(Formerly Mantis Mineral Corp.)

(An Exploration Stage company)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

AT APRIL 29TH 2014

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GONDWANA OIL CORP
(FORMERLY MANTIS MINERAL CORP.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 29th, 2014

This Management Discussion and Analysis ("MD&A") of Gondwana Oil Corp. ("Gondwana" or the "Company" or "Mantis") is dated April 29th, 2014, and provides an analysis of the Company's performance and financial condition for the year ended December 31, 2013 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 F1– Continuous Disclosure Obligations. This MD&A should be read in conjunction with our audited financial statements and related notes for the years ended December 31, 2013 and 2012, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. *The financial statements and additional information, including the Company's Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.*

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value by concentrating on the exploration and acquisition of properties prospective for precious metals; its ability to meet its operating costs for the twelve-month period ending December 31, 2014; the plans, costs, timing and capital for future exploration and development of the Company's current and future property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility for precious metals; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, price volatility for precious metals, changes in equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data, the possibility that future exploration results will not be consistent with the Company's expectations, increases in costs, environmental compliance and changes in environmental legislation and regulation, exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company's exploration and acquisition activities; operating and exploration and development costs; its ability to retain and attract skilled staff and consultants; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the risks inherent to operating in developing countries (such as corruption, limited infrastructure and resources, crime, civil unrest, the uncertainty of regulatory process, the legal system and the rule of law, war and terrorism), unfair competitive practices, the impact of general economic conditions, industry conditions, dependence upon regulatory approvals, the uncertainty of obtaining additional financing, and the other risk factors disclosed in the information circular of Mantis Mineral Corp. (a predecessor to the Company) dated December 30, 2013 (the "Circular") available at www.sedar.com. There can be no assurance that Gondwana will be able to satisfy any of the conditions required in order to negotiate and conclude a Petroleum Agreement with the Government of Ghana with respect to the Application on terms acceptable to Gondwana or at all. For further details please refer to the Circular, including disclosure under the headings "Risk Factors" contained therein. Readers are cautioned that the assumptions used in the preparation of information contained herein, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Overall Performance

Principal Business and Corporate History

Mantis Mineral Corp. (the "Company") was incorporated on May 30, 1997 in Ontario and carried on the business of the acquisition and exploration of properties for mining of precious and base metals. Mantis has not earned any revenue to date from its mining operations and is therefore considered to be in the exploration ("exploration") stage.

The financial statements, references to notes and discussion presented within this report make reference to the audited consolidated financial statements for the year ended December 31, 2013 and the 2012 year ended consolidated financial statements of Mantis Mineral Corp. and its wholly-owned subsidiaries: Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd. and University Avenue Management Ltd.

The consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraphs.

The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully advance the projects and continue as a going concern.

On December 23, 2013, Mantis and Gondwana Energy Corp. ("Gondwana Energy") entered into an agreement providing for a business combination of the two companies (the "Business Combination"). Gondwana Energy is a private company existing under the laws of Ontario which is engaged in the acquisition, exploration and development of oil and gas properties in Ghana, Africa.

Gondwana Energy was formed on September 6, 2013 and acquired a 70% interest in Miura Petroleum Limited, which holds a right to negotiate the acquisition of an interest in the off-shore license block at West Cape Three Points – South Block, located in Ghana, Africa and comprising approximately 1,604 square kilometres.

The Business Combination was structured in the form of an amalgamation pursuant to which Mantis amalgamated with Gondwana Energy, and all of the issued and outstanding securities of Gondwana Energy were exchanged by the existing holders thereof in consideration of the issuance of equivalent securities of Mantis on a 1:1 basis. Gondwana Energy and Mantis are arm's length parties.

Prior to closing, Gondwana Energy completed a private placement of up to 700,000,000 special warrants ("Special Warrants") to raise aggregate gross proceeds of up to $3,500,000. Each Special Warrant is to be exercisable, for no additional consideration, to acquire one unit ("Unit") comprised of one common share of Gondwana and one common share purchase warrant of Gondwana (each, a "Warrant"). Each Warrant is to be exercisable for a period of five years from the closing date of the private placement into one common share of Gondwana at an exercise price of $0.05 per share. The Special Warrants were exchangeable by the holders thereof at any time prior to, and will be exercised on behalf of the holders thereof at, 5:00 p.m. (Toronto time) on the date which is the earlier of the following dates: (i) the last business day immediately preceding the completion of the Business Combination or a similar liquidity event (a "Liquidity Event"); and (ii) the date which is four months following the closing of the private placement (the "Qualification Deadline"). If a Liquidity Event has not been completed on or before the Qualification Deadline, each Special Warrant which has not yet been exchanged will thereafter be exchangeable, for no additional consideration, into 1.25 Units (in lieu of one Unit) (the "Penalty Provisions").

In connection with the Business Combination, the holders of common shares of Gondwana and Warrants issued upon exercise or deemed exercise of the Special Warrants shall be exchanged for equivalent securities of Mantis on a one-for-one basis. Mantis applied to have the Warrants listed on the Canadian National Stock Exchange in connection with the Business Combination.

Eligible registrants received a cash commission equal to 7% of the gross proceeds they raise in the private placement as well as compensation options entitling them to acquire such number of Units as is equal to 7% of the aggregate number of Special Warrants they sold in the private placement, at a price of $0.005 per Unit for a period of five years. Any compensation options outstanding immediately prior to the effective date of the Business Combination will be exchanged for equivalent securities of Mantis on a one-for-one basis. The compensation options shall not contain Penalty Provisions.

On February 3, 2014 the Company announced the results of the voting at its special meeting of shareholders held on January 31, 2014 in Toronto, Ontario (the "Meeting") at which the Company received shareholder approval of its proposed business combination with Gondwana Energy Corp. (the "Business Combination"), as previously announced on December 23, 2013. At the Meeting, shareholders of the Company also approved the adoption of a new stock option plan for the company resulting from the Business Combination, pursuant to which such company may issue stock options to acquire up to an aggregate of 125,000,000 common shares. The Business Combination was approved by the Regulators on February 24, 2014. Mantis was renamed after the Business Combination on February 24, 2014 as Gondwana Oil Corp.

On March 18, 2014 the Company announced that after review of its application on the Offshore Cape Three Points South Block, Ghana's Ministry of Energy and Petroleum has invited Gondwana's 70% owned Ghanaian subsidiary, Miura Petroleum Limited, to negotiate exclusively on the Block.

There can be no assurance that Gondwana Oil will be able to satisfy any of the conditions required in order to negotiate and conclude a Petroleum Agreement with the Government of Ghana with respect to the Application on terms acceptable to Gondwana Oil or at all.

The Company has incurred losses in previous years, with a current net loss of $1,988,652 for the year ended December 31, 2013 (December 31, 2012 - $1,877,999) and has an accumulated deficit of $32,658,690 (December 31, 2012 - $30,670,038). In addition, the Company had a working capital deficit of $550,424 at December 31, 2013 (December 31, 2012 – balance, $276,190). Funds were raised in the Business Combination that enable the Company to fund its budgeted expenditures for the next twelve months from the end of the reporting period. The ability of the Company to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its exploration programs is contingent upon securing equity financing or monetizing assets. The timing and availability of additional financing will be determined largely by market conditions, legal restrictions, and the results of the Company's ongoing exploration programs. There is no certainty that the Company will be able to raise funds as they are required in the future.

The consolidated financial statements attached do not reflect the adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate, then adjustments would be necessary to the carrying value of the assets, the reported revenues and expenses, and the statement of financial position classifications used.

This discussion contains forward-looking statements that involve risks and uncertainties. Exploration expenditures are deferred and included on the balance sheet unless the value is impaired or the projects are abandoned which results in such expenditures being written off.

BASIS OF PRESENTATION

Adoption of International Financial Reporting Standards ("IFRS")

(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 International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2013.

(b) Basis of Presentation

The financial statements have been prepared on the historical cost basis. Current assets are recorded at fair value. The comparative figures presented in these financial statements are in accordance with IFRS and have been audited.

These financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its property. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Future Outlook

As a result of the Business Combination that took place in February 2014, the Company does not plan any further exploration work on its existing mineral properties, but intends to maintain the key projects from the mineral exploration projects in good standing.

The Company intends, with the change of business to the oil and gas sector, to pursue opportunities through joint ventures where practical and seek out areas of investment to further the advancement of the Company in its new endeavours.

Financial Overview

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures.

Results of Operations

Projects Overview

	East Lingman Lake	Orphan Mine	Cree Lake	Case Pegmatite	Total
	$	$	$	$	$
Balance at January 1,2012	-	1,807,931	845,947	57,110	2,710,988
Acquisition costs	50,000	-	-	-	50,000
					-
Exploration costs					-
Amortization	-	-	1,077	-	1,077
Geosciences	-	(27,041)	34,788	-	7,747
	50,000	(27,041)	35,865	-	58,824
Subtotal	-	1,780,890	881,812	57,110	2,769,812
Sale of options	-	-	-	-	-
Impairment in exploration and evaluation assets	-	(1,780,890)	-	-	(1,780,890)
Write-down in exploration and evaluation assets	-	-	-	(57,110)	(57,110)
Balance, December 31, 2012	50,000	-	881,812	-	931,812
Acquisition costs	200,000	-	-	-	200,000
Exploration costs					
Amortization	-	-	1,004	-	1,004
Geosciences	7,300	-	3,355	-	10,655
	207,300	-	4,359	-	211,659
Subtotal	257,300	-	886,171	-	1,143,471
Write-down in exploration and evaluation assets	(257,300)	-	(804,171)	-	(1,061,471)
Sale of options	-	-	(82,000)	-	(82,000)
Balance, December 31, 2013	-	-	-	-	-

(a) The East Lingman Lake Gold Property

On October 25, 2012, Mantis announced that it had entered into an option agreement (the "Agreement") to acquire a 100% registered undivided interest in The East Lingman Lake Gold Property consisting of twelve (12) staked claims, totalling 538.3-hectares and located in the Kenora District, Province of Ontario, approximately 325-kilometers north of the Town of Red Lake. The twelve (12) staked claims surround the Lingman Lake Gold Property.

Option agreement

The Agreement provides that Mantis may acquire a 100% registered undivided interest in the East Lingman Lake Gold Property subject to a 3% Net Smelter Royalty, by making an initial payment of 1,000,000 common shares (issued) within 10 days of the signing of the Agreement, and further paying an aggregate of $800,000 in cash, or equivalent value in common shares of Mantis over four years. Any common shares issued by Mantis under the terms of the Agreement are to be priced at $ 0.05, subject to regulatory approval and a four month regulatory hold period from date of issue.

Option agreement

Date	Cash Payments	Common Shares
On signing of the Option Agreement	Nil	1,000,000
On or before June 30,2013	$200,000	Nil
On or before June 30,2014	$200,000	Nil
On or before June 30,2015	$200,000	Nil
On or before June 30,2016	$200,000	Nil

In September 2013, 4,000,000 share of the Company were issued with a value of $200,000 to satisfy the second payment in accordance with the terms of the option agreement.

In November 2013, the Company entered into an option agreement to grant an option to acquire a 100% registered undivided interest in the East Lingman Lake to Signature Resources Ltd. (SGU: TSX-V) ("Signature"). In order to acquire the option currently held by the Company, Signature agreed to pay $127,500 or the number of common shares in the capital of SGU equal to $127,500, each such common share at an attributed value of $0.085 or such value allowable under the TSXV Exchange policies on or before June 30, 2014.Up to the date of this MD&A, these shares had not been received by the Company.

As at December 31, 2013, based on the review of this project, management determined that it was necessary to record an impairment charge on this property in the amount of $257,300 as there are no planned expenditures in the near future.

(b) Orphan Gold Mine Property

As at December 31, 2012, based on the review of this project, management determined that it was necessary to record an impairment on this property in the amount of $1,780,890 as there are no planned expenditures in the near future.

(c) The Cree Lake Property

On October 4, 2012 the Company entered into an arm's length binding letter of intent with ELCORA RESOURCES CORP. ("Elcora"), dated October 3, 2012 (the "Letter of Intent") for the right to acquire a fifty-one percent (51%) undivided interest in the Cree Lake Gold Property located in Swayze Township, Ontario, (the "Transaction") consisting of 18 mining claims covering approximately 3904 hectares (the "Cree Lake Claims"), which claims are subject to a 1.5% net smelter return royalty on mining claim numbers 4203295, 4203275, 4203296, 4209811.

Under the terms of the Letter of Intent, Elcora has the exclusive right to earn up to a 51% undivided interest in the Cree Lake Claims by making cash payments, issuing common shares of Elcora and conducting work programs on the Cree Lake Claims. Elcora may earn a 51% interest in the Cree Lake Claims by making cash payments totaling $50,000, issuing 3,000,000 common shares and completing work programs on the Cree Lake Claims with a total value of a minimum of $1,000,000 over a four year period.

Date	Common Shares	Work commitment/Expenditures
Within 10 days of the closing date	300,000	$ 25,000 cash payment to Mantis
On or before December 31,2013	400,000	$200,000 exploration expenditures and $25,000 cash payment to Mantis
On or before December 31,2014	600,000	$250,000 exploration expenditures
On or before December 31,2015	700,000	$250,000 exploration expenditures
On or before December 31,2016	1,000,000	$300,000 exploration expenditures

In March 2013, 300,000 shares of Elcora and $25,000 in cash were received pursuant to the agreement.

On May 22, 2013, the Company entered into an agreement to sell 100% of its Cree Lake Property to an arm's length third party. The Elcora option payments detailed above were to be transferred to the purchaser. The transaction was scheduled to be completed on August 3, 2013, subject to certain closing conditions. The closing date was subsequently extended to accommodate closing. As certain closing conditions had not been satisfied, the agreement was terminated on September 23, 2013.

As at December 31, 2013, based on the review of this project, management determined that it was necessary to record an impairment on this property in the amount of $804,171 as there are no planned expenditures in the near future.

On January 8, 2014 The Company agreed to amend the option agreement that was entered into in December 2012 with Elcora. The cash payment that would have been due on or before December 31, 2013 for $25,000 was deleted and added was the fact that consideration for entering into the original agreement would be changed to 400,000 shares of Elcora to be received on or before January 31, 2014. At the end of April 2014, the shares were received by the Company. On April 25, 2014, all of the Elcora shares were sold to an arm's length third party for $70,000.

(d) The Case Pegmatite Property

The Company entered into an agreement (the "Agreement") with an arm's-length third party corporation (the "Optionor") dated October 5, 2009 (the "Effective Date") to acquire a 100% interest in the lithium-tantalum rich pegmatite property located in Steele Township, Ontario, by initially issuing 150,000 common shares and paying $75,000 over three years. The Company issued 150,000 common shares valued at $9,000, paid $15,000 in 2010 and in the current year a further $20,000 was paid. The Company was committed to paying a further $40,000 on September 1, 2012.

The Optionor retained a 2% Net Smelter Return Royalty.

In August 2012, the Company elected to terminate its option on this project and recorded a write-down of $57,110.

(e) The Grass River Property

On June 21, 2012 Mantis announced that VMS Ventures Inc. ("VMS" or the "Company") entered into an agreement to acquire a land package (Mantis' Grass River Project) comprising two separate groups of claims covering a prospective rock package over an area of 38.70 square kilometres. The claim groups are immediately to the east and west of the VMS/HudBay JV/Optioned claims, which include the high grade copper discovery, Reed deposit, which is now under mine construction. The project will be called Reed East/West and will be owned and operated 100% by VMS subject to an underlying royalty agreement.

Terms of the Transaction

Under the terms of the Purchase Agreement, VMS acquired the claims outright, subject to an underlying royalty agreement, for a one time issuance of 500,000 common shares of the Company.

As a result of this transaction, Mantis received 500,000 shares of VMS Ventures Inc. on June 29, 2012 which had a value on that date of $0.21 per share, for a total value of $105,000.

The shares of VMS were sold during 2013 for a total of $82,712.

Selected Annual Information

	December 31 2013	December 31 2011
	$	**$**
Total revenues		-
Net Income(Loss) and comprehensive income(loss) before income taxes		
Total	(1,988,652)	(1,877,999)
Per share basis	(0.018)	(0.018)
Net Income(Loss) and comprehensive income(loss)		
Total	(1,988,652)	(1,877,999)
Per share basis	(0)	(0.018)
Diluted - per share basis (i)	-	-
Total assets	147,511	1,482,952
Total long term financial liabilities	-	-

(i) Fully diluted loss per common share has not been provided as the effect would be anti–dilutive.

Summary of quarterly results

Quarterly variances occur mainly due to seasonal factors, administrative costs and fees related to new property acquisitions, business partnerships and combinations and levels of exploration activities.

Fourth Quarter Financial Review – Results of Operations

Factors Affecting Quarterly Results:

The Company has no revenue other than interest income. As a result of its activities, the Company continues to incur net losses.

The Company had cash flow resulting from the sales of marketable securities and interest income on those securities.

Funds, in the amount of $100,000 were advanced from Gondwana Energy Corp. prior to the **c**ompletion of the Business Combination. The loan bears no interest, has no stated terms of repayment and is unsecured. On amalgamation, the loan payable was eliminated

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters. The financial information referenced below has been prepared in accordance with IFRS.

	Net Earnings(Loss) and Comprehensive Earnings (Loss)					
Quarter ended	Total	Write down and impairment of evaluation and exploration assets	Income(Loss) before income taxes and write down of exploration and evaluation assets	Per Share (i)	Total assets	Working Capital(Deficiency)
	$	$	$	$	$	$
Dec 31,2013	(1,553,750)	(1,061,471)	(492,279)	(0.014)	147,591	(550,424)
Sept 30,2013	(82,245)	-	(82,245)	(0.001)	1,269,811	(78,089)
June 30,2013	(158,235)	-	(158,235)	(0.001)	1,087,136	4,132
March 31,2013	(194,422)	-	(194,422)	(0.001)	1,218,244	164,012
Dec 31,2012	(2,010,942)	(1,838,000)	(172,942)	(0.019)	1,482,952	276,190
Sept 30,2012	330,894	-	330,894	0.003	3,435,990	439,798
June 30,2012	(87,777)	-	(87,777)	(0.001)	3,572,898	108,903
Mar 31,2012	(110,174)	-	(110,174)	(0.001)	3,682,035	206,618

(i) On a non-diluted basis

There was a net loss for the three month period ended December 31, 2013 of $1,553,750, adjusted for the write-down of exploration and evaluation assets of $1,061,471 to $492,279;compared to a net loss, for the same period in 2012, adjusted for the write-down of the exploration and evaluation assets of $1,838,000, to $172,942. Extraordinary legal fees for the Business Combination of $261,703 were incurred in the 4th quarter of 2013.

Annual

The loss for 2013 was $1,988,652 before a write down of exploration and evaluation assets of $1,061,471, unrealized losses of $92,951 and realized losses on the sales of investments of $22,592, as compared to the loss for the year ended December 31, 2012 of $1,877,999 which included a write-down and impairment in the value of exploration and evaluation assets of $1,838,000, a realized gain of $105,000 on the sale of mineral rights, a realized gain of $1,705 on investment sales and a recovery of expenses from prior years of $374,400. The actual loss from operations for the 2012 year was $538,318 compared to $812,941 for 2013. Legal fees in 2013 were $261,703, which accounts for the majority of the increase year over year.

The main components of this loss for the year ended December 31, 2013 were:

i) Investor relations and travel expense has reduced from $94,248 in 2012 to $79,516 in 2013.
ii) Legal fees of $ 261,703 in 2013.
iii) General and office administration for the Company can be further broken down as:

		2013	2012
			$
Occupancy (net)		63,687	62,702
Consulting fees	(a)	64,004	58,155
General		35,943	35,305
Communications		18,827	15,746
Printing	(b)	30,459	14,710
Corporate secretary and custodian	(c)	19,700	14,745
Interest and bank charges		1,829	1,677
Fees and dues		9,735	10,398
Insurance	(d)	4,094	7,140
Computer services		2,132	3,310
Repairs and maintenance	(e)	882	8,387
		251,292	232,275

a) Consulting fees have increased by $5,849 from 2012 due to increased demand for accounting services.
b) Due to the increased number of shareholders in 2013, printing costs for the annual information circular were increased from 2012.
c) The fees paid to the transfer agent were increased due to the Special Circular for the Business Combination being processed in December 2013. This was only a partial payment on the total amount of fees, the balance was incurred in 2014.
d) Insurance rates were re-negotiated in 2013 based on the reduction in mining operations.
e) Repairs were made to the office premises for $8,387 in 2012.

Outstanding Share Data

Share Capital

	Note	Number of shares	Amount
		#	$
Balance, January 1, 2012		**105,999,265**	**29,224,279**
Issued for evaluation and exploration properties	(i)	1,000,000	50,000
Balance, December 31, 2012		**106,999,265**	**29,274,279**
Issued on conversion of debt	(ii)	564,850	28,242
Issued for evaluation and exploration properties	(iii)	4,000,000	200,000
Balance, December 31, 2013		**111,564,115**	**29,502,521**

(i) On October 25, 2012, Mantis announced that it had entered into an option agreement to acquire a 100% registered undivided interest in The East Lingman Lake Gold Property consisting of twelve staked claims, totaling 538.3-hectares and located in the Kenora District, Province of Ontario, approximately 325-kilometers north of the Town of Red Lake. 1,000,000 Mantis common shares with a value of $50,000 were issued to an arm's length third party as consideration to complete its obligations on signing the Option Agreement.

(ii) 564,850 common shares of the Company at $0.05 per share were issued to two arms length creditors to settle amounts owing for services of $28,242.

(iii) 4,000,000 common shares of the Company at $0.05 per share were issued for mineral property rights for The East Lingman Lake Gold Property in September 2013.

For the Company's share position at April 25, 2014 see the "Business Combination" for shares issued after December 31, 2013.

No options were granted during 2013. See "Business Combination" for options granted after December 31, 2013.

	December 31, 2013		December 31, 2012	
	Number of options outstanding	Weighted Average Exercise Price	Number of options outstanding	Weighted Average Exercise Price
		$		
Outstanding, beginning of year	3,050,000	0.09	6,930,000	0.15
Granted during the year	-	-	-	-
Expired during the year	(600,000)	(0.23)	(3,880,000)	(0.06)
Outstanding, end of year	2,450,000	0.06	3,050,000	0.09

Subsequent to the year end 12,000,000 of stock options were converted in 12,000,000 common shares $0.005 per unit. The stock options represented were issued by Gondwana Energy Corp. prior to the Business Combination.

The number of common shares issuable under options and the average option prices per share, are as follows:

Weighted Average Remaining Contractual Life	Fair Value of Options	Number of options and exercisable options	Exercise price	Expiry Date
Years	$	#	$	
0.17	73,231	2,100,000	0.05	March 10,2014
0.83	8,718	250,000	0.05	October 26,2014
1.75	1,100	100,000	0.05	October 4,2015
0.69	83,049	2,450,000	0.05	

Warrants

The following tables summarize information about warrants outstanding at December 31:

Warrants outstanding as at December 31, 2013 and 2012:

	Number of warrants		Weighted Average Exercise Price	
	December 31		December 31	
	2013	2012	2013	2012
	#	#	$	$
Outstanding,beginning of year	10,863,438	13,063,438	0.27	0.27
Granted during year	-	-	-	-
Cancelled or expired during year	(10,863,438)	(2,200,000)	(0.27)	(0.15)
Outstanding,end of period	-	10,863,438	-	0.27

Expiry date quarter ended	Exercise price $	Number of warrants outstanding and exercisable	Scholes value $
June-13	0.15	1,232,500	4,500
June-13	0.15	5,650,000	20,900
September-13	0.15	3,980,938	25,400
Balance, December 31,2012		10,863,438	50,800
Balance, December 31,2013		-	-

Shares and warrants issued subsequent to the year end

Subsequent to the year end, 5,036,000 Compensation Options were converted into 5,036,000 common shares and 5,036,000 warrants of Gondwana for $0.005 per unit. The Compensation Options represented were issued by Gondwana Energy Corp. prior to the Business Combination.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

COURSE OF BUSINESS TRANSACTIONS

Related Party Transactions

The following amounts were paid or accrued as payable to officers and directors. These expenditures were recorded at the amounts negotiated and agreed to by the parties and are summarized below:

(a) Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company incurred the following related party expenses during the period ended December 31, 2013 and 2012:

Included in accounts payable is an amount of $240,458 (2012-$113,083) owing to the Chief Executive Officer of the Company for wages earned in prior years.

These transactions are in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the parties.

(b) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows:

	Year ended December 31, 2013	Year ended December 31, 2012
	$	$
Salary (i)	165,375	157,500
Consulting fees (ii)	64,004	58,155

(i) Chairman and Chief Executive Officer
(ii) Chief Financial Officer

Liquidity and Capital Resources

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. During the year ended December 31, 2013, the Company incurred a net loss of $1,988,652 (2012 - $1,877,999). At December 31, 2013, the Company had cash and cash equivalents, marketable securities and sundry receivables and prepaid expenses of $142,269 (December 31, 2011-$543,914) and working capital deficit of $550,424 (December 31, 2012-surplus $276,190).

The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. In order to meet future expenditures and cover administrative costs, the Company may need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms.

The properties held by the Company are not income generating. The Company is reliant on equity markets over the long term to raise capital to fund its exploration activities. In the past, the Company has been successful in raising funds through equity offerings, and while there is no guarantee that this will continue, there is no reason either to believe that this capacity will diminish.

The Company has generated cash flows by selling investments in various securities and interest income.

Accounts payable balances vary from quarter-to-quarter depending on the season and the amount of work performed during the quarter. The balance at December 31, 2013 was $592,693 (December 31, 2012 of $267,724)

The Company does not hold, and has never held, any Asset-Backed Commercial Paper (ABCP).

The Business Combination

Gondwana Energy Corp ("Gondwana Energy") was formed on September 6, 2013. Gondwana Energy is a private company that was incorporated under the laws of Ontario which is engaged in the acquisition, exploration and development of oil and gas properties in Ghana, Africa. Gondwana Energy completed a private placement and raised approximately $3,500,000 for 700,000,000 special warrants ("Special Warrants"). Each Special Warrant was exercisable, for no additional consideration, to acquire one unit ("Unit") comprised of one common share of Gondwana Energy and one common share purchase warrant of Gondwana Energy (each, a "Warrant"). Each Warrant is to be exercisable for a period of five years from the closing date of the private placement into one common share of Gondwana Energy at an exercise price of $0.05 per share.

With part of the proceeds of the private placement, Gondwana Energy acquired a 70% interest in Miura Petroleum Limited, which holds a right to negotiate the acquisition of an interest in the off-shore license block at West Cape Three Points – South Block, located in Ghana, Africa and comprising approximately 1,604 square kilometres.

Eligible registrants received a cash commission equal to 7% of the gross proceeds they raised in the private placement as well as compensation options entitling them to acquire such number of Units as is equal to 7% of the aggregate number of Special Warrants they sold in the private placement, at a price of $0.005 per Unit for a period of five years. Any compensation options outstanding immediately prior to the effective date of the Business Combination will be exchanged for equivalent securities of Gondwana on a one-for-one basis. The cash commissions were paid from the proceeds of the private placement.

On December 23, 2013, Mantis and Gondwana Energy entered into an agreement for a business combination for the two companies (the "Business Combination"). On January 31, 2014, the business combination was approved and became effective February 24, 2014. As a result, all of the common shares outstanding for the two companies were exchanged to form Gondwana Oil Corp ("Gondwana") and Mantis ceased to exist on a standalone basis. Under the terms of the agreement, each Gondwana Energy and Mantis common share was exchanged for one common share of Gondwana. On amalgamation, the existing shareholders of Mantis received 111,564,115 common shares of Gondwana representing approximately 11.03% of the outstanding common shares. In addition, the existing 2,450,000 stock options currently issued by Mantis were exchanged for the equivalent amount of stock options of Gondwana, having the same terms and conditions.

As a result of the amalgamation, the former shareholders of Gondwana Energy Corp. own a majority of the common shares of the Gondwana Oil Corp. Accordingly, the amalgamation will constitute a reverse take-over of the Company.

Following the transaction, Mantis, now Gondwana Oil Corp., will focus on advancing Gondwana's petroleum assets in an effort to enhance overall shareholder value.

Immediately following the closing of the Business an aggregate of approximately 1,011,564,116 Gondwana common shares were issued and outstanding, of which 200,000,001 Gondwana common shares are held by former Gondwana Energy shareholders, 111,564,115 Gondwana common shares are held by the former Mantis shareholders, and 700,000,000 Gondwana common shares are held by subscribers in the private placement.

Furthermore, it is anticipated that 912,950,000 common shares of Gondwana will be reserved for issuance pursuant to outstanding convertible securities upon the closing of the Business Combination.

On February 3, 2014 the Company announced at the meeting of the shareholders of the Company that the adoption of a new stock option plan was approved for the Company resulting from the Business Combination, pursuant to which such company may issue stock options to acquire up to an aggregate of 125,000,000 common shares.

On February 20, 2014, Gondwana issued 28,907,040 common shares at $0.005 per share, to settle an outstanding amount of $144,535. This amount was included in accounts payable at December 31, 2013.

Subsequent to the year end, 5,036,000 Compensation Options were converted into 5,036,000 common shares and warrants of Gondwana at $0.005 per unit, and 12,000,000 stock options were converted in 12,000,000 common shares $0.005 per unit. The Compensation Options and the stock options represented were issued by Gondwana Energy Corp. prior to the Business Combination.

Selection to negotiate with Ghana's Ministry of Energy and Petroleum

On March 18, 2014 The Company announced that after review of its application on the Offshore Cape Three Points South Block, Ghana's Ministry of Energy and Petroleum has invited Gondwana's 70% owned Ghanaian subsidiary, Miura Petroleum Limited, to negotiate exclusively on the Block.

The Ministry of Energy and Petroleum of Ghana issued a press release dated April 10, 2014 ("The Announcement") in connection with the activities of the Company's 70% held subsidiary, Miura Petroleum Limited. The Announcement made allegations with respect to the authenticity of certain documentation issued by the Ministry in connection with Miura's application for the Offshore Cape Three Point South block. Based on the facts that the Company was not given prior notification of the matters relating to the Announcement, which is not in line with the usual protocol expected in these matters, and that the Ministry has removed the announcement from its website, appears to be constructive. The Company anticipates further confirmations from the Ministry regarding the overall status of such application.

There can be no assurance that Gondwana Oil will be able to satisfy any of the conditions required in order to negotiate and conclude a Petroleum Agreement with the Government of Ghana with respect to the Application on terms acceptable to Gondwana Oil or at all.

Balance-Sheet Arrangements

The Company has no off-balance-sheet arrangements.

Proposed Transactions

As is typical of the oil and gas development industry, the Company continues to review property and competitor company information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company endeavours to continue research into potential opportunities, and to keep business relationships open should opportunities arise.

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 International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2013.

The policies applied in these financial statements are based on IFRS issued and outstanding as at December 31, 2013. The same accounting policies and methods of computation are followed in these financial statements as compared with the most recent annual financial statements as at and for the period ended December 31, 2012**.**

b) Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported year. Significant areas where management's judgment is applied include the carrying value of mineral properties, accounts payable and accrued liabilities, fair value estimates for stock options, warrants, taxation and contingencies. Actual results may differ from those estimates. Of particular significance are the estimates and assumptions used in recognition and measurement of items included in note 2(o).

c) Principles of Consolidation

The consolidated financial statements include the accounts of Gondwana Oil Corp. (the "Company") and its wholly owned subsidiaries Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd., and University Avenue Management Ltd. On consolidation, all intercompany transactions and balances have been eliminated.

d) Financial Instruments

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ["FVTPL"], 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or [where appropriate] to the net carrying amount on initial recognition

De-recognition of financial liabilities:
The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expired.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company's financial instruments consist of the following:

Financial assets:		Classification:
Cash and cash equivalents Prepaid and sundry receivables		FVTPL Receivables
Financial liabilities:		Classification:
Accounts payable and other liabilities		Other financial liabilities
Loans payable		Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loan receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly [i.e. as prices] or indirectly [i.e. derived from prices]; and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs]. As of December 31, 2013, and December 31, 2012, Cash and cash equivalents were classified as Level 1 on the consolidated balance sheets.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2013:

	Financial assets at fair value as at December 31,2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 40,891	$ -	$ -	$ 40,891
Cash equivalents	$ 15,000	$ -	$ -	$ 15,000
Marketable securities	$ 66,550	$ -	$ -	$ 66,550
	$ 122,441	$ -	$ -	$ 122,441

e) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. The Company has assessed its assets and has determined that there is no impairment of its non-financial assets.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Exploration and evaluation expenditures

The Company is in the exploration stage with respect to its investment in mineral properties. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property by property basis. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Since the amalgamation has been completed, all of the mineral properties currently held by Gondwana (Formerly Mantis) will be placed in a state of "due care" and no further expenditures will be incurred for the existing properties.

g) Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Equipment is amortized using the declining-balance method at an annual rate of 30%.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive income or loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

h) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and higher yield investment and savings accounts that are available on demand by the Company for its programs.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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. The Company had no material provisions at December 31, 2013 and December 31, 2012.

j) Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes [direct employee] or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

k) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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 future tax asset will be recovered, it provides a valuation allowance against that excess.

l) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Restoration, rehabilitation and environmental obligations

As at December 31, 2013 and December 31, 2012 the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

m) Loss per share

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

n) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable that are included in the consolidated statements of financial position;
- the estimated useful lives and residual value of equipment which are included in the consolidated statements and the related depreciation included in profit or loss;
- the inputs used in accounting for stock option based transactions in profit or loss in the current and prior periods;
- the assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of these properties where applicable.
- management assumption of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed in the current and prior periods.
- management's position that there is no income tax considerations required for the current and prior periods.

How financial assets and liabilities are categorized is an accounting policy that requires management to make judgments or assessments.

o) New accounting standards and interpretations

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods after December 31, 2012. The following new standards have been adopted:

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New accounting standards and interpretations (continued)

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

IFRS 12, Disclosure of interest in Other Entities ("IFTRS 12")

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. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The standard 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 has 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 categorised 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.

At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

IAS 1, Presentation of Financial Statements ("IAS 1")

IAS 1 was amended by the IASB in June 2-11 in order to align the presentation of items in other comprehensive loss with US GAAP standard. Items in other comprehensive loss will be required to be presented in two categories: items that might be reclassified into profit or loss and those that will not be reclassified. The flexibility to present statement of comprehensive loss as one statement or two separate statements of profit and loss and other comprehensive loss remains unchanged. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

IAS 27, Separate Financial Statements

IAS 27, Separate Financial Statements is amended to deal with the requirements for separate financial statements, which have been carried over largely un-amended from IAS 27 Consolidated and Separate Financial statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

p) New standards and interpretations not yet adopted

The following accounting standards have been released but have not yet been adopted by the Company.

IFRS 9- Financial Instruments ("IFRS9")

In November 2009, the IASB issued and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS39"). IFRS 9 which is to be applied retrospectively, will be effective as of January 1, 2018.

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. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be equity, comprising share capital, reserves and deficit which at December 31, 2013 totaled, a deficit of $545,182 (December 31, 2012- $1,215,228). 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 issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2013 and December 31, 2012.

PROPERTY AND FINANCIAL RISK FACTORS

The Company is exposed to property risk and a variety of financial risks: credit risk, liquidity risk and market risk [including interest rate and foreign exchange rate risks] as explained below. 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.

(a) Property risk

The Company's major mineral properties are the Orphan Mine, Cree Lake and East Lingman Lake Gold property. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon these three projects. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting these three projects would have a material adverse effect on the Company's financial condition and results of operations. The Company has written off all of its properties and it still has an interest in the Cree Lake and East Lingman Lake properties.

(b) Financial risk

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and prepaid expenses. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2013, the Company had cash, cash equivalents and marketable securities of $122,531 (December 31, 2012-$537,380) to settle current liabilities of $692,693 (December 31, 2012 - $267,724). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The majority of the current liabilities were settled on amalgamation, subsequent to the year end.

Market risk

(i) Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

(c) 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 Company's investment in marketable securities amounting to $66,550 is subject to fair value fluctuations. As at December 31, 2013, if the fair value of the Company's investment in marketable securities had decreased/increased by 25% with all other variables held constant, comprehensive loss and equity for the year ended December 31, 2013 would have been approximately $16,638 higher/lower.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the Company's projects and any other properties the Company may acquire are added as needed. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Company's projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Fluctuating Mineral Prices

Commodity prices are highly volatile and factors beyond the control of the Company. The effect of these factors cannot be predicted.

Limited Operating History

There is no assurance that the Company will earn profits in the future, or that profitability, if achieved, will be sustained. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities. The Company may also have a reduced interest or lose its interest in the properties.

Future Capital Requirements

The Company will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Company issues treasury shares to finance its operations or expansion plans, control of the Company may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Management of Growth

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. Any inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may expand its operations through the acquisition of additional businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Company's business. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Company to manage this strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Government Regulations

The Company may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Company. Changes in the regulatory environment imposed upon the Company could adversely affect the ability of the Company to attain its corporate objectives.

Share Price Volatility

The market price of the Company shares is highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Company's operating results, announcements of technological innovations, changes in estimates or analysis by securities analysts, new exploration projects by the Company or its competitors, government regulatory action, general market conditions and other factors.