AURANIA RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2013 and 2012

(*Expressed in Canadian Dollars)*

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McGovern, Hurley, Cunningham, LLP
Chartered Accountants

2005 Sheppard Avenue East, Suite 300
Toronto, Ontario
M2J 5B4, Canada
Phone 416-496-1234
Fax 416-496-0125
Web www.mhc-ca.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aurania Resources Ltd.

We have audited the accompanying consolidated financial statements of Aurania Resources Ltd. and its subsidiary which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of changes in shareholders' equity, consolidated statements of loss and comprehensive loss and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aurania Resources Ltd. and its subsidiary as at December 31, 2013 and 2012, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
April 25, 2014

AURANIA RESOURCES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(*Expressed in Canadian Dollars*)

AS AT DECEMBER 31,	2013	2012
	$	$
ASSETS		
Current		
Cash	892,486	312,831
Prepaid expenses and receivables	5,260	34,940
Total current assets	897,746	347,771
Non-current assets		
Equipment *(Note 4)*	-	3,048
Total assets	897,746	350,819
LIABILITIES		
Current		
Trade and other payables *(Note 11)*	234,106	208,524
Total liabilities	234,106	208,524
SHAREHOLDERS' EQUITY		
Share capital (*Note 8*)	229	171
Share premium	5,485,705	3,477,907
Warrants *(Notes 8, 9)*	73,500	310,745
Contributed surplus	432,127	48,000
Deficit	(5,327,921)	(3,694,528)
Total shareholders' equity	663,640	142,295
Total liabilities and shareholders' equity	897,746	350,819

Nature of operations and business continuance (*Note 1)*
Commitments and contingencies *(Notes 5, 11, 13)*

APPROVED BY THE BOARD:

Signed "Marvin K. Kaiser", Director

Signed "Keith M. Barron", Director

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

AURANIA RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(*Expressed in Canadian Dollars*)

	ISSUED CAPITAL			RESERVES			
	Common Shares #	Share Capital $	Share Premium $	Warrants $	Contributed Surplus $	Accumulated Deficit $	Total Shareholders' Equity $
Balance, December 31, 2011	**10,901,740**	**110**	**2,400,540**	**-**	**24,000**	**(3,368,696)**	**(944,046)**
Common shares issued pursuant to private placement *(Note 8(b)(i))*	10,000	-	1,500	-	-	-	1,500
Common shares issued for settlement of shareholder loans *(Notes 6, 8(b)(i)(ii))*	6,071,133	61	1,075,867	-	-	-	1,075,928
Warrants *(Note 8(b)(ii))*	-	-	-	310,745	-	-	310,745
Rent benefit *(Note 11)*	-	-	-	-	24,000	-	24,000
Net (loss) for the year	-	-	-	-	-	(325,832)	(325,832)
Balance, December 31, 2012	**16,982,873**	**171**	**3,477,907**	**310,745**	**48,000**	**(3,694,528)**	**142,295**
Common shares issued pursuant to IPO (*Note 8(b)(iii))*	5,000,000	50	1,999,950	-	-	-	2,000,000
Common shares issued for exercise of warrants (*Note 8 (b)(ii))*	776,862	8	310,737	(310,745)	-	-	-
Stock-based compensation *(Note 9)*	-	-	-	-	384,127	-	384,127
Value of broker warrants assigned (*Note 9)*	-	-	(73,500)	73,500	-	-	-
Share issue costs (*Note 8(b)(iii))*	-	-	(229,389)	-	-	-	(229,389)
Net (loss) for the year	-	-	**-**	-	-	(1,633,393)	(1,633,393)
Balance, December 31, 2013	**22,759,735**	**229**	**5,485,705**	**73,500**	**432,127**	**(5,327,921)**	**663,640**

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

AURANIA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(*Expressed in Canadian Dollars*)

For the years ended December 31,	**2013**	2012
	$	$
Expenses		
Bank charges and interest	**2,130**	**1,927**
Depreciation	**3,048**	**6,465**
Exploration expenditures *(Note 5)*	**699,780**	**48,920**
Insurance	**8,522**	**901**
Investor relations	**39,166**	**1,383**
Office and general	**118,461**	**31,625**
Professional fees	**70,920**	**71,037**
Management and directors' fees *(Note 11)*	**105,500**	**60,000**
Regulatory fees and transfer agent	**45,277**	**9,188**
Stock-based compensation	**384,127**	**-**
Travel	**466**	**3,858**
Total expenses	**1,477,397**	**235,304**
Other expenses/income:		
Interest income	**(5,013)**	**-**
Loss on foreign exchange	**9,440**	**12,800**
Listing expenses *(Note 8)*	**151,569**	**77,728**
Loss and comprehensive loss for the year	**1,633,393**	**325,832**
Basic and diluted loss per share	**$0.077**	**$0.021**
Weighted average common shares outstanding Basic and diluted	**21,172,685**	**15,126,384**

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

AURANIA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended December 31,	2013	2012
	$	$
Cash flows from the following activities:		
Operating		
(Loss) for the year	**(1,633,393)**	(325,832)
Non-cash items:		
Depreciation	**3,048**	6,465
Rent benefit *(Note 11(v))*	**-**	24,000
Stock-based compensation *(Note 9)*	**384,127**	-
Net change in non-cash working capital (*Note 7)*	**20,322**	(266,944)
Net cash used in operating activities	**(1,225,896)**	(562,311)
Financing		
Issuance of common shares *(Note 8(b(i)(iii))*	**2,000,000**	1,500
Share issue costs	**(194,449)**	(34,940)
Warrants *(Note 8(b)(iv))*	**-**	310,745
Shareholder loans *(Note 6)*	**-**	543,945
Net cash provided by financing activities	**1,805,551**	821,250
Increase in cash	**579,655**	258,939
Cash – beginning of year	**312,831**	53,892
Cash – end of year	**892,486**	312,831

Supplemental information *(Note 7)*

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

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE

Aurania Resources Ltd. (the "Company") was incorporated under *the Companies Act 1981, Bermuda,* on June 26, 2007 under the name "Urania Ltd.". On December 22, 2010, the Company changed its name to "Urania Resources Ltd." and on March 21, 2012, the Company further changed its name to Aurania Resources Ltd. On February 18, 2011, the Corporation was extra-provincially registered in the Province of Ontario. Through its 100% wholly-owned subsidiary AuroVallis Sàrl, the Company is engaged in the exploration and development of certain exploration properties in Switzerland, more particularly described in *Note 5*.

The registered head office of the Company is located at 31 Victoria Street, Hamilton, HM10, Bermuda. These consolidated financial statements of the Company for the years ended December 31, 2013 and 2012 were approved and authorized for issue by the Board of Directors on April 25, 2014.

The business of mineral exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title to and beneficial interest in exploration property interests, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals and attaining profitable production.

The Company is currently in the process of exploring the exploration property interests under government-granted permits and has not yet determined whether these interests contain reserves that are economically recoverable. The exploration property interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance of regulatory requirements.

As at December 31, 2013, the Company had cash of $892,486 (2012 - $312,831) and current liabilities of $234,106 (2012 - $208,524). Further, the Company had a cumulative deficit of $5,327,921 (2012 - $3,694,528) and working capital of $663,640 (2012 - $139,247).

On April 11, 2013, the Company completed an Initial Public Offering ("IPO") with the issuance of 5,000,000 common shares for gross proceeds of $2,000,000. However, the Company's ability to continue operations and fund its future exploration property expenditures is dependent on management's ability to secure additional financing. Management acknowledges that while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and its interpretations.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information. All amounts have been expressed in Canadian dollars, the functional currency, unless otherwise stated and CHF represents Swiss francs.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary AuroVallis Sàrl ("AVS"), incorporated under the laws of Switzerland. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries are entities over which the Company has control where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Generally, the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of the potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases.

d) Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

Estimation of decommissioning and restoration costs and the timing of expenditure
Management is not aware of any material restoration, rehabilitation and environmental provisions as at December 31, 2013 and 2012. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated at least annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

d) Significant accounting judgments and estimates, Continued

Stock-based payments
Management determines costs for stock-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

Contingencies
Note 13.

e) Cash and cash equivalents

Cash and cash equivalents include cash-on-hand and balances with banks and short-term investments with original maturities of three months or less. The Company did not have any cash equivalents as at December 31, 2013 and 2012.

f) Financial instruments

The Company does not have any derivative financial instruments. All financial instruments are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss (“FVTPL”).

Financial assets

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the consolidated statement of loss. At December 31, 2013 and 2012, the Company had no items classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. The Company’s cash and receivables are classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2013 and 2012, the Company had no financial assets classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

f) Financial instruments, Continued

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense 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, a shorter period. The Company's trade and other payables are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes of financial liabilities classified as FVTPL are recognized through the consolidated statement of loss. At December 31, 2013 and 2012, the Company had not classified any financial liabilities as FVTPL.

Financial instruments recorded at fair value on the statement 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 at December 31, 2013 and 2012, the Company did not have any financial instruments recorded using the fair value hierarchy.

g) Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded over the following estimated useful lives of the equipment on a straight-line basis:

Exploration equipment	5 years
Computer equipment and software	3 years

h) Exploration and evaluation expenditures

All acquisition and exploration costs are charged to operations in the period incurred until such time as it has been determined that a project is commercially viable and technically feasible, in which case, subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment. If a project is successful, the capitalized amounts related to the project are depleted on a unit-of-production method based on proven and probable reserves. If it is determined that the mineral property has no future economic value, then the related capitalized costs will be expensed.

Costs include the cash consideration and the fair market value of shares issued for the acquisition of properties. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

i) Decommissioning, restoration and similar liabilities

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 an exploration property interest. Such costs arising from the decommissioning of a 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 related asset as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset and the operating license conditions. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss. 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. Changes in estimates of decommissioning costs are accounted for as a charge to operations. The periodic unwinding of the discount is recognized in operations as an accretion expense. Management is not aware of any significant decommissioning or restoration obligations at December 31, 2013 and 2012.

j) Impairment of assets

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 the estimated future cash flows of the assets have been negatively impacted. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognized in the statement of loss.

If in a subsequent period, the amount of 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 to the extent that the carrying value of the asset does not exceed what the amortized cost would have been, had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in the statement of loss.

Non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If 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 the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount of the asset, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in the statement of loss.

k) Foreign currency translation

The reporting and functional currency of the Company and its subsidiary is the Canadian dollar. Foreign currency transactions are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities are translated using the exchange rate at the statement of financial position date.

(ii) Non-monetary assets and liabilities are translated at historic rates.

(iii) Revenues and expenses are translated at the average rate of exchange at the time of the transaction.

(iv) Exchange gains and losses arising from the translation of monetary items are taken directly to the consolidated statement of loss.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued)

l) Basic and diluted loss per share

Basic and diluted loss per share is calculated using the weighted average number of common shares outstanding for the period. Diluted loss per share reflects the dilution that would occur if outstanding warrants and options were converted into common shares. In order to determine diluted loss per share, any proceeds from the exercise of dilutive warrants and options would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The Company's diluted loss per share for the periods presented does not include the effect of the warrants and options as they are anti-dilutive.

m) Stock-based payments

Equity-settled stock-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled stock-based transactions are set out in the equity reserves note.

The fair value determined at the grant date of the equity-settled stock-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled stock-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options that expire after vesting, the recorded value is transferred to deficit.

The Company granted a total of 1,860,000 stock options in 2013 – *Note 9 - Stock-based compensation.*

n) Income taxes

Income tax 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
This 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
This is provided using the 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 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 applicable to the period of expected realization or settlement. Deferred income tax liabilities and assets are not recognized for taxable temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

o) Changes in Accounting Policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions. The nature and effect of the changes are explained below.

IFRS 7 — *Financial Instruments: Disclosures* ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the consolidated financial statements.

IFRS 10 – *Consolidated Financial Statements* ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns.

The Company conducted a review of the new standard and determined that the adoption of IFRS 10 did not result in any material change to the consolidated financial statements.

IFRS 11 – *Joint Arrangements* ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 *Interest in Joint Ventures* and SIC 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. Joint ventures are accounted for using the equity method.

The Company conducted a review of the new standard and determined that the adoption of IFRS 11 did not result in any material change to the consolidated financial statements.

IFRS 12 – *Disclosure of Interests in Other Entities* ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which requires enhanced disclosure about both consolidated entities and unconsolidated entities in which the Company has an interest.

The Company conducted a review of the new standard and determined that the adoption of IFRS 12 did not result in any material change to the consolidated financial statements.

IFRS 13 - *Fair Value Measurement* ("IFRS 13"), provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

The Company conducted a review of the new standard and determined that the adoption of IFRS 13 did not result in any material change to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

o) Changes in Accounting Policies, Continued

IAS 1 - *The Presentation of Financial Statements* ("IAS 1") has adopted amendments to IAS 1 effective January 1, 2013. These amendments require the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified.

The Company conducted a review of the amendments to this standard and determined that they did not result in any material change to the consolidated financial statements.

IAS 28 - *Investments in Associates and Joint Ventures* ("IAS 28") was issued by the IASB in May 2011 and supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies. IAS 28 also provides guidance on how the equity method of accounting is to be applied and also prescribes how investments in associates and joint ventures should be tested for impairment.

The Company conducted a review of the amendments to IAS 28 and determined that the amendments did not result in any material change to the consolidated financial statements.

p) New Accounting Standards Issued But Not Yet Effective

The following have not yet been adopted. The Company does not believe the adoption of these standards will have a material impact on the Company's consolidated financial statements.

IFRS 9 - *Financial Instruments* ("IFRS 9") introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 *Financial Instruments*: *Recognition and Measurement* to be subsequently measured at amortized cost or fair value. The IASB has issued an amendment to IFRS 9 *Financial Instruments* ("IFRS 9"), which changes the effective date of IFRS 9 (2009) and IFRS 9 (2011), so that IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2018, with early application permitted. This amendment was released in connection with IFRS 7 *Financial Instruments: Disclosures – Transition Disclosures* ("IFRS 7") which outlines that, with the amendments to IFRS 9, entities applying IFRS 9 do not need to restate prior periods but are required to apply modified disclosures.

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

IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.

IFRIC 21 - *Levies* ("IFRIC 21") sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addressed what the obligating event is that gives rise to pay a levy and when should a liability be recognized. The Company has not yet assessed the impact on its financial statements. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

3. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Company considers the capital that it manages, as share capital, share premium, warrants, contributed surplus and deficit, which at December 31, 2013 totaled $663,640 (2012 - $142,295). The Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's continued existence is dependent upon the ability to obtain the necessary financing to complete exploration and development, obtain necessary government approvals and attain profitable production. Management continues to evaluate and assess new project opportunities consistent with its growth strategy.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the years ended December 31, 2013 and 2012.

Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2013 and 2012.

a) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash is held at select Canadian and Swiss financial institutions, from which management believes the risk of loss to be remote.

The Company does not have any material risk exposure to any single debtor or group of debtors.

b) Liquidity risk

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time. The Company's approach to managing liquidity risk is to maintain sufficient readily available cash to continue operations and meet its financial obligations as they become due. As the Company has no producing assets continued operations are dependent upon its ability to raise adequate financing in the market, through debt or by the disposition of assets. During 2013 the Company completed an IPO for gross proceeds of $2,000,000 and is not currently pursuing any additional financing but future operations may depend on the Company's ability to raise additional financing and there is no assurance that it will be able to do so at that time. As at December 31, 2013 and 2012, the Company had $892,486 (2012 - $312,831) in cash to settle current liabilities of $234,106 (2012 - $208,524).

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, Continued

c) Market risk

Market risk is the risk that changes in the market prices, such as fluctuations in foreign exchange rates and interest rates that will affect the Company's net earnings or the value of its financial instruments.

i) Interest rate risk

Cash balances are deposited in highly-accessible and low-interest bank accounts that are used for short-term working capital requirements. The Company regularly monitors compliance to its cash management policy.

ii) Foreign currency risk

Certain of the Company's expenses are incurred in Swiss francs ("CHF") and are therefore subject to gains or losses due to fluctuations in this currency. Management believes that the foreign exchange risk derived from currency conversions is best served by not hedging its foreign exchange risk. At December 31, 2013 and 2012, the Company's exposure to foreign currency risk with respect to amounts denominated in CHF, was substantially as follows:

In Canadian $ equivalents	**2013**	2012
Cash	**$140,520**	**$ 17,113**
Accounts payable and accrued liabilities	**(45,562)**	**(17,235)**
Net exposure	**$94,958**	**$ (122)**

d) Commodity price risk

The Company may be exposed to price risk with respect to commodity prices in the future. Commodity price risk is defined as the potential adverse future impact on earnings and economic value due to commodity price movements and volatilities. The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of gold, uranium, and certain other metals. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2013 and 2012, the Company was not a commodity producer. Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

e) Sensitivity analysis

As of December 31, 2013 and 2012, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on management's knowledge and experience of the financial markets, the Company believes that a 10% strengthening of the Canadian dollar against the Swiss franc ("CHF") would have decreased the net asset position of the Company by $9,500 (2012 - $12) at December 31, 2013. A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

4. EQUIPMENT

Equipment consists of the following:

	Cost ($)	Accumulated Depreciation ($)	Net December 31, 2013 ($)	Net December 31, 2012 ($)
Computer equipment	3,285	3,285	-	890
Computer software	4,234	4,234	-	-
Exploration equipment	16,184	16,184	-	2,158
Total	**23,703**	**23,703**	**-**	3,048

5. EXPLORATION EXPENDITURES

Cumulative exploration expenditures related to the Swiss exploration permits are summarized as follows:

	Cumulative Expenditures, December 31, 2011 $	Additions/ Expensed $	Cumulative Expenditures, December 31, 2012 $	Additions/ Expensed $	Cumulative Expenditures, December 31, 2013 $
Siviez Project					
Geology field studies	708,995	3,128	712,123	7,946	**720,069**
Geophysics	122,937	-	122,937	-	**122,937**
Property maintenance	17,734	883	18,617	256	**18,873**
Technical studies	25,428	-	25,428	-	**25,428**
Drill program	-	-	-	189,186	**189,186**
Environment study	38,784	-	38,784	-	**38,784**
	913,878	4,011	917,889	197,386	**1,115,275**
Marécottes Project					
Geology field studies	475,452	165	475,617	-	**475,617**
Geophysics	67,644	256	67,900	-	**67,900**
Property maintenance	13,684	883	14,567	-	**14,567**
Technical studies	24,807	-	24,807	-	**24,807**
	581,587	1,304	582,891	-	**582,891**
Mont Chemin Project					
Geology field studies	246,072	29,403	275,475	82,905	**359,380**
Geophysics	89,692	46	89,738	-	**89,738**
Drill program	-	-	-	418,705	**418,705**
Property, permit maintenance	14,632	4,617	19,249	784	**20,033**
Technical studies	34,034	9,539	43,573	-	**43,573**
	384,430	43,605	428,035	502,394	**930,429**
	1,879,895	**48,920**	**1,928,815**	**699,780**	**2,628,595**

5. EXPLORATION EXPENDITURES, Continued

The Company, through its wholly-owned subsidiary AVS, holds a 100% interest in three exploration permits (the "Permits") in Switzerland in the Canton of Valais (the "Canton") subject to a 3% gross value royalty payable to the Canton and a 0.75% gross value royalty payable to the surface rights holders, described as follows:

a) ***Mont Chemin Project (gold-silver)***
On July 11, 2008, the Company was granted a five-year exploration permit known as the "Perimetre de Tête-des Éconduits – Mont Chemin *Permis de fouille"* by a government department of the Canton. This Permit was extended to March 31, 2014.
b) ***Siviez Project (uranium-copper-gold-silver)***
On June 24, 2009, the Company was granted a five-year exploration permit known as the "Siviez-Plan du Fou – Col. des Mines *Permis de fouille"* by a government department of the Canton. This Permit was extended to March 31, 2015.

c) ***Marécottes Project (uranium)***
On July 11, 2008 the Company was granted a five-year exploration permit known as the "Perimetre de la Creusaz (Marécottes) Balaye (Finhaut) *Permis de fouille"* by a government department of the Canton. This Permit was extended to March 31, 2014.

Pursuant to its preferential right, the Company applied in March 2014 to the Canton Authority to have the Mont Chemin and Marécottes Permits renewed for a second five-year term and intends to apply for a similar renewal for the Siviez Permit in March 2015.

Permit Status

The key requirements imposed to maintain the Permits in good standing have all been satisfied except for the drilling obligations which have not been timely met. Accordingly, the area of the Permits, at the discretion of the Canton Authority, may be reduced proportionately and the Company has the right to select the areas to be maintained.

6. SHAREHOLDER LOANS

i) During the year ended December 31, 2011, Bambazonke Holdings Ltd., a company controlled by a director, officer and principal shareholder of the Company (the "Lender") advanced a total of $531,983 to the Company ("Advances 1") to fund working capital and reduce trade payables. These advances were recorded as unsecured, non-interest-bearing liabilities that were due on demand.

From January 1, 2012 to March 22, 2012 the same Lender advanced an additional $279,532 to the Company to fund working capital ("Advances 2").

On March 22, 2012 the Company agreed to issue 5,410,100 common shares valued at $0.15 per share ($811,515) to the Lender in full settlement of Advances 1 and 2.

(ii) From May to June 2012, the same Lender advanced $128,318 ("Advances 3") to the Company, also to fund working capital and reduce trade payables. From July 2012 to September 2012 the same Lender advanced a final $136,095 to the Company for working capital ("Advances 4").

On December 21, 2012, the Company agreed to issue 661,033 common shares, valued at $0.40 per common share, to the Lender in full settlement of Advances 3 and 4.

7. SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31,	**2013**	2012
	$	$
Net changes in non-cash working capital:		
Prepaid expenses and receivables	**(5,260)**	1,799
Accounts payable and accrued liabilities	**25,582**	(268,743)
	20,322	(266,944)
Interest paid	**-**	-
Corporate taxes paid	**-**	-
Common shares issued on settlement of debt *(Note 6)*	**-**	1,075,928
Broker warrants issued for services *(Note 9)*	73,500	-
Change in prepaid share issue costs	(34,940)	34,940

8. SHARE CAPITAL

a) **Authorized share capital** at December 31, 2013 and 2012 is 1,000,000,000 common shares with a par value of $0.00001 per share. All shares issued are fully paid.

b) **Issued and outstanding common shares** at December 31, 2013 - 22,759,735 (16,982,873 at December 31, 2012). Shares held in escrow at December 31, 2013 is 10,558,405 (2012 – nil).

(i) On March 22, 2012 the Company issued 10,000 common shares pursuant to a private placement, for proceeds of $1,500 or $0.15 per share.

Also on March 22, 2012 the Company agreed to issue 5,410,100 common shares to a company controlled by a director, officer and principle shareholder, in settlement of $811,515 of loans made to the Company. *See Note 6 Shareholder Loans.* The value of the shares was based on the value of the private placement financing.

(ii) On December 21, 2012, the Company completed an offering for 776,862 special warrants at $0.40 per warrant, for gross proceeds of $310,745. Each special warrant entitled the holder to automatically receive, for no additional consideration and without further action by the holder, one common share for each special warrant held. These warrants were qualified under the IPO that was completed on April 11, 2013 and the warrants were therefore automatically converted into 776,862 common shares on that date.

Also on December 21, 2012, the Company issued 661,033 common shares to a company controlled by a director, officer and principal shareholder of the Company in settlement of $264,413 of loans made to the Company from May to December 2012. The value of the shares issued for the debt settlement was based on the value of the special warrants offering.

(iii) On April 11, 2013, the Company issued 5,000,000 common shares, at $0.40 per share for gross proceeds of $2,000,000, pursuant to the IPO. A total of $229,389 was deducted from the gross proceeds for the agent's fee and professional and regulatory fees incurred in relation to completing the IPO. Expenses of $151,569 were recorded as listing expenses for the year ended December 31, 2013 (2012 - $77,728) on account of professional and regulatory fees incurred in relation to listing the Company's common shares on the TSX Venture Exchange. Broker warrants were issued to the agent for services rendered in connection with completing the IPO (*Note 9(ii)).*

(iv) In accordance with National Policy 46-201 a total of 14,077,873 common shares, owned or controlled by the Company's principals, were deposited into escrow, to be automatically time-released over the 36 month period following April 17, 2013 (date of listing). To December 31, 2013, a total of 3,519,468 escrowed shares have been released.

9. STOCK-BASED COMPENSATION

The Company maintains a stock option plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance with respect to the Plan cannot exceed 10% of the issued and outstanding common shares of the Company at the date of grant. Stock options granted generally vest 1/3 annually.

(i) On April 11, 2013, the Company granted 1,750,000 stock options to directors, officers and consultants. Each option is exercisable to acquire one common share at a price of $0.40. These options expire on April 11, 2018, and vest as follows: 1/3 on the grant date, 1/3 on April 11, 2014 and the remaining 1/3 on April 11, 2015. The value of $521,184 assigned to the options was calculated using the Black-Scholes option pricing model using the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.24% and an expected life of 5 years. To December 31, 2013, $362,210 has been expensed.

(ii) On April 11, 2013, pursuant to the terms of the IPO, 350,000 broker warrants were granted to the agent as part of the agent's compensation. Each broker warrant is exercisable to acquire one common share at $0.40 per share and expires on April 11, 2015. The value of $73,500 assigned to the broker warrants was calculated using the Black-Scholes option pricing model using the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of .94% and an expected life of two years. This amount was capitalized to share issue costs.

(iii) On July 13, 2013, the Company further granted incentive stock options to:

a. A financial consultant, to purchase up to 80,000 common shares, at $0.40 per common share. These stock options vested immediately and are exercisable for a period of three years from the grant date; the value of $16,832 assigned to the stock options was calculated using the Black-Scholes option pricing model using the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.15% and an expected life of three years.

b. An administrative consultant, to purchase up to 30,000 common shares, at $0.40 per common share. These options expire on July 13, 2018, and vest as follows: 1/3 on the grant date, 1/3 on July 13, 2014 and the remaining 1/3 on July 13, 2015. These stock options are exercisable for a period of five years from the grant date and the fair value of $8,973 assigned to the stock options was calculated using the Black-Scholes option pricing model using the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.74% and an expected life of five years. To December 31, 2013, $5,085 has been expensed to reflect the fair value of the 1/3 stock options that vested on the grant date.

(iv) The following summarizes the stock options/broker warrant activities during the years ended December 31, 2013 ad 2012:

	Number of Options/Broker Warrants	Weighted Average Exercise Price	Estimated Fair Value at Grant/Issue Date
Balance – December 31, 2011 and 2012	**-**	**$-**	$-
Granted – Stock options *(Notes 9(i),(iii))*	1,860,000	0.40	546,989
Granted– Broker warrants *(Notes 9(ii))*	350,000	0.40	73,500
Balance at December 31, 2013	**2,210,000**	**$0.40**	**$620,489**

9. STOCK-BASED COMPENSATION, Continued

(v) The following summarizes the stock options/broker warrants outstanding at December 31, 2013:

Issued Number of Options and Broker Warrants	Exercisable Number of Options and Broker Warrants	Exercise Price	Expiry Date	Estimated Fair Value at Grant/Issue Date
1,750,000	583,333	$0.40	April 11, 2018	$521,184
80,000	80,000	$0.40	July 13, 2016	$16,832
30,000	10,000	$0.40	July 13, 2018	$8,973
350,000	350,000	$0.40	April 11, 2015	$73,500
2,210,000	**1,023,333**			**$620,489**

The weighted average contractual life remaining for broker warrants and options as at December 31, 2013 is approximately 3.7 years. The above stock options and broker warrants were not included in the computation of diluted net loss per share for the periods presented as they are anti-dilutive.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of comparable companies. Changes in the underlying assumptions described in Notes 9 (i), (ii) and (iii) can materially affect the fair value estimates.

10. INCOME TAXES

a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of approximately 0% (2012 – 0%) are as follows:

	2013 $	2012 $
(Loss) before taxes:	**(1,633,393)**	(325,832)
Expected income tax benefit based on statutory rate	**-**	-
Adjustments to expected income tax benefit:		
Adjustment for taxes in foreign operations	**(188,000)**	(14,000)
Change in foreign exchange rates	**(44,000)**	(3,000)
Change in tax rates	**85,000**	-
Other	**4,000**	-
Tax benefits not recognized	**143,000**	17,000
Deferred income tax	**-**	-

10. INCOME TAXES, Continued

b) Deferred income tax balances

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2013 **$**	2012 $
Non-capital losses carry-forwards	**3,536,000**	2,437,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

c) Tax benefits from non-capital loss carry-forwards have not been recorded in the consolidated financial statements. These losses, which may reduce taxable income in Switzerland in future fiscal years amount to approximately $3,178,000 (CHF – 2,646,000) and expire as follows:

Amount($)	**Year of Expiry**
372,000	2014
302,000	2015
806,000	2016
792,000	2017
332,000	2018
59,000	2019
515,000	2020
3,178,000	

The Company also has $358,000 of Canadian non-capital losses that expire in 2023.

d) As at December 31, 2013, a temporary difference of $16,831 (2012 - $16,831) was not recognized in respect of the investment in subsidiary because it is not probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences will be utilized.

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

i) During the years ended December 31, 2013 and 2012, a total of $60,000 plus applicable taxes was charged to the Company by the CFO on account of management consulting fees. Included in accounts payable and accrued liabilities at December 31, 2013 is $5,650 (December 31, 2012 - $22,150) due and owing to this officer for providing such services. This amount is unsecured, non-interest bearing and due on demand.

ii) During 2013, the Company engaged a director of the Company as a technical consultant for the Mont Chemin drill program. A fee of $4,200 plus HST was paid for these services.

11. RELATED PARTY TRANSACTIONS, Continued

iii) During the year ended December 31, 2013 a total of $45,000 (2012 - $nil) was paid for directors fees.

iv) Effective January 1, 2013, the Company entered into a service costs agreement with Geosource Exploration Inc. ("GEI"), a company of which Dr. Keith Barron is principal shareholder. During the year ended December 31, 2013, the Company incurred $180,000 (2012 - $nil) in relation to this agreement. *(Note 13).*

v) During 2012, it was agreed that GEI would provide the Company with rent-free office space. Accordingly, the Company recorded a benefit of $6,000 in each quarter, being the estimate of rent the Company would have paid on normal commercial terms. This expense was charged to rent and contributed surplus.

vi) Dr. Keith Barron subscribed for 3,500,000 common shares of the recent IPO, for subscription proceeds of $1,400,000. As at December 31, 2013, Dr. Barron retains beneficial ownership of 62% of the Company's share capital.

vii) 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 nonexecutive) of the Company. The remuneration of key management and directors of the Company (net of applicable taxes) was as follows:

For the years ended December 31,	**2013**	2012
	($)	($)
Directors' fees	**45,000**	Nil
Management fees (net of HST)	**60,500**	60,000
Stock-based payments	**362,210**	Nil
	467,710	60,000

12. SEGMENTED INFORMATION

At December 31, 2013, the Company's operations comprised a single reporting operating segment engaged in mineral exploration in Switzerland. All of the Company's computer hardware and software are located in Canada and all of the Company's exploration equipment is located in Switzerland. Cash of $861,902 (December 31, 2012 - $295,719) is held in Canadian chartered banks, with the balance of $30,584 (December 31, 2012 - $17,112) being held in Swiss chartered banks.

13. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, cantonal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

Pursuant to permit requirements, a director, officer and principal shareholder of the Company has personally lodged a 500,000 CHF Bank Guarantee (Cdn$594,600) in connection with any potential reclamation costs to be incurred by the Company in connection with its claims in Switzerland (*Note 5*).

13. COMMITMENTS AND CONTINGENCIES, Continued

Service Costs and Consulting Agreements

Effective January 1, 2013, the Company entered into a service costs agreement with Geosource Exploration Inc., ("GEI"), a company of which Dr. Keith Barron is principal shareholder, at an annual cost of $180,000. This agreement may be terminated by the Company with 90 days' written notice provided to GEI of the Company's intention to terminate the agreement. However, should such termination be effective within two years from April 11, 2013 (the date of completion of the Company's IPO) then a one-time break fee of $75,000 would be payable to GEI, in addition to any other amounts then owed.

The Company also entered into annual consulting agreements dated January 1, 2013, with the CFO and Project Manager of the Company, for consulting fees of $60,000 per annum (plus applicable taxes) and CHF 545 (Cdn$648) per diem, respectively. Early termination of these contracts requires 90 days' written notice by the party terminating the agreement therein.