) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

### (i) Foreign currency translation

The Canadian dollar is the presentation currency and also the functional currency of the Company and all its subsidiaries. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the period end rates of exchange. Foreign exchange gains and losses are recognized in the consolidated statement of loss and comprehensive loss.

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

### (j) Share-based payments

The Company operates a stock option plan under which it receives services from employees, and others providing similar services, as consideration for equity instruments of the Company.

Stock options granted are settled with shares of the Company. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is usually the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of loss and comprehensive loss.

### (k) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

### (l) Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

*Critical judgments in applying accounting policies*

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Cash and cash equivalents – cash and cash equivalents in the Bank of Cyprus are evaluated every reporting period to determine whether there are any indicators of impairment due to its uncertainty of withdrawal. If such an indication exists, which is often judgmental, an impairment loss is recognized to the extent that the carrying value exceeds the recoverable amount.

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

### (m) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

### (n) Investments

The Company carries its investments at fair value as financial assets at FVTPL. When a financial instrument is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to investments are not included as part of the cost of the investment and are recorded as an expense in the statement of loss and comprehensive loss. Purchases and sales of investments are accounted for on a trade-date basis. Subsequent to initial recognition, for the fair value of an investment quoted on an active market, the fair value is generally the bid price on the principal exchange on which the investment is traded.

In the absence of an active market, the fair value is determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private company transactions multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed.

The Company also incurs costs to investigate certain early stage and other potential investment opportunities to determine whether an investment will be made. These costs are expensed as incurred.

### (o) Revenue recognition on investments

Investment transactions are recorded on a trade-date basis. Realized gains and losses on the disposal of investments and unrealized gains and losses in the fair value of the investments are reflected in the consolidated statements of loss and comprehensive loss.

Interest and loan income is recorded on an accrual basis when reasonable assurance exists regarding measurement and collectability.

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

### Changes in accounting policies

In addition to the change of accounting policy as discussed in note 3 below in relation to the Company's change of business from a mining issuer to an investment issuer, the Company adopted the following new standards in relation to certain pronouncements were issued by the IASB and IFRIC that are mandatory for accounting periods after March 31, 2014 or later periods:

(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 consolidated financial statements.

(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 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 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 consolidated financial statements, however, certain new or enhanced disclosures are required and can be found in note 22.

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

### Changes in accounting policies (continued)

(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 consolidated financial statements.

(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 consolidated financial statements.

### Recent Accounting Pronouncements

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB 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, 2018. 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. CHANGE IN ACCOUNTING POLICY

During the year ended March 31, 2014, the Company retrospectively adopted the IASB issued Investment Entities (Amendments to IFRS 10 - "Consolidated Financial Statements", IFRS 12 - "Disclosure of Interest in Other Entities" and IAS 27 - "Separate Financial Statements") which define an investment entity. The amendments require an investment entity to measure investments at fair value through profit or loss. As an investment company, the Company will focus its resources on investments in other companies. The investment objective of the Company will be to provide its shareholders with long-term capital growth by investing in a diversified portfolio of public companies and commodities.

**(Expressed in Canadian Dollars)**

## 3. CHANGE IN ACCOUNTING POLICY (continued)

Previously, the Company accounted for its investments as available-for-sale financial assets with changes recognized in other comprehensive (loss) income and accumulated in equity until the gain or loss was realized, at which time they were recorded in net (loss) income or using equity method. Under the new policy, the Company's investments are measured as financial assets classified as FVTPL with changes recognized in the consolidated statements of loss and comprehensive loss.

The financial statement impact as at April 1, 2012 is as follows:

| | As previously reported | Effect of change in accounting policy | As restated |
|---|---|---|---|
| **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION** | | | |
| Investment in URU Metals Limited | $ 6,705,081 | $ (227,914) | **$ 6,477,167** |
| Total assets | 26,594,384 | (227,914) | **26,366,470** |
| Deficit | (5,817,537) | (582,166) | **(6,399,703)** |
| Available-for-sale revaluation reserve | (354,252) | 354,252 | **-** |
| Total shareholders' equity | 23,403,154 | (227,914) | **23,175,240** |
| Total liabilities and shareholders' equity | 26,594,384 | (227,914) | **26,366,470** |

The financial statement impact as at March 31, 2013 is as follows:

| | As previously reported | Effect of change in accounting policy | As restated |
|---|---|---|---|
| **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION** | | | |
| Investment in URU Metals Limited | $ 2,519,043 | $ (386,990) | **$ 2,132,053** |
| Total assets | 10,223,924 | (386,990) | **9,836,934** |
| Deficit | (21,734,723) | (1,595,232) | **(23,329,955)** |
| Available-for-sale revaluation reserve | (1,208,242) | 1,208,242 | **-** |
| Total shareholders' equity | 6,631,978 | (386,990) | **6,244,988** |
| Total liabilities and shareholders' equity | 10,223,924 | (386,990) | **9,836,934** |
| **CONSOLIDATED STATEMENTS OF LOSS** | | | |
| Equity loss in URU Metals Limited | $ (4,213,498) | $ 4,213,498 | **$ -** |
| Unrealized loss in other investments | (4,363,212) | (853,990) | **(5,217,202)** |
| Unrealized loss in investment in URU Metals Limited | - | (4,372,574) | **(4,372,574)** |
| Net loss for the year | (15,917,186) | (1,013,066) | **(16,930,252)** |
| Comprehensive loss for the year | (16,771,176) | (159,076) | **(16,930,252)** |
| Basic and diluted loss per share | (0.12) | (0.01) | **(0.13)** |

**(Expressed in Canadian Dollars)**

## 3. CHANGE IN ACCOUNTING POLICY (continued)

The financial statement impact as at March 31, 2013 is as follows (continued):

| | As previously reported | Effect of change in accounting policy | As restated |
|---|---|---|---|
| **CONSOLIDATED STATEMENTS OF CASH FLOWS** | | | |
| Net loss for the year | $(15,917,186) | $ (1,013,066) | **$(16,930,252)** |
| Equity loss in URU Metals Limited | 4,213,498 | (4,213,498) | **-** |
| Unrealized loss in other investments | 4,363,212 | 853,990 | **5,217,202** |
| Unrealized loss in investment in URU Metals Limited | - | 4,372,574 | **4,372,574** |

## 4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at March 31, 2014 totaled $3,122,870 (2013 - $6,244,988 and 2012 - $21,618,953). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its investments. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2014.

The Company is not subject to any externally imposed capital requirements.

## 5. FINANCIAL RISK FACTORS

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and loan receivable. Cash is held with reputable financial institutions. Amounts receivable are in good standing as of March 31, 2014. Loan receivable consists of a loan to a consultant of the Company, who is also the Chief Executive Officer ("CEO") and a director of the Company. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and loan receivable is minimal, with the exception of the cash deposits held in the Bank of Cyprus (Note 7).

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2014, the Company had a cash balance of $4,259,929 (2013 - $5,822,935) to settle current liabilities of $3,940,050 (2013 - $3,591,946). The Company generates cash flow primarily from its financing activities and management is of the opinion that additional funding is available to allow the Company to meet its financial obligations when they become due. While it has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt.

(ii) Foreign Currency Risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using cash flow forecasting. The Company maintains Mexican Peso, United States dollar, UK Pound Sterling and European Euro bank accounts. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management does not hedge its foreign exchange risk.

(iii) Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

## 5. FINANCIAL RISK FACTORS (continued)

### Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period. The sensitivity analysis shown in the notes below may differ materially from actual results.

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loan receivable and accounts payable and accrued liabilities that are denominated in Mexican Pesos, United States dollars, UK Pound Sterling and European Euros. As at March 31, 2014, had the Mexican Peso, United States dollar, UK Pound Sterling and European Euro varied by 5% against the Canadian dollar with all other variables held constant, the Company's reported net income for the year ended March 31, 2014 would have varied by approximately $285,000.

(ii) The Company's investments in other public companies is sensitive to an estimated plus or minus 20% change in equity prices which would affect loss and comprehensive loss by approximately $450,000.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2014:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Other investments | $ 1,181,740 | $ - | $ - | $ 1,181,740 |
| Investment in URU Metals Limited | $ 1,070,077 | $ - | $ - | $ 1,070,077 |

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- Level 3 – valuation techniques with significant unobservable market inputs.

**(Expressed in Canadian Dollars)**

## 6. CATEGORIES OF FINANCIAL INSTRUMENTS

| | March 31, 2014 | March 31, 2013 | April 1, 2012 |
|---|---|---|---|
| **Financial assets:** | | | |
| Loans and receivables | | | |
| Cash and cash equivalents | **$ 4,259,929** | $ 5,822,935 | $ 8,248,634 |
| Amounts receivable | **$ 56,179** | $ 36,531 | $ 38,019 |
| Loan receivable | **$ 172,011** | $ 167,825 | $ 175,956 |
| FVTPL | | | |
| Other investments | **$ 1,181,740** | $ 1,386,292 | $ 8,780,186 |
| Investment in URU Metals Limited | **$ 1,070,077** | $ 2,132,053 | $ 6,477,167 |
| **Financial liabilities:** | | | |
| Other financial liabilities | | | |
| Accounts payable and accrued liabilities | **$ 409,715** | $ 366,740 | $ 258,024 |

As of March 31, 2014 and 2013 and April 1, 2012, the fair values of cash and cash equivalents, amounts receivable, loan receivable and accounts payable and accrued liabilities approximate the carrying value.

## 7. 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 allowed 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, and the remaining 10% of the excess was unrestricted.

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 included a reallocation of $1,708,739 of amounts previously recorded in other comprehensive loss.

Effective July 30, 2013, it was announced that the recapitalization of the Bank of Cyprus was completed. The impact of this announcement on the Company was the following:

- On August 12, 2013, Bank of Cyprus removed the restriction on GBP 376,008 ($625,640), which represented a restricted balance.

- On August 26, 2013, GBP 156,670 ($260,683), which was part of the 22.5% equity provision, was returned to the Company. This balance formed part of the provision on cash balances noted above.

**(Expressed in Canadian Dollars)**

## 7. CASH AND CASH EQUIVALENTS AND INVESTMENTS IN THE BANK OF CYPRUS (continued)

- The Bank of Cyprus subsequently placed GBP 469,381 ($827,378) split evenly into three separate fixed term deposits of six, nine and twelve months. Bank of Cyprus will have the option to renew each of the fixed term deposits once for the same time duration of the original deposit. These deposits will accrue a rate of interest which will be higher than the corresponding market rates offered by Bank of Cyprus. The expectation is that the Bank of Cyprus will exercise their option to renew each of the fixed term deposits.

On January 30, 2014, the Company received a letter from the Bank of Cyprus stating that one of the three term deposits that were placed in fixed term deposits at the bank has been released, and was automatically placed in a one-month rollover account. The amount of this deposit is GBP 156,460 ($288,356).

During the year ended March 31, 2014, because certain deposits may not be available for withdrawal, the Company set up an allowance of $370,949 (GBP201,274) for the cash deposited in the Bank of Cyprus and did not reverse any of the prior year impairment. As at March 31, 2014, cash on deposit includes $101,723 of unreserved cash in the Bank of Cyprus.

| | March 31, 2014 | March 31, 2013 | April 1, 2012 |
|---|---|---|---|
| Cash on deposit | **$ 2,789,808** | $ 7,527,323 | $ 8,248,634 |
| Treasury bill | **1,841,070** | 34,688 | - |
| Impairment on Bank of Cyprus deposits | **(370,949)** | (1,739,076) | - |
| | **$ 4,259,929** | $ 5,822,935 | $ 8,248,634 |

## 8. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

| | March 31, 2014 | March 31, 2013 | April 1, 2012 |
|---|---|---|---|
| Sales tax receivable - Canada | **$ 34,939** | $ 1,424 | $ 88,193 |
| Other receivable | **56,179** | 36,531 | 38,019 |
| Prepaid expenses | **36,114** | 30,291 | 538,346 |
| | **$ 127,232** | $ 68,246 | $ 664,558 |

## 9. 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 and the CEO of the Company. The loan was provided for temporary housing and office space. As at March 31, 2014, the loan receivable is $172,011 (US$155,595) (March 31, 2013 - $167,825 (US$165,182) (Note 21).

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.

**(Expressed in Canadian Dollars)**

## 10. EQUIPMENT

| **Cost** | **Computer equipment** | **Furniture and fixtures** | **Field equipment** | **Total** |
|---|---|---|---|---|
| Balance, March 31, 2012 | $ 44,357 | $ 91,143 | $ 41,750 | $ 177,250 |
| Additions | 549 | 4,781 | - | 5,330 |
| Balance, March 31, 2013 | 44,906 | 95,924 | 41,750 | 182,580 |
| Additions | - | - | 15,615 | 15,615 |
| Balance, March 31, 2014 | $ 44,906 | $ 95,924 | $ 57,365 | $ 198,195 |

| **Accumulated Depreciation** | **Computer equipment** | **Furniture and fixtures** | **Field equipment** | **Total** |
|---|---|---|---|---|
| Balance, March 31, 2012 | $ 30,962 | $ 7,501 | $ 13,569 | $ 52,032 |
| Depreciation during the year | 4,101 | 17,206 | 5,636 | 26,943 |
| Balance, March 31, 2013 | 35,063 | 24,707 | 19,205 | 78,975 |
| Depreciation during the year | 2,953 | 14,243 | 6,071 | 23,267 |
| Balance, March 31, 2014 | $ 38,016 | $ 38,950 | $ 25,276 | $ 102,242 |

| **Net Carrying Value** | **Computer equipment** | **Furniture and fixtures** | **Field equipment** | **Total** |
|---|---|---|---|---|
| Balance, March 31, 2013 | $ 9,843 | $ 71,217 | $ 22,545 | $ 103,605 |
| Balance, March 31, 2014 | $ 6,890 | $ 56,974 | $ 32,089 | $ 95,953 |

## 11. OTHER INVESTMENTS

Other investments consists of shares held in publicly listed companies. The fair market value as at March 31, 2014 was $1,181,740 (March 31, 2013 - $1,386,292 and April 1, 2012 - $8,780,186).

The following table represents a continuity of other investments for the years ended March 31, 2014 and 2013:

| | **March 31, 2014** | **March 31, 2013** |
|---|---|---|
| Opening balance | **$ 1,386,292** | $ 8,780,186 |
| Additions | **3,375,339** | 633,603 |
| Disposals | **(3,512,946)** | (2,810,295) |
| Revaluation to fair market value | **(66,945)** | (5,217,202) |
| Closing balance | **$ 1,181,740** | $ 1,386,292 |
| Original cost | **$ 13,237,141** | $ 13,506,574 |

**(Expressed in Canadian Dollars)**

## 12. INVESTMENT IN URU METALS LIMITED

As at March 31, 2014, the Company owned 52,783,339 common shares (March 31, 2013 - 52,783,339 common shares, April 1, 2012 - 52,333,339 common shares) in URU Metals Limited ("URU") (formerly Niger Uranium Limited) which represents approximately 39.8% (March 31, 2013 - 46.6% and April 1, 2012 - 46.2%) of URU's shareholding.

For the year ended March 31, 2014, the Company recorded an unrealized loss of $1,061,976 (year ended March 31, 2013 - unrealized loss of $4,372,574).

## 13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | **March 31, 2014** | **March 31, 2013** | **April 1, 2012** |
|---|---|---|---|
| Due within the year | | | |
| Trade payables | **$ 409,715** | $ 366,740 | $ 258,024 |

## 14. SHARE CAPITAL

### a) Authorized

Unlimited number of common shares

### b) Issued and outstanding

| | **Number of Shares** | **Amount** |
|---|---|---|
| **Balance, March 31, 2014, March 31, 2013 and April 1, 2012** | **132,141,342** | **$ 21,618,953** |

**(Expressed in Canadian Dollars)**

## 15. 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.

The following table represents a continuity of stock options for the years ended March 31, 2014 and 2013:

| | Number of Stock Options | Weighted Average Exercise Price |
|---|---|---|
| **Balance, March 31, 2012** | **13,010,000** | **$ 0.21** |
| Options expired | (400,000) | $ 0.87 |
| **Balance, March 31, 2013** | **12,610,000** | **$ 0.19** |
| Options expired/cancelled | (7,045,000) | $ 0.17 |
| **Balance, March 31, 2014** | **5,565,000** | **$ 0.22** |

As at March 31, 2014, the Company had the following stock options outstanding:

| Outstanding Options | Exercisable Options | Weighted Average Remaining Contractual Life (years) | Weighted Average Exercise Price ($) | Expiry Date |
|---|---|---|---|---|
| 470,000 | 470,000 | 0.27 | 0.115 | July 9, 2014 (Note 24) |
| 5,095,000 | 5,095,000 | 1.75 | 0.225 | December 28, 2015 |
| 5,565,000 | 5,565,000 | 2.02 | 0.22 | |

## 16. LOSS PER SHARE

| | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|---|---|---|
| Net loss for the year | **$ (3,122,118)** | $ (16,930,252) |
| Net loss per share | | |
| Basic | **$ (0.02)** | $ (0.13) |
| Diluted (i) | **$ (0.02)** | $ (0.13) |
| 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)**

## 17. GENERAL AND ADMINISTRATIVE EXPENSES

| Year Ended March 31, | 2014 | 2013 |
|---|---|---|
| **Expenses** | | |
| Management and administrative services (Note 21) | **$ 516,071** | $ 987,582 |
| Professional fees | **1,420,785** | 1,065,906 |
| Office and administration | **486,867** | 920,999 |
| Travel expenses | **78,690** | 198,285 |
| Shareholders information | **21,590** | 43,313 |
| Regulatory fees | **28,608** | 5,993 |
| Investor relations and promotion | **62,914** | 31,941 |
| Interest and penalty | **305,129** | - |
| Depreciation | **23,267** | 26,943 |
| | **$ 2,943,921** | $ 3,280,962 |

## 18. 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. 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.

**(Expressed in Canadian Dollars)**

## 19. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss is as follows:

| | Year Ended March 31, 2014 | Year Ended March 31, 2013 |
|---|---|---|
| Loss before income taxes | **$ (3,122,118)** | $(16,590,379) |
| Expected income tax recovery | **$ (827,360)** | $ (4,396,450) |
| Difference in foreign tax rates | **170,470** | 1,474,130 |
| Tax rate changes and other adjustments | **1,430,920** | 1,021,480 |
| Non-deductible expenses | **70,710** | 39,840 |
| Unrealized foreign exchange | **(129,840)** | 339,870 |
| Change in tax benefit not recognized | **(714,900)** | 1,860,990 |
| Income tax expense reflected in the statement of loss | **$ -** | $ 339,860 |

The Company's income tax expense (recovery) is allocated as follows:

| | | |
|---|---|---|
| Current tax expense | **$ -** | $ 339,873 |

**Unrecognized Deferred Tax Assets**

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. The Company's deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

| | March 31, 2014 | March 31, 2013 |
|---|---|---|
| Non-capital losses carried forward - Cyprus | **$ 1,149,310** | $ 73,770 |
| Non- capital losses carried forward - Mexico | **51,300** | 54,940 |
| Non-capital losses carried forward | **5,951,400** | 3,966,660 |
| Mineral properties | **3,860,950** | - |
| Net capital losses carried forward - Canada | **-** | 1,234,800 |
| Long-term investments | **18,510,240** | - |
| Investment in URU Metals Limited | **-** | 16,751,910 |
| Other investments | **-** | 11,347,510 |
| Foreign exploration and development expenses | **-** | 3,809,310 |

**(Expressed in Canadian Dollars)**

## 19. INCOME TAXES (continued)

The Canadian non-capital loss carry forwards expire as noted in the table below. The Cyprus non-capital losses expire in 2017 and 2019. The Mexico non-capital losses expire between 2022 and 2023. The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2017. Investment tax credit expire from 2013 - 2023. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

| | |
|---|---|
| 2031 | $ 685,370 |
| 2032 | 690,500 |
| 2033 | 3,176,210 |
| 2034 | 1,399,320 |
| | $ 5,951,400 |

## 20. 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, South Africa and Cyprus.

As at March 31, 2014, cash and cash equivalents of $290,432 (March 31, 2013 - $3,802,889) were held in Canadian chartered banks, $3,986,663 (March 31, 2013 - $2,019,248) held in Cyprus, $468 (March 31, 2013 - $798) held in Mexico and $nil (March 31, 2013 - $nil) is held in South Africa. Total assets are held as follows:

| **March 31, 2014** | **Canada** | **Mexico** | **South Africa** | **Cyprus** | **Total** |
|---|---|---|---|---|---|
| Current assets | $ 407,666 | $ 468 | $ - | $ 5,327,855 | $ 5,735,989 |
| Equipment | 95,953 | - | - | - | 95,953 |
| Other assets | 160,901 | - | 1,070,077 | - | 1,230,978 |
| **Total assets** | **$ 664,520** | **$ 468** | **$ 1,070,077** | **$ 5,327,855** | **$ 7,062,920** |

| **March 31, 2013** | **Canada** | **Mexico** | **South Africa** | **Cyprus** | **Total** |
|---|---|---|---|---|---|
| Current assets | $ 4,522,036 | $ 798 | $ - | $ 2,920,828 | $ 7,443,662 |
| Equipment | 103,605 | - | - | - | 103,605 |
| Other assets | 157,614 | - | 2,132,053 | - | 2,289,667 |
| **Total assets** | **$ 4,783,255** | **$ 798** | **$ 2,132,053** | **$ 2,920,828** | **$ 9,836,934** |

| **April 1, 2012** | **Canada** | **Mexico** | **South Africa** | **Cyprus** | **Total** |
|---|---|---|---|---|---|
| Current assets | $ 6,186,083 | $ 756 | $ - | $ 13,411,331 | $ 19,598,170 |
| Equipment | 125,218 | - | - | - | 125,218 |
| Other assets | 165,915 | - | 6,477,167 | - | 6,643,082 |
| **Total assets** | **$ 6,477,216** | **$ 756** | **$ 6,477,167** | **$ 13,411,331** | **$ 26,366,470** |

**(Expressed in Canadian Dollars)**

## 20. SEGMENTED INFORMATION (continued)

| **Year ended March 31, 2014** | **Canada** | **Mexico** | **South Africa** | **Cyprus** | **Total** |
|---|---|---|---|---|---|
| Net (loss) income allocation for the year | $ (420,275) | $ 1 | $ (1,356,528) | $ (1,345,316) | $ (3,122,118) |

| **Year ended March 31, 2013** | **Canada** | **Mexico** | **South Africa** | **Cyprus** | **Total** |
|---|---|---|---|---|---|
| Net loss allocation for the year | $ (3,968,545) | $ (83) | $ (5,183,584) | $ (7,778,040) | $ (16,930,252) |

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

## 21. 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:

| **Year Ended March 31,** | **2014** | **2013** |
|---|---|---|
| Salaries and benefits | **$ 145,500** | $ 177,709 |
| Directors fees | **65,988** | 75,988 |
| Management fees (i) | **448,845** | 888,055 |
| Travel expenses paid for management | **27,000** | 36,000 |
| Executive assistant fees (ii) | **60,026** | 65,533 |
| Consulting fees | **-** | 3,200 |
| | **$ 747,359** | $ 1,246,485 |

(i) Included in management fees are: a) management fees paid to DAS Capital Ltd, a company controlled by the former President and CEO of NWT. These management fees are related to the CEO function performed; b) consulting fees paid to Alegana Enterprises Ltd., a company controlled by a director of the Company; and c) management fees paid to 2249872 Ontario Ltd, a company controlled by the CEO of NWT.

(ii) Paid to DAS Capital Ltd.

Included in loan receivable at March 31, 2014 is $172,011 (March 31, 2013 - $167,825) owing from the director and CEO noted above (Note 9).

Included in accounts payable and accrued liabilities at March 31, 2014 are $10,998 (March 31, 2013 - $nil) owing to Mr. John Zorbas, President of the Company, $36,537 (March 31, 2013 - $nil) owing to Mr. Raphael Danon, former Chief Financial Officer ("CFO") of the Company and $7,910 (March 31, 2013 - $nil) owing to Mr. Henry Kloepper, interim CEO of the Company.

**(Expressed in Canadian Dollars)**

## 22. 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 March 31, 2014** | **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 | $ 1,181,740 | $ - | $ - | $ 1,181,740 |
| Investment in URU Metals Limited | $ 1,070,077 | $ - | $ - | $ 1,070,077 |

(b) Fair values of financial assets and liabilities:

| | **March 31, 2014** | | **March 31, 2013** | |
|---|---|---|---|---|
| | **Carrying amount** | **Estimated fair value** | **Carrying amount** | **Estimated fair value** |
| Financial assets | | | | |
| Cash and cash equivalents | **$ 4,259,929** | **$ 4,259,929** | $ 5,822,935 | $ 5,822,935 |
| Amounts receivable | **56,179** | **56,179** | 36,531 | 36,531 |
| Loan receivable | **172,011** | **172,011** | 167,825 | 167,825 |
| | **$ 4,488,119** | **$ 4,488,119** | $ 6,027,291 | $ 6,027,291 |
| FVTPL | | | | |
| Other investments | **$ 1,181,740** | **$ 1,181,740** | $ 1,386,292 | $ 1,386,292 |
| Investment in URU Metals Limited | **1,070,077** | **1,070,077** | 2,132,053 | 2,132,053 |
| | **$ 2,251,817** | **$ 2,251,817** | $ 3,518,345 | $ 3,518,345 |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | **$ 409,715** | **$ 409,715** | $ 366,740 | $ 366,740 |

The Company does not offset financial assets with financial liabilities.

**(Expressed in Canadian Dollars)**

## 23. 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, 2015 | $ 51,855 |
| March 31, 2016 | 34,570 |
| | $ 86,425 |

## 24. SUBSEQUENT EVENTS

(i) On July 9, 2014, 470,000 stock options with exercise price of $0.115 per share expired unexercised.

(ii) Subsequent to March 31, 2014, the Company subscribed for an additional 19,283,335 URU shares for $533,088 (GBP 289,250).