

ROMIOS GOLD RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**For the three and nine months ended March 31, 2014
(unaudited)
(Expressed in Canadian \$)**

Romios Gold Resources Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Cdn \$)

Unaudited

As at	March 31 2014 \$	June 30 2013 \$
Assets		
Current		
Cash and cash equivalents (note 4)	1,022,688	1,674,104
Accounts receivable	17,690	14,687
Prepaid expenses	50,649	65,013
Total current assets	1,091,027	1,753,804
Exploration and evaluation assets (note 5)		
Acquisition costs	4,244,057	4,202,775
Deferred exploration and evaluation expenditures	21,573,033	21,246,318
Total assets	26,908,117	27,202,897
Liabilities		
Current		
Accounts payable & accruals	69,489	81,516
Deferred income tax	2,270,522	2,270,522
Total liabilities	2,340,011	2,352,038
<i>Contingencies and commitments (note 11)</i>		
Shareholders' equity		
Share capital (note 6(a))	30,871,993	30,796,443
Contributed surplus (note 7)	3,763,335	3,758,933
Deficit	(10,067,222)	(9,704,517)
Total shareholders' equity	24,568,106	24,850,859
Total liabilities and shareholders' equity	26,908,117	27,202,897

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

APPROVED ON BEHALF OF THE BOARD on May 21, 2014

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

Romios Gold Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Cdn \$)

Unaudited

	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total \$
At June 30, 2012	30,796,443	198,403	3,380,051	(9,404,173)	24,970,724
Net loss and comprehensive loss for the period	-	-	-	(416,785)	(416,785)
Adjustment of expired warrants	-	(198,403)	198,403	-	-
Share-based compensation	-	-	139,815	-	139,815
At March 31, 2013	30,796,443	-	3,718,269	(9,820,958)	24,693,754
Net loss and comprehensive loss for the period	-	-	-	116,441	116,441
Share-based compensation	-	-	40,664	-	40,664
At June 30, 2013	30,796,443	-	3,758,933	(9,704,517)	24,850,859
Net loss and comprehensive loss for the period	-	-	-	(362,705)	(362,705)
Flow-through shares issued, net	75,550	-	-	-	75,550
Share-based compensation	-	-	4,402	-	4,402
At March 31, 2014	30,871,993	-	3,763,335	(10,067,222)	24,568,106

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

Romios Gold Resources Inc.

Condensed Interim Consolidated Statements of Loss, and Comprehensive Loss (Expressed in Cdn \$)

Unaudited

	For the nine months ended		For the three months ended	
	March 31		March 31	
	2014	2013	2014	2013
	\$	\$	\$	\$
Expenses				
Professional fees	73,514	106,212	20,771	38,224
Management fees and salaries	155,563	157,500	48,351	52,500
Office and general	78,234	83,562	28,158	33,295
Shareholder communication	65,125	89,958	28,464	35,085
Share-based compensation	4,402	139,815	1,446	41,282
Loss for the period before the following	(376,838)	(577,047)	(127,190)	(200,386)
Write-down of carrying value of shares	-	(18,182)	-	-
Interest income	14,133	20,433	3,621	5,796
Net loss for the period	(362,705)	(574,796)	(123,569)	(194,590)
Deferred income tax recovery (expense)	-	158,011	-	-
Net loss and comprehensive loss	(362,705)	(416,785)	(123,569)	(194,590)
Basic and diluted loss per share	0.00	0.00	0.00	0.00
Weighted average number of shares outstanding	157,289,474	156,762,001	158,362,001	156,762,001

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

Romios Gold Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Cdn \$)

Unaudited

	For the nine months ended March 31	
	2014	2013
	\$	\$
Operating activities		
Net loss for the period	(362,705)	(416,785)
Items not affecting cash:		
Share-based compensation	4,402	139,815
Write-down of carrying value of shares	-	18,182
Deferred income tax	-	(158,011)
	(358,303)	(416,799)
Net change in non-cash working capital		
Accounts receivable	(3,004)	13,395
Prepaid expenses	14,365	242,235
Accounts payable and accrued liabilities	(12,027)	(130,909)
Net cash used in operating activities	(358,969)	(292,078)
Investing activities		
Exploration and evaluation assets acquisition costs	(41,282)	(31,120)
Deferred exploration and evaluation expenditures	(326,715)	(1,047,589)
Net cash used in investing activities	(367,997)	(1,078,709)
Financing activities		
Private placement of flow-through shares	80,000	-
Share issue expense	(4,450)	-
Net cash from financing activities	75,550	-
Change in cash and cash equivalents	(651,416)	(1,370,787)
Cash and cash equivalents, beginning of period	1,674,104	3,194,249
Cash and cash equivalents, end of period	1,022,688	1,823,462
Cash comprises:		
Cash and cash equivalents	1,022,688	1,823,462

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

Romios Gold Resources Inc.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated 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.

DATED this 21st day of May, 2014.

ROMIOS GOLD RESOURCES INC.

Per: (signed) "Tom Drivas"
Name: Tom Drivas
Title: Chief Executive Officer

Per: (signed) "Michael D'Amico"
Name: Michael D'Amico
Title: Chief Financial Officer

ROMIOS GOLD RESOURCES INC.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

(Expressed in Canadian dollars unless otherwise stated)

1. Nature of operations and going concern

Romios Gold Resources Inc. ("Romios" or "the Company") is a listed public Company incorporated under the Ontario Business Corporations Act and has interests in resource properties which are being explored and evaluated to determine their economic viability. The registered office and location of corporate records is Suite 1220, 20 Toronto St., Toronto, Ontario.

The accompanying unaudited condensed interim consolidated financial statements ("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.

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2014 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of \$1,021,538 as at March 31, 2014, and has incurred losses since inception, resulting in an accumulated deficit of \$10,067,222 as at March 31, 2014. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption is not appropriate. If the "going concern" assumption is not appropriate, adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Basis of preparation and statement of compliance with IAS 34

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company's IFRS annual reporting date, June 30, 2014.

These Financial Statements may not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2013 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of June 30, 2013.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the nine months ended March 31, 2014, may not be indicative of the results that may be expected for the year ending June 30, 2014.

3. Summary of significant accounting policies

The company's first annual consolidated IFRS statements were dated June 30, 2012 and included all required disclosure for conversion to IFRS. Readers should refer to those annual consolidated financial statements for the accounting policies used in the preparation of these Financial Statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at June 30, 2014. In the event that accounting policies adopted at June 30, 2014 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at June 30, 2014.

The accounting policies have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

Principles of consolidation

The Financial Statements include the accounts of 100% owned McLymont Mines Inc. All inter-company accounts and transactions have been eliminated on consolidation.

4. Cash and cash equivalents

Cash and cash equivalents consist of cash and investments in Canadian Chartered Bank demand money market funds.

In December, 2013, the Company completed a private placement of 1,600,000 flow-through units with insiders for gross proceeds of \$80,000. These funds were committed to be expended on Canadian Exploration Expenditures ("CEE") and were therefore not available for current working capital purposes.

During the nine months ended March 31, 2014, the Company spent a total of \$330,860 on exploration and evaluation activities, including the balance of all funds raised exclusively for Canadian Exploration Expenditures ("CEE") in the current fiscal year.

5. Exploration and evaluation assets

Acquisition costs

	British Columbia \$	Quebec \$	Nevada, USA \$	Total \$
Balance, June 30, 2012	4,052,113	74,997	38,466	4,165,576
Total additions for the period	37,199	-	-	37,199
Balance, June 30, 2013	4,089,312	74,997	38,466	4,202,775
Total additions for the period	41,282	-	-	41,282
Balance March 31, 2014	4,130,594	74,997	38,466	4,244,057

On August 27, 2012, the Company announced the acquisition of an additional 5,700 hectares of mineral tenures and on May 30, 2013 the Company announced the acquisition of two claims totalling approximately 2,900 hectares in the Golden Triangle area in northwestern British Columbia.

On January 27, 2014, the Company announced the staking of two claims totalling 2,778 hectares of mineral tenures and on February 7, 2014 the Company announced the staking of an additional 3 claims totalling 3,459 all in the Sheslay Valley area in northwestern British Columbia.

The five claims held by Romios form a contiguous block in an area where recent drilling by other property owners has indicated potential for porphyry-type copper-gold deposits.

These additional claims bring the Company's total holdings in the Golden Triangle area to approximately 84,117 hectares (207,859 acres). Additional acquisition costs for British Columbia relate primarily to the value of shares for property payment obligations and maintenance fees for claims.

Deferred exploration and evaluation expenditures

	British Columbia \$	Quebec \$	Ontario \$	Total \$
Balance, June 30, 2012	19,223,988	995,601 ⁽¹⁾	(2)-	20,219,589
Additions:				
Assessment filings	6,680	-	53	6,733
Assaying	120,676	3,552	11,071	135,299
Contract flying	421,473	-	-	421,473
Drilling	390,472	-	-	390,472
Field communications	7,533	-	192	7,725
Contract labour	298,551	5,638	68,774	372,963
Subcontract labour	36,724	-	-	36,724
Camp costs	48,575	-	10,654	59,229
Other	89,871	2,653	1,546	94,070
Total additions for the period	1,420,555	11,843	92,290	1,524,688
British Columbia refund	(441,053)	-	-	(441,053)
Quebec refund	-	(56,906)	-	(56,906)
Balance, June 30, 2013	20,203,490	950,538	92,290	21,246,318
Additions:				
Assessment filings	815	1,000	-	1,815
Assaying	30,619	-	2,283	32,902
Contract flying	23,961	-	27,650	51,611
Drilling	4,000	-	-	4,000
Contract labour	48,360	8,613	16,571	73,544
Camp costs	23,153	925	17,591	41,669
Other	77,564	3,494	44,261	125,319
Total additions for the period	208,472	14,032	108,356	330,860
Quebec refund	-	(4,145)	-	(4,145)
Balance, March 31, 2014	20,411,962	960,425	200,646	21,573,033

(1) Amounts shown are net of refunds totalling \$365,349 received from the province of Quebec (2011 - \$20,021 and 2010 - \$345,328).

(2) The Company carried out exploration and evaluation activities on an Ontario property which was previously written down to \$0.

British Columbia

In 2005, the Company acquired, through an exchange of shares, a 100% interest in McLymont Mines Inc., a company whose only significant asset is an interest in the Newmont Lake Property in British Columbia.

In 2006, the Company acquired a 100% interest in 2,693 hectares located in the Liard Mining Division of British Columbia, known as the Trek Property from the Galore Creek Staking Syndicate, 2003 (Galore Creek Syndicate).

By September 27, 2012, the Company had earned, from Gulf International Minerals Inc. ("Gulf"), a 100% interest in the Newmont Lake property in British Columbia, which consists of 6,175 hectares in the Liard Mining Division of British Columbia, subject to a 1.5% Net Smelter Returns Royalty ("Gulf NSR") in favour of Gulf. The Company has the option to purchase 1/3 of the Gulf NSR for \$1,000,000.

Under an option agreement with Roca Mines Inc. ("Roca") the Company earned a 50% interest in 4,000 hectares known as the Seagold Property in the Liard Mining Division of British Columbia and entered into a joint venture with Roca for the further exploration and development on the properties. Upon reaching commercial production the Company is required to issue a further 200,000 shares to Roca. The joint venture agreement calls for a 50/50 sharing of costs incurred for exploration and maintenance of the property. In the 2013 fiscal year, \$540,268 and in fiscal 2014, \$31,130 was spent on exploration and maintenance activities; however, Roca notified the Company that it will not be contributing its proportionate share. Consequently, the Company's share of the joint venture increased to 57% in accordance with the joint venture agreement.

During the year ended June 30, 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 2 land tenures (1,321 hectares) located in the Liard Mining Division of British Columbia, known as the RP Property. The agreement was amended in 2010 to require a payment of \$115,000 cash of which \$15,000 has been paid with the remaining \$100,000 due December 1, 2014. In addition, the Company was required to issue a total of 800,000 common shares of which 400,000 have been issued and the remaining 400,000 were to be issued as follows: 50,000 shares on each of March 31, 2012 and December 1, 2012 with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments included optional expenditure commitments on the property totalling \$900,000, with \$100,000 to be spent before December 1, 2012; an additional \$300,000 before December 1, 2013; and an additional \$500,000 before December 1, 2014. The amendment agreement also required the expansion of the size of the property to a minimum of 248 contiguous cells (claim units) from the current 75 cells (claim units) prior to March 31, 2012. By March 31, 2012 the Company had not fulfilled its obligations; however it received notification that the Galore Creek Syndicate will not issue a default notice at the present time but reserves the right to do so at any time in the future unless the Company fulfills all of its obligations under the revised agreement.

In 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 1 land tenure (614 hectares) located in the Liard Mining Division of British Columbia, known as the JW Property. The agreement was amended in 2010 to require the payment of \$115,000 cash, of which \$15,000 has been paid with the remaining \$100,000 due December 1, 2014. In addition, the Company was required to issue a total of 700,000 common shares of which 300,000 common shares have been issued and the remaining 400,000 common shares were to be issued as follows: 50,000 shares on each of March 31, 2012 and December 1, 2012; with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments included optional expenditure commitments on the property totalling \$1,400,000; with \$100,000 to be spent before December 1, 2012; an additional \$250,000 to be spent before December 1, 2013; an additional \$450,000 before December 1, 2014; and an additional \$600,000 before December 1, 2015. The amendment agreement also required the expansion of the size of the property to a minimum of 220 contiguous cells (claim units) from the current 35 cells (claim units) prior to March 31, 2012. By March 31, 2012 the Company had not fulfilled its obligations; however it received notification that the Galore Creek Syndicate will not issue a default notice at the present time but reserves the right to do so at any time in the future unless the Company fulfills all of its obligations under the revised agreement.

The Company also holds a 100% interest in 320 mineral claims in the Liard Mining Division of British Columbia.

Quebec

During the year ended June 30, 2009 the Company acquired a molybdenum property that was the site of the former producing La Corne molybdenum mine approximately 30 kilometres from the town of Val d'Or, Quebec. The property is subject to a 3% Net Smelter Return (NSR) retained by the vendors, of which half (1.5%) can be repurchased for \$500,000. The total amount expended to March 31, 2014 before refunds received from the Province of Quebec is \$1,386,825.

Ontario and Nevada

At June 30, 2009, the Company wrote down the carrying value of its Ontario and Nevada properties to a nominal amount as the Company's focus was on its BC and Quebec properties. Amounts recently expended on exploration in the current fiscal year on its Timmins Hislop Ontario property have been included in deferred exploration and evaluation expenditures.

Under an option agreement Mexivada Mining Corp. ("Mexivada") could have earned up to 60% interest in the mining rights to the Company's 68 acre Timmins Hislop property in Hislop Township in the Matheson gold camp, Ontario, Canada. The Company received the first option payment of \$25,000 in cash and 454,545 Mexivada shares valued at \$25,000. In December 2012 Mexivada reported that a general Cease Trade Order had been issued against it by the British Columbia Securities Commission. As a result, the Mexivada shares were written down to \$0. As Mexivada did not fulfill the terms of the agreement, the Company now has an unrestricted ownership of the property.

The Company re-evaluated the results of drilling by Mexivada and others and is of the opinion that the property is of continuing interest, considering strong gold mineralization and visible gold extending to neighbouring properties.

In January 2014, a three-year exploration permit was received from the Ministry of Northern Development and Mines, Ontario with respect to the Lundmark-Akow Lake property. On February 19, 2014 the Company announced that a Letter of Intent had been entered into with the North Caribou Lake First Nations Community, recognizing the need for both parties to work together for their mutual benefit.

6. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	<i>Number</i>	<i>Amount</i>
	#	\$
Balance, June 30, 2012 and June 30, 2013	156,762,001	30,796,443
Flow through units issued	1,600,000	80,000
Share issue costs	-	(4,450)
Balance, March 31, 2014	158,362,001	30,871,993

On December 31, 2013 the Company completed a financing of 1,600,000 non-brokered flow-through unit private placement with Directors and Officers of the Company for proceeds of \$80,000. Each flow-through unit (a "FT unit") consists of one flow-through common share of the Company and one (1) non flow-through share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire an additional common share for one (1) year from the closing of the Offering at a price of \$0.05.

(b) Common share purchase options

The Company has a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at March 31, 2014, 6,625,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options #	Weighted-average exercise price \$
Outstanding at June 30, 2013	7,125,000	0.18
Expired	(500,000)	0.15
Outstanding at March 31, 2014	6,625,000	0.18
Exercisable at March 31, 2014	6,500,000	0.19

On January 22, 2014, 500,000 options, exercisable at \$0.15 per share and belonging to a related party expired unexercised.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
150,000	150,000	3.8 months	\$0.15	July 24, 2014
1,750,000	1,750,000	12.3 months	\$0.14	April 9, 2015
1,000,000	1,000,000	4.0 months	\$0.15	July 31, 2014
250,000	250,000	1.3 months	\$0.53	May 10, 2014
325,000	325,000	2.2 months	\$0.20	June 7, 2014
2,900,000	2,900,000	38.4 months	\$0.20	June 12, 2017
250,000	125,000	48.3 months	\$0.10	April 9, 2018
6,625,000	6,500,000			

The weighted average fair value of all the options granted and outstanding is \$0.19 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 1.30% to 1.63%, expected dividend yield of nil, average expected volatility ranging from 106% to 141% and expected life term ranging from 24 to 60 months. Under this method of calculation, the Company has recorded \$4,402 as stock based compensation during the nine months ended March 31, 2014, being the fair value of the options vested during the nine months ended March 31, 2014. Options that have been issued and remain outstanding vest either immediately on the date of grant, or in equal instalments over a period of up to eighteen months from the date of grant.

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	Price Range \$
Balance June 30, 2012	5,432,301	0.52 to 1.00
Expired	(5,432,301)	0.52 to 1.00
Balance June 30, 2013	Nil	
Private placement warrants issued to investors	1,600,000	0.05
Balance March 31, 2014	1,600,000	0.05

Issuance of the common shares in December, 2013 included warrants entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	1,600,000	9 months	\$0.05	December 31, 2014
Balance March 31, 2014	1,600,000			

7. Contributed surplus

A summary of changes in contributed surplus is:

	Amount \$
Balance, June 30, 2012	3,380,051
Common share purchase warrants expired	198,403
Share based compensation	180,479
Balance, June 30, 2013	3,758,933
Share based compensation	4,402
Balance, March 31, 2014	3,763,335

The number of common shares outstanding on March 31, 2014 was 158,362,001. Taking into account outstanding share purchase options, warrants and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on March 31, 2014 was 167,587,001.

8. Related party transactions

During the three months ended March 31, 2014, the Company incurred related party expenses of \$48,351 (2013 – \$52,500) and \$159,951 for the nine months ended March 31, 2014 (2013 - \$166,275). These expenses related to salary and consulting fees paid to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Frank van de Water, Chief Operating Officer (effective April 2013), Thomas Skimming, V.P. Exploration and Michael D'Amico Chief Financial Officer. As at March 31, 2014 \$1,556 (2013 - \$ nil) is due and payable to these related parties.

Share based compensation to key management and directors for the three months ended March 31, 2014 was \$1,446 (2013 - \$41,282) and for the nine months ended March 31, 2014 was \$4,402 (2013 - \$122,999).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended March 31, 2014 and 2013.

During the three months ended March 31, 2014, the Company incurred expenses of \$1,414 (2013 - \$11,998) and \$9,119 for the nine months ended March 31, 2014 (2013 - \$21,696) for legal fees to a law firm related to a Director of the Company, William R. Johnstone. At March 31, 2014, \$771 (2013 - \$10,429) was due and payable.

During the three months ended March 31, 2014, the Company incurred expenses of \$5,500 (2013 - \$5,000) and \$18,500 for the nine months ended March 31, 2014 (2013 - \$17,000) related to directors' fees to independent directors. At March 31, 2014, \$4,228 (2013 - \$4,728) was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

On December 31, 2013 the Company completed a financing of 1,600,000 non-brokered flow-through unit private placement with Directors and Officers of the Company for proceeds of \$80,000.

9. Financial instruments and risk management

Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, AFS financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sales are classified into the following categories:

	March 31	June 30
	2014	2013
	\$	\$
FVTPL ⁽¹⁾	1,022,688	1,674,104
Receivables ⁽²⁾	17,691	5,206
Other financial liabilities ⁽³⁾	29,097	72,035

(1) Includes cash, committed cash and short-term investments.

(2) Includes accounts receivable related to HST tax refunds.

(3) Includes accounts payable.

Financial Instruments

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

- (i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
- (ii) HST receivable is designated as loans and receivables and is recorded at cost.
- (iii) Accounts payable are designated as other financial liabilities and are recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper, silver and molybdenum, planned production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that there is no impairment of carrying value on its British Columbia, Ontario and Quebec properties.

(a) Market risk

- (i) *Price risk*
Commodity price risk

The price of gold and base metals may have an impact on the Company's exploration projects.

Sensitivity price risk

Anticipated changes in the value of gold and base metals would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the cash and cash equivalents.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with Canadian Chartered Banks as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the Statements are at cost.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

10. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

The Company is not subject to externally imposed capital requirements.

11. Contingencies and commitments

As at March 31, 2014:

- a) the Company has a lease commitment to December 31, 2015 for its principle office location which totals \$63,000, and
- b) the Company has \$40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses.

12. Subsequent Events

On May 2, 2013, the Company staked an additional 3 claims totalling approximately 1,456 hectares (3,598 acres) in the Galore Creek area of Northwestern British Columbia for a total cost of \$2,576.

On May 6, 2014, the Company issued 5,800,000 options to Directors, Officers and certain service providers of the Company pursuant to the Company's Stock Option Plan. These options, one half of which vest immediately and the remaining half on May 5, 2015, are exercisable at a price of \$0.10 until May 5, 2019.