BAMA GOLD CORP.

Condensed Interim Financial Statements
(Unaudited)
(Expressed in Canadian Dollars)

For the three and nine months ended March 31, 2014 and 2013

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BAMA GOLD CORP.
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes	March 31, 2014 $	June 30, 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		242,641	282,799
Taxes receivable		5,618	5,297
Prepaid expenses		1,500	-
Total current assets		249,759	288,096
Non-current assets			
Exploration and evaluation assets	*4*	122,625	122,625
Total assets		372,384	410,721
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		13,338	17,846
Due to related parties	*5*	406,680	99,400
Total current liabilities		420,018	117,246
Promissory Note	*5*	550,000	543,718
Total liabilities		970,018	660,964
SHAREHOLDERS' EQUITY			
Share capital	*6*	8,183,326	8,183,326
Contributed surplus	*6*	629,554	629,554
Deficit		(9,410,514)	(9,063,123)
Total shareholders' equity		(597,634)	(250,243)
Total liabilities and equity		372,384	410,721

Nature and continuance of operations (Note 1)
Events after the reporting period (Note 11)

APPROVED BY THE DIRECTORS:

Signed: ***"Karl Kottmeier"***
Director

Signed: ***"Douglas Ford"***
Director

The accompanying notes form an integral part of these financial statements

BAMA GOLD CORP.
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months ended March 31,		Nine months ended March 31,	
		2014	2013	**2014**	2013
		$	$	$	$
	Notes				
Expenses					
Exploration expenses	***4,5***	-	34,687	-	143,904
General and administrative	***5***	7,558	12,077	30,870	38,899
Insurance		2,250	2,971	6,750	8,912
Management fees	***5***	90,000	90,000	270,000	270,000
Professional fees		11,764	4,858	24,880	18,906
Share-based compensation	***6(e)***	-	-	-	-
Transfer agent and regulatory fees		7,533	9,143	17,678	12,132
Travel		-	-	-	3,155
Loss before other items		(119,105)	(153,736)	(350,178)	(495,908)
Interest income		2,787	3,454	2,787	5,792
Net loss and comprehensive loss for the period		(116,318)	(150,282)	(347,391)	(490,116)
Loss per common share - basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares outstanding - basic and diluted		21,726,111	21,726,111	21,726,111	21,726,111

The accompanying notes form an integral part of these consolidated financial statements

BAMA GOLD CORP.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Three months ended March 31, 2014	Three months ended March 31, 2013	Nine months ended March 31, 2014	Nine months ended March 31, 2013
		$	$	$	$
OPERATING ACTIVITIES					
Net loss for the period		(116,318)	(150,282)	(347,391)	(490,116)
Items not affecting cash					
Share based compensation		-	-	-	-
		(116,318)	(150,282)	(347,391)	(490,116)
Changes in non-cash working capital items:					
Taxes receivable and prepaids		8,114	2,278	(1,821)	8,853
Accounts payable and accrued liabilities		96,101	36,856	302,772	128,684
Cash used in operating activities		(12,103)	(111,147)	(46,440)	(352,579)
INVESTING ACTIVITIES					
Promissory note payable		-	-	6,282	-
Cash used in investing activities		-	-	6,282	-
FINANCING ACTIVITIES					
Common shares issued for cash, net of issue costs		-	-	-	-
Cash used in financing activities		-	-	-	-
Total increase (decrease) in cash during the period		(12,103)	(111,147)	(40,158)	(352,579)
Cash and cash equivalents, beginning of period		254,744	471,446	282,799	712,878
Cash and cash equivalents, end of period		242,641	360,299	242,641	360,299
Cash and cash equivalents comprised of:					
Cash		242,641	106,930	242,641	106,930
Short-term deposits		-	253,369	-	253,369
Cash paid for:					
Interest		-	-	-	-
Income taxes		-	-	-	-
Cash received for:					
Interest		2,787	3,454	2,787	5,792
Significant non-cash transactions	***9***				

The accompanying notes form an integral part of these consolidated financial statements

BAMA GOLD CORP.
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the none months ended March 31, 2014 and 2013

	Notes	Number of shares	Share capital	Contributed surplus	Deficit	Total
			$	$	$	$
Balance at June 30, 2012		21,726,111	8,183,326	629,554	(8,007,810)	805,070
Loss for the period		-	-	-	(490,116)	(490,116)
Balance at March 31, 2013		21,726,111	8,183,326	629,554	(8,497,926)	314,954
Balance at June 30, 2013		**21,726,111**	**8,183,326**	**629,554**	**(9,063,123)**	**(250,243)**
Loss for the period		-	-	-	(347,391)	(347,391)
Balance at March 31, 2014		**21,726,111**	**8,183,326**	**629,554**	**(9,410,514)**	**(597,634)**

The accompanying notes form an integral part of these financial statements

1. Nature and continuance of operations

Bama Gold Corp. (the "Company) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Bama Gold Corp became effective December 13, 2011. The Company's registered office is located at Suite 1450 - 701 West Georgia Street, Vancouver, British Columbia.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at March 31, 2014, the Company and had accumulated a deficit of $9,410,514 (June 30, 2013: $9,063,123) since inception.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Statement of Compliance
These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended June 30, 2013. The accounting policies applied in these unaudited condensed interim financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of May 29, 2014, the date the Board of Directors approved these unaudited condensed interim financial statements and they are consistent with those disclosed in the annual financial statements.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 29, 2014.

b) Basis of Measurement
These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

3. Significant accounting policies

a) Cash and cash equivalents
The Company considers all highly liquid instruments, generally with a maturity of three months or less at the time of issuance, to be cash equivalents.

b) Critical accounting estimates and judgments
The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgments

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Deferred income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

c) Future accounting changes
Certain new accounting standards have been issued but are not yet effective. The Company has not yet evaluated the impact of these standards on its financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded below.

3. Significant accounting policies – (cont'd)

c) Future accounting changes – (cont'd)

IFRS 9 – Financial instruments ("IFRS 9") will replace IAS 39 Financial Instruments: Recognition and Measurement ("IASB 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. 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 application is permitted.

IFRS 12 – New Standard IFRS 12 Disclosure of Interest in Other Entities combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated significant entities.

Amendments to IAS 32, Financial Instruments: presentation - These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

4. Mineral properties

	Turner Lake Property	Manalo Property	Total
	$	$	$
March 31, 2014			
Mineral properties, beginning of the period	122,625	-	122,625
Acquisition costs capitalized during the period	-	-	-
Impairment	-	-	-
Mineral properties, end of the period	122,625	-	122,625
March 31, 2013			
Mineral properties, beginning of the period	122,625	405,000	527,625
Acquisition costs capitalized during the period	-	-	-
Mineral properties, end of the period	122,625	405,000	527,625

Turner Lake Property

On May 1, 2008, the Company entered into an Assignment Agreement with its then parent company, Rockgate Capital Corp. ("Rockgate"), whereby Rockgate assigned all of its' right and title to an Option Agreement dated November 8, 2007 between Rockgate and Trade Winds Ventures Inc. ("Trade Winds") regarding the Turner Lake Property. Under the Trade Winds Option, the Company can earn up to a 75% interest in the Turner Lake Gold property located near Bathurst Inlet, Nunavut; an initial 65% interest in the project can be earned by spending $1,000,000 in exploration expenditures by March 19, 2009 (incurred) and by Rockgate's issuance of 150,000 common shares of Rockgate (issued); an additional 10% interest could be earned by spending an additional $500,000 (incurred) on exploration prior to March 19, 2010 and by Rockgate's issuance of an additional 250,000 shares (issued); and by the Company's issuance of 16,667 shares (issued) to Trade Winds. In consideration of the assignment, the Company issued to Rockgate 34,200 units of the Company's capital stock valued at $2.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at $3.75 until expiry on December 31, 2010.

Effective March 19, 2009, the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property.

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds; to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 170,000 common shares of the Company valued at $68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for $1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party.

4. Mineral properties – (cont'd)

Manalo Property

Pursuant to an Assignment Agreement dated as of September 9, 2011, the Company agreed to acquire all of the rights of the Optionee in an Option Agreement dated February 20, 2009 between Delta Exploration ("Optionor") and Appleton Exploration Inc. ("Optionee"); in consideration for the Assignment, the Company agreed to pay to Appleton $250,000 (paid) and to issue 1,000,000 common shares (issued) on receipt of all necessary consents and regulatory approvals. Under the Option Agreement, the Optionee had the right to earn a 100-per-cent interest in the Manalo gold project, located in the Republic of Mali, Africa, subject to the retention of a 2-per-cent net smelter return (NSR) royalty by Delta. The Optionee could earn an initial 65-per-cent undivided interest in the Manalo gold project by incurring exploration expenditures on the Manalo gold project totaling $2.5-million (U.S.) prior to April 1, 2013. The Optionee could earn the remaining 35-per-cent interest in the Manalo gold project by making a one-time cash payment of $1.5-million to Delta. At Delta's option, Delta could elect to receive the payment in the equivalent value of units issued by the Optionee. The Optionee was also required to delivery an independent feasibility study or arrange for production financing prior to April 1, 2017. The Optionee had the option to purchase one-half of the NSR (1 per cent) for $1-million within the first 12 months of production.

Effective September 20, 2013, the Company relinquished its interest in the Manalo property option due to challenges posed by political and military issues in Mali and the state of capital markets. As a result, all capitalized costs were written off as at June 30, 2013.

Exploration and Development expenditures for the period ended March 31, 2014 are as follows:

	Turner Lake Property $	Manalo Property $	Total $
Assays	-	-	-
Camp supplies and field costs	-	-	-
Consultants	-	-	-
Drilling	-	-	-
Geological	-	-	-
Government fees	-	-	-
Office and administration	-	-	-
Travel	-	-	-
March 31, 2014	-	-	-

Assays	-	-	-
Camp supplies and field costs	-	77,132	77,132
Consultants	-	13,082	13,082
Drilling	-	703	703
Geological	-	15,308	15,308
Government fees	-	14,310	14,310
Office and administration	-	23,369	23,369
Travel	-	-	-
March 31, 2013	-	143,904	143,904

5. Related party transactions and balances

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the periods ended March 31, 2014 and 2013, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. (“PEMC”)	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff.
Geocon Enterprises Inc. (“Geocon”)	Consulting fees for the services provided by Lorne Warner, former VP Exploration of the Company.
Contact Financial Corp. (“CFC”)	Rent and shared office expenses.
Rockgate Capital Corp. (“Rockgate”)	Formerly a TSX listed company, formerly the parent of the Company

Due to related parties include the following amounts:

	March 31, 2014	March 31, 2013
	$	$
PEMC	283,500	nil
Geocon	99,400	99,400
CFC	23,780	nil
Rockgate	nil	491,552
Promissory Note to Rockgate	550,000	nil
	956,680	590,952

As at March 31, 2014, $550,000 (2013: $491,552) was due to Rockgate, the former parent company. Effective September 20, 2013, all amounts due to Rockgate were evidenced by the Company’s issuance of a non-recourse Promissory Note with a maturity date of September 20, 2018. The amount is non-interest bearing.

For the period ended March 31, 2014, the Company paid or accrued $22,500 (2013: $22,500) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer and director of the Company is a significant shareholder. Pursuant to a rental agreement, the Company is required to pay $2,500 per month and the agreement can be terminated by either party with six months’ notice.

For the period ended March 31, 2014, the Company paid or accrued a total of $270,000 (2013: $270,000) to PEMC, a company controlled by officers of the Company for management services. Pursuant to a Management Services Agreement, the Company is required to pay $30,000 per month, and the agreement can be terminated by either party with six months’ notice.

Included in exploration and drilling expense is $nil (2013: $143,904) accrued and payable to Rockgate, the former parent company, for the recovery of operating expenses pertaining to the Manalo option.

6. Share capital and contributed surplus

a) Authorized:
Unlimited common shares without par value

At the annual general meeting of shareholders held on December 10, 2013, shareholders approved a resolution to consolidate the share capital on the basis of one new common share for up to 10 existing common shares. The share consolidation is subject to the approval and acceptance by the TSX Venture Exchange. The share consolidation has not yet been effected.

b) Issued common shares: Refer to Statement of Changes in Equity

c) Warrants:

Warrant transactions are summarized as follows:

	Warrants	**Weighted Average Exercise Price $**
Balance June 30, 2012	8,000,000	0.165
Issued	-	-
Exercised	-	-
Expired	(8,000,000)	0.165
Balance June 30, 2013 and March 31, 2014	nil	-

As at March 31, 2014, there are no warrants outstanding.

e) Options:

During the year ended June 30, 2009, the Company adopted a Stock Option Plan (the "Plan"). The purpose of the Plan is to give to eligible persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

	Options	**Weighted Average Exercise Price**
		$
Balance, June 30, 2012	1,174,000	0.20
Granted	-	-
Terminated	-	-
Balance, June 30, 2013 and March 31, 2014	1,174,000	0.20

6. Share capital and contributed surplus – (cont'd)

e) Options – (cont'd)

As at March 31, 2014, the following stock options were outstanding and exercisable:

Number	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in years)
484,000	$0.24	January 17, 2016	1.80
690,000	$0.17	September 27, 2016	2.50

These options entitle the holder thereof the right to acquire one common share for each option held. The weighted average remaining life of outstanding options is 2.21 years.

7. Capital management

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at March 31, 2014, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be insufficient to carry on its planned operations.

8. Financial instruments, fair value measurement and risk

a) Financial Instruments

As at March 31, 2014, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities, due to related parties, and due to Rockgate Capital Corp. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

8. Financial instruments, fair value measurement and risk – (cont'd)

b) 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, by reference to the reliability of the inputs used to estimate the fair values.

Level 1
Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2
Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3
Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at March 31, 2014, the Company believes that the carrying values of taxes receivable and accounts payable and accrued liabilities, due to related parties, and due to Rockgate Capital Corp. approximate their fair values because of their nature and relatively short maturity dates or durations.

c) Financial Risks

(i) Credit Risk
Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is $248,259 (2013 - $389,862) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at March 31, 2014, the Company had a working capital deficit of $170,259 (June 30, 2013 year-end surplus of $170,851). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2014, the Company does not have sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk
The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

9. Non-cash transactions

The Company has recorded no non-cash Investing and Financing Activities in the period.

10. Segmented information

The Company operates in one segment – the acquisition, exploration and development of mineral properties. As at March 31, 2014, the Company's operations and assets were in Canada.

11. Events after the reporting period

a) Further to Note 5, the Company has been advised that the Promissory Note has been assigned by Rockgate to an arms-length party.

b) On May 22, 2014 the Company announced that it had arranged a non-brokered private placement of up to 18,000,000 Units of the Company at a price of $0.05 per Unit for gross proceeds of approximately $900,000. Each Unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the company for a period of 18 months from the closing date at a price of $0.10 per common share. The private placement is expected to close prior to June 30, 2014, subject to receipt of all necessary, regulatory approvals.