TAKARA RESOURCES INC.

TAKARA RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements of Takara Resources Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the audited consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note *3* to the audited consolidated financial statements.

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

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

[Signed]

Christopher Hopkins
President and Chief Executive Officer

April 29, 2014

[Signed]

James Fairbairn
Chief Financial Officer

April 29, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Takara Resources Inc.

We have audited the accompanying consolidated financial statements of Takara Resources Inc., which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 auditors' 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 auditors consider 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 in our audit 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 Takara Resources Inc. as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has a history of operating losses and an accumulated deficit of $20,577,808 as at December 31, 2013. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

Other matters

The consolidated financial statements of Takara Resources Inc. for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2013.

[signed]

Ernst & Young, LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
April 29, 2014

TAKARA RESOURCES INC.

Consolidated Statements of Financial Position
As at December 31
(Expressed in Canadian Dollars)

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents (*note 17)*	222,714	99,263
Cash held in trust	-	78,005
Investments in marketable securities *(note 5)*	53,108	212,436
HST and accounts receivable *(note 6)*	35,764	15,335
Prepaid expenses and advances	16,914	23,450
Assets held for sale *(note 7)*	-	218,546
	328,500	647,035
Non-current assets		
Equipment *(note 8)*	-	35,040
TOTAL ASSETS	328,500	682,075
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	311,189	185,294
Income taxes payable	-	526
Amounts payable to related parties *(note 12(b))*	956	110,942
Advances received on sale of property *(note 7)*	-	100,000
Liabilities held for sale *(note 7)*	-	166,633
	312,145	563,395
Shareholders' Equity		
Share capital *(note 11(a))*	16,884,006	16,531,246
Warrants (*note 11(c))*	5,440	-
Contributed surplus	3,704,717	3,704,717
Accumulated other comprehensive income	-	71,779
Accumulated deficit	(20,577,808)	(20,189,062)
	16,355	118,680
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	328,500	682,075

Commitments *(note 10)*
Nature of Business and Going Concern *(note 1)*
Subsequent Event *(note 20)*

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

Approved by the Board

Signed: "Chris Hopkins"
____
Director

Signed: "Andres Tinajero"
____
Director

TAKARA RESOURCES INC.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31
(Expressed in Canadian dollars)

	2013	2012
Expenses		
Promotion and shareholder communication	19,634	84,605
General and administrative *(note 19)*	353,089	447,313
Exploration and evaluation expenditures	407,436	-
Professional fees	39,953	79,103
Share based payments *(note 11(b))*	-	4,013
	(820,112)	(615,034)
Other items		
Gain on disposal of marketable securities	-	49,439
Unrealized loss on investments in marketable securities (note 5)	(87,549)	-
Loss on disposal of equipment	(29,181)	(11,378)
Gain (loss) on foreign exchange	46,004	(47,199)
Interest income	219	2,166
Write-off of accounts receivable	-	(58,173)
Loss from continuing operations before recovery of income taxes	(890,619)	(680,179)
Income tax expense	-	-
Net loss from continuing operations	(890,619)	(680,179)
Income (loss) from discontinued operations, net of tax *(note 7)*	501,873	(459,614)
Net loss for the year	(388,746)	(1,139,793)
Other comprehensive loss (item may be reclassified subsequently to net loss)		
Unrealized loss on marketable securities	(159,328)	(438,221)
Less: Recycling to income statement for impairment	87,549	-
Other comprehensive loss	(71,779)	(438,221)
Total comprehensive loss for the year	(460,525)	(1,578,014)
Basic and diluted income (loss) per common share *(Restated - note 11 and note 13)*		
Loss per share from continuing operations	(0.09)	(0.07)
Income (loss) per share from discontinued operations	0.05	(0.05)
Net loss per share	(0.04)	(0.12)

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

TAKARA RESOURCES INC.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2013 and 2012
(Expressed in Canadian dollars)

	Number of Shares *(Restated - note 11)*	Share capital	Contributed surplus	Warrants reserve	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, January 1, 2012	9,482,647	$ 16,531,246	$ 1,827,429	$ 1,873,275	$ 510,000	$ (19,049,269)	$ 1,692,681
Share based payments	-	-	4,013	-	-	-	4,013
Expiry of warrants	-	-	1,873,275	(1,873,275)	-	-	-
Other comprehensive loss for the period	-	-	-	-	(438,221)	-	(438,221)
Net loss for the year	-	-	-	-	-	(1,139,793)	(1,139,793)
Balance, December 31, 2012	**9,482,647**	**$ 16,531,246**	**$ 3,704,717**	**$ -**	**$ 71,779**	**$ (20,189,062)**	**$ 118,680**
Issued on acquisition of Uranium Project in Saskatchewan	4,740,000	237,000	-	-	-	-	237,000
Issued in connection with private placement net of costs	2,560,000	121,200	-	-	-	-	121,200
Value assigned to warrants issued on private placement	-	(5,440)		5,440	-		-
Other comprehensive loss for the period					(71,779)		(71,779)
Net loss for the year	-	-	-	-	-	(388,746)	(388,746)
Balance, December 31, 2013	**16,782,647**	**$ 16,884,006**	**$ 3,704,717**	**$ 5,440**	**$ -**	**$ (20,577,808)**	**$ 16,355**

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

TAKARA RESOURCES INC.

Consolidated Statements of Cash Flows
For the years ended December 31
(Expressed in Canadian dollars)

	2013	2012
Operating activities		
Net loss for the year	(388,746)	(1,139,793)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation of the equipment	5,859	45,839
Loss on disposal of equipment	29,181	(6,235)
Exploration and evaluation expenditures paid in common shares	237,000	
Share based payments	-	4,013
Unrealized loss on investments in marketable securities	87,549	-
Gain on disposal of marketable securities	-	(49,439)
Write-off of accounts receivable	-	58,173
	(29,157)	(1,087,442)
Changes in non-cash working capital		
HST and accounts receivable	(429)	8,050
Prepaid expenses and advances	6,536	14,860
Advances received on sale of property	(100,000)	-
Accounts payable and accrued liabilities	125,895	60,231
Income tax payable	(526)	(4,971)
Cash flow used in operating activities	2,319	(1,009,272)
Investing activities		
Advances received on sale of property	-	100,000
Proceeds from sale of marketable securities	-	29,415
Proceeds from sale of equipment	-	118,780
Purchase of equipment	-	(1,871)
Decrease (increase) in cash held in trust	78,005	(78,005)
Cash flow (used in) provided from investing activities	78,005	168,319
Financing activities		
Proceeds from issue of common shares, net of costs	101,200	-
Advances received from (paid to) related parties	(109,986)	82,456
Cash flow provided from financing activities	(8,786)	82,456
Cash flow provided from (used in) discontinued operations	51,913	(71,597)
Increase (decrease) in cash and cash equivalents	123,451	(830,094)
Cash and cash equivalents, beginning of year	99,263	929,357
Cash and cash equivalents, end of year	222,714	99,263

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

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Takara Resources Inc. ("Takara" or the "Company") was incorporated on April 29, 2005 pursuant to the Canada Business Corporations Act under the name Naples Capital Corp. On November 29, 2007, the Company amended its articles to change its name to Takara Resources Inc. The address of the Company's office is 401 Bay Street, Suite 2828, Toronto, Ontario, Canada, M5H 2Y4. Takara's principal business activities are the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties and is considered to be an exploration and development stage company.

These consolidated financial statements were approved by the Board of Directors on April 29, 2014.

Going concern

As at December 31, 2013, the Company had not yet achieved profitable operations, had accumulated losses of $20,577,808 (December 31, 2012 - $20,189,062) and expected to incur future losses in the development of its business. The Company is in the process of exploring its properties and had not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties, all of which casts significant doubt about the Company's ability to continue as a going concern. Management is actively pursuing such additional sources of financing, and while it is 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 consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

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").

Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value.

Functional currency

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Management has determined that, other than the going concern assumption as discussed in note 1, there are no significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period 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.

New accounting standards adopted during the year

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

On January 1, 2013, the Company applied, for the first time, certain standards and amendments which include amendments to IAS 1 Presentation of Financial Statements, IAS 19 (Revised 2011) Employee Benefits ("IAS 19R"), IAS 28 Investments in Associates and Joint Ventures, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRS 13 Fair Value Measurement, and IAS 36 Impairment of Assets.

The nature and the impact of each new standard/amendment which affect the Company are described below:

IAS 1, Presentation of Financial Statements

This standard has been amended to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled in the future. The IASB amended IAS 1 by revising how certain items are presented in other comprehensive income ("OCI"). Items within OCI that may be reclassified to profit and loss have been separated from items that will not. While this amendment has impacted presentation in the consolidated statement of comprehensive income, it did not impact the Company's consolidated loss, comprehensive loss or consolidated financial position.

IAS 28 Investments in Associates and Joint Ventures

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The adoption of this standard did not have an impact on the Company's consolidated financial statements, other than disclosure.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes SIC-12 Consolidations - Special Purpose Entities and replaces parts of IAS 27 Consolidated and Separate Financial Statements. The adoption of this standard did not have an impact on consolidated financial statements, other than disclosure.

IFRS 11 Joint Arrangements

IFRS 11 replaced IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non monetary Contributions by Venturers. This new standard eliminates the use of the proportionate consolidation method to account for jointly controlled entities and requires jointly controlled entities that meet the definition of a joint venture to be accounted for using the equity method of accounting. The adoption of this standard did not have an impact on the Company's consolidated financial statements, other than disclosure.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. IFRS 12 replaces the previous requirements included in IAS 27 Consolidated and Separate Financial Statements, IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 defines fair value and establishes disclosures about fair value measurement. The adoption of this standard affected disclosures but did not have a significant impact on the Company's financial results.

IAS 36 Impairment of Assets

In May 2013, the IASB amended IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The Company has early adopted this amendment. The adoption of this standard did not have an impact on consolidated financial statements, other than disclosure.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

Future changes in accounting standards:

The following changes in accounting standards will be adopted by the Company on the effective date of January 1, 2014:

IAS 32 Financial Instruments: Presentation

In December 2011, the IASB amended IAS 32 to clarify certain requirements for offsetting financial assets and liabilities. The amendment addresses the meaning and application of the concepts of legally enforceable right of set-off and simultaneous realization and settlement. The amendment will affect presentation and disclosures but will not have an impact on financial results.

The following amendments to accounting standards will be effective for the Company subsequent to 2014:

IFRS 9 Financial Instruments

In November 2013, the IASB issued a revised version of IFRS 9 which:

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in OCI rather than within profit or loss.
- Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalization of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Jurisdiction	
Takara Resources (B.C.) Inc.	Canada	100% owned
Duckhorn Capital Corporation	Ontario	100% owned

Intercompany balances and transactions, including unrealized gains and losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The accounts and operations of StrataGold Guyana Inc. have been segregated as discontinued operations (see note 6) in these consolidated financial statements.

Financial instruments

Financial assets

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income and recognized in the statement of operations.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities - This category includes all other financial liabilities which are recognized at amortized cost.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and cash equivalents and cash held in trust	Fair value through profit and loss
Accounts receivable	Loans and receivables
Investments in marketable securities	Available-for-sale

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Amounts payable to related parties	Other financial liabilities
Advances received on sale of property	Other financial liabilities

The Company classifies its financial instruments measured at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly;
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's cash and cash equivalents and investments in marketable securities are classified within level 1 of the fair value hierarchy. As at December 31, 2013 and 2012 the fair value of assets and liabilities carried at amortized cost was the same as their respective carrying values due to the short term nature of these assets and liabilities.

Mining properties and exploration expenditures

The Company expenses costs relating to mineral properties and deferred exploration costs in the period in which they are incurred.

Previously, the Company recorded its interests in mineral exploration properties at cost. Exploration expenditures, other than those of a general nature, relating to mineral properties in which an interest is retained were previously deferred and carried as an asset until the results of the projects were known. If a project was unsuccessful or if exploration has ceased because continuation was not economically feasible, the cost of the property and the related exploration expenditures were written off.

Under IFRS the Company had a choice between retaining its existing policies with respect to mineral properties and deferred exploration costs or electing to change its policy retrospectively to expense all pre-feasibility costs. The Company chose to retrospectively expense all pre-feasibility costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is recorded at cost. Depreciation is provided over its expected useful life using the following methods and annual rates:

Computer	30 % declining balance
Field equipment	20 % declining balance
Vehicles	20 % declining balance
Office equipment	20 % declining balance
Leasehold improvements	20 % declining balance

Income taxes

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods. Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 end of the reporting period.

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.

Additional income taxes that arise from the distribution of dividends from a subsidiary to its parent are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Flow-through shares

Under Canadian income tax legislation, the Company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax deductions. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in other income at the time when the Company files the appropriate renunciation forms with the Canadian taxation authorities and the expenditures are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issue costs

Costs incurred for the issue of common shares and warrants are deducted from share capital and warrants, respectively.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

Stock-based compensation

The Company has in effect a stock option plan ("the Plan") which is described in note 11(b). The Plan allows Company employees, directors and officers to acquire shares of the Company for a specified option amount set on the date of grant. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise.

Transaction costs

Direct transaction costs associated with business acquisitions are expensed as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment at the end of each reporting period and whenever there is an indication that the asset may be impaired.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount, recognizing an impairment loss in the statement of operations. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the depreciation charge for the period.

Asset retirement obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, as soon as the obligation to incur such costs arises.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

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

Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the Canadian dollar at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in net earnings. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include highly liquid Canadian bank guaranteed funds that are valued at cost plus accrued interest. The carrying amounts approximate the fair market value as they have maturities at the date of purchase of less than one year with early redemption without penalties available.

(Expressed in Canadian Dollars)

4. ACQUISITION OF DUCKHORN CAPITAL CORPORATION

On December 14, 2013, Takara acquired all of the outstanding shares of Duckhorn Capital Corporation ("Duckhorn"). Duckhorn held a 100% interest in certain mining claims in the Athabasca Basin in northern Saskatchewan.

In accordance with IFRS 3, Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that are capable of being conducted and managed to provide a return for investors. This acquisition has been recorded as an acquisition of an asset.

The consideration paid is calculated as follows:

Duckhorn shares outstanding		15,000,000
Share exchange ratio		0.32
Takara shares to be exchanged for Duckhorn shares (restated Note 11)		4,740,000
Takara share price	$	0.050
Share consideration	$	237,000
Cash consideration	$	74,000
Total	$	311,000

The Company also granted a 2 percent (2%) net smelter return royalty, one half (1%) of which can be purchased by Takara at any time by paying CDN$1,000,000 cash.

The allocation of the purchase price is as follows:

Cash	3,997
Mineral exploration claims	399,136
Accounts payable	(92,133)
	311,000

In accordance with the Company's accounting policy, the amount allocated to the mineral exploration claims was expensed in the period.

5. INVESTMENTS IN MARKETABLE SECURITIES

The Company's investments in marketable securities are comprised of an investment of 393,400 (December 31, 2012 – 393,400) shares of Claude Resources Inc. ("Claude"). The Company classifies these investments as available-for-sale, reported at the fair market value based on bid prices, with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss until the investments are derecognized or determined to be subject to a significant or prolonged decline in value with losses charged to earnings. For the year ended December 31, 2013, it was determined that the investment in Claude was impaired and an expense of $87,548 was recorded. Subsequent to the year end, the Company disposed of the securities for net proceeds of $72,037.

6. HST AND ACCOUNTS RECEIVABLE

The Company's HST and accounts receivable are comprised of the following;

	2013	**2012**
Share subscription receivable	20,000	-
HST & other	15,764	15,335
	35,764	15,335

(Expressed in Canadian Dollars)

7. DISCONTINUED OPERATIONS

On December 5, 2012, the Company entered into an option agreement (the "Option Agreement") to sell its wholly-owned subsidiary StrataGold to Alicanto Minerals Limited ("Alicanto"), an Australian exploration company listed on the Australian Stock Exchange. StrataGold held 100% of Takara's Guyana-based mining interests.

Pursuant to the terms of the Option Agreement, Alicanto paid $100,000 to Takara in consideration for the option to enter into a share purchase agreement prior to December 14, 2012. The $100,000 was payable in two tranches; $25,000 on signing of the Option Agreement and $75,000 upon execution of the definitive share purchase agreement. Both amounts were received by December 31, 2012. An additional advance of $45,000 was received on March 7, 2013. Since the date of the option on December 5, 2012, Alicanto paid the ongoing operating costs (approximately $157,000) of StrataGold and it paid the balance of sale proceeds of $455,000 at closing on April 12, 2013.

Assets and liabilities related to StrataGold were classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell in the consolidated statements of financial position. The operating results for the years ended December 31, 2013 and 2012 related to StrataGold have been presented separately as the income (loss) from discontinued operations in the consolidated statements of operations.

As a result of the transaction, the Company recognized a gain on disposal of $666,417 which was determined as follows:

Cash purchase price (CAD)	600,000
Net assets disposed of	
Cash and cash equvalents	18,409
Accounts receivables	38,806
Prepaid expenses	4,458
Property plant and equipent	94,760
Accounts payable and accrued liabilities	(227,195)
	(70,762)
Related transaction costs	4,345
Gain on disposition	666,417

The breakdown of the income (loss) for the years ended December 31, 2013 and 2012 from discontinued operations is as follows:

	Year ended Dec 31, 2013	2012
General and administrative	(29,268)	(193,724)
Professional fees	(7,817)	(38,370)
Exploration and evaluation expenditures	(35,898)	(407,258)
Foreign exchange gain/(loss)	(91,561)	40,497
Gain on disposal of resources assets	666,417	17,613
Other income	-	121,628
Gain / (loss) from discontinued operations	501,873	(459,614)

(Expressed in Canadian Dollars)

7. DISCONTINUED OPERATIONS (continued)

As at December 31, 2013 and December 31, 2012, the assets and liabilities held for sale were comprised of:

	December 31, 2013	December 31, 2012
Assets held for sale		
Cash	-	71,597
Accounts receivable	-	38,201
Prepaid expenses	-	6,092
Property, plant and equipment	-	102,656
	$ -	**$218,546**

	December 31, 2013	December 31, 2012
Liabilities held for sale		
Accounts payable	-	84,771
Advances from Alicanto Minerals	-	81,862
	$ -	**$166,633**

8. EQUIPMENT

		Computer equipment	Field equipment	Vehicles	Office equipment	Leasehold improvements	Total
Cost							
	01-Jan-12	$ 49,221	$ 170,832	$ 31,309	$ 12,340	$ 39,578	$ 303,280
Dispositions		(18,175)	(110,295)	(26,193)	(1,555)	-	(156,218)
	31-Dec-12	31,046	60,537	5,116	10,785	39,578	147,062
Dispositions		(4,820)	-	-	(4,097)	(20,264)	(29,181)
	31-Dec-13	**$ 26,226**	**$ 60,537**	**$ 5,116**	**$ 6,688**	**$ 19,314**	**$ 117,881**
Accumulated Depreciation							
	01-Jan-12	$ 19,775	$ 60,537	$ 5,116	$ 5,094	$ 7,916	$ 98,438
Depreciation		5,874	-	-	1,377	6,333	13,584
	31-Dec-12	25,649	60,537	5,116	6,471	14,249	112,022
Depreciation		577	-	-	217	5,065	5,859
	31-Dec-13	**$ 26,226**	**$ 60,537**	**$ 5,116**	**$ 6,688**	**$ 19,314**	**$ 117,881**
Carrying amounts							
	01-Jan-12	$ 29,446	$ 110,295	$ 26,193	$ 7,246	$ 31,662	$ 204,842
	31-Dec-12	$ 5,397	$ -	$ -	$ 4,314	$ 25,329	$ 35,040
	31-Dec-13	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

(Expressed in Canadian Dollars)

9. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

Beaverlodge Uranium Projects in Athabasca Basin, Saskatchewan

On December 14, 2013 the Company has entered into an agreement through the acquisition of Duckhorn in respect of the acquisition of a 100% interest in mineral claims prospective for uranium exploration in the northwest region of the Athabasca Basin, Saskatchewan. The claims comprise 19,180 hectares located in the uranium-prolific Beaverlodge District, near Uranium City, Saskatchewan, where the former Eldorado Mining and Refining Limited, predecessor company to Cameco, operated its uranium mines.

For the year ended December 31, 2013, the Company incurred exploration expenses associated with its Beaverlodge Uranium Projects totalling $407,436 (2012 – NIL), consisting of claim staking and property acquisition of $399,136 and geological consulting fees of $8,300.

Miskamowin Nickel Project, Manitoba

The Company previously reported that it had no intention to pursue exploration on the Miskamowin project, however, as a result of new information during the year ended December 31, 2013, the Company has elected to retain its interest in a downsized land package (three Mineral Exploration Licences). There were no expenditures incurred on the Miskamowin project during the year ended December 31, 2013.

10. COMMITMENTS

(a) The Company entered into operating leases for office equipment expiring on August 31, 2015 with scheduled payments as follows:

2014	$ 4,788
2015	3,192
	$ 7,980

11. SHARE CAPITAL

a) Share Capital

Authorized
Unlimited number of common shares
Unlimited number of preferred shares issuable in series

Common shares issued and outstanding

As approved at the Annual General and Special Meeting of the Company's shareholders held on November 28, 2013, the Company completed a ten-for-one consolidation of its common shares. All current and comparative common share and per share amounts have been retroactively adjusted to reflect the ten-to-one stock consolidation.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

The following transactions occurred during the year with respect to common shares:

	# of Shares	Amount
Balance, January 1, 2012	9,482,647	16,531,246
Balance, December 31, 2012	9,482,647	16,531,246
Balance, January 1, 2013	9,482,647	16,531,246
Issued on acquisition of Uranium Project in Saskatchewan	4,740,000	237,000
Issued in connection with flow through private placement (i)	2,560,000	128,000
Share issuance costs (i)	-	(12,240)
Balance, December 31, 2013	16,782,647	16,884,006

(i) On December 31, 2013 the Company closed the first tranche of its private placement offering announced on December 20, 2013, by the issuance of 2,560,000 flow through common shares for gross proceeds of $128,000. A finders' fee equal to 10% of the gross proceeds raised, in addition to the issuance of a number of finder warrants ("Finder Warrants") equal to 10% of the number of flow-through shares and Units sold may be paid to eligible finders. Each Finder`s Warrant shall entitle the finder to acquire one non flow-through common share at a price of $0.05 per share for a period of 12 months from closing. The Company may elect to settle the cash portion of the finders` fees by the issuance of common shares in accordance with applicable regulatory requirements and receipt of approvals. The funds raised pursuant to the offering will be used by the Company to finance Canadian projects. In conjunction with the closing of this first flow through tranche, the Company paid $6,800 in cash and issued 136,000 non-flow through finders warrants, each finder's warrant entitling the holder to acquire one common share of the Company at a price of $0.05 per share for 12 months from closing.

The warrants were assigned a value of $5,440 using the Black Scholes option pricing model. The assumptions used were: dividend yield of 0%, expected volatility of 150%, a risk free interest rate of 1.95% and expected life of 12 months.

b) Stock Options

The Company has in place a stock option plan (the "Plan") under which officers, directors, employees and consultants are eligible to receive incentive stock options. The aggregate number of common shares reserved for issuance under the Plan and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's common shares issued and outstanding at the time of grant. The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years, but so long as the Company remains a "Tier 2" issuer under the policies of the Toronto Stock Exchange, options may not exceed a term of five years. The exercise price of options granted under the Plan will be determined by the Board of Directors, provided that it is not lower than the fair market value of the option shares on the date of the grant of the option.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

The terms of the plan are as follows:

(i) the maximum number of shares that can be received by a beneficiary during any 12 month period is limited to 5% of issued and outstanding shares;

(ii) the maximum number of shares that can be reserved for a consultant during any 12 month period is limited to a 2% of issued and outstanding shares; and

(iii) the maximum number of shares that can be reserved for a supplier of investor relations services during any 12 month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised on a 12 month period after the grant, at the rate of 25% per quarter.

Issued and exercisable stock options outstanding (Restated - note 11):

	Number of Stock Options	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
As at January 1, 2012	413,567	$ 2.00	405,567	$ 2.00
Granted	-	-		
Cancelled	(43,500)	2.00		
December 31, 2012	370,067	$ 1.90	370,067	$ 1.90
Granted	-	-		
Cancelled	(370,067)	(1.90)	(370,067)	(1.90)
December 31, 2013	**-**	**$ -**	**-**	**$ -**

As at December 31, 2013 there were no stock options outstanding.

During the years ended December 31, 2013, $Nil (2012 - $4,013) was recorded to contributed surplus and charged to share based payments expense reflecting the value being recognized on the vesting of options granted.

c) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, January 1, 2012 (Restated - note 11)	1,561,179	0.32
Expired	(1,561,179)	(0.32)
Balance, December 31, 2012	-	-
Granted	136,000	0.05
Balance, December 31, 2013	**136,000**	**0.05**

As at December 31, 2013 the following warrants were outstanding:

Number of warrants	Exercise price	Date of expiry
136,000	$0.05	21-Dec-14

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

(a) Management compensation

The remuneration of officers and directors of the Company operating in a management capacity for the years ended December 31, 2013 was $113,333 (2012 - $183,513). Of this amount $113,333 (December 31, 2012 - $179,500) represents fees & salaries and $Nil (December 31, 2012 - $4,013) represents share based payments.

Directors' fees paid to members of the Board of Directors for years ended December 31, 2013 were $50,000 (December 31, 2012 - $22,000).

(b) Related party transactions

As at December 31, 2013, $Nil (December 31, 2012 - $83,035) is owed to CapEx Group Inc. (a company controlled by the past President and CEO of the Company) for the expenses incurred on behalf of the Company. and was recorded as amounts payable to related parties on the statement of financial position.

As at December 31, 2013, $816 (December 31, 2012 - $26,438) is owed to Satori towards rent and shared services. The Company and Satori have one director in common. The amount is recorded as amounts payable to related parties on the statement of financial position.

As at December 31, 2013, $934 (December 31, 2012 - $4,244) is owed to the Company by Satori Resources Inc. ("Satori") towards rent and shared services. The amount is included in HST and accounts receivable on the statement of financial position.

13. LOSS PER COMMON SHARE

The following table sets forth the computation of basic and diluted income (loss) per common share (Restated - note 11):

		Years ending December 31, 2013		2012
Numerator:				
Net income (loss) attributable to common shareholders				
basic and diluted – Continuing operations	$	(890,619)	$	(680,179)
basic and diluted – Discontinued operations		501,873		(459,614)
basic and diluted net (loss)	$	(388,746)	$	(1,139,793)
Denominator:				
Weighted average common shares outstanding				
basic and diluted (Restated - Note 11)		9,723,414		9,482,647
Basic and diluted				
Loss per common share – Continuing operations	$	(0.09)	$	(0.07)
Income (loss) per common share – Discontinued operations	$	0.05	$	(0.05)
Loss per common share	$	(0.04)	$	(0.12)

The warrants and options outstanding were excluded from the computation of diluted loss per share in the current and prior period because their impact was anti-dilutive. As of December 31, 2013 there were no options or warrants outstanding affecting diluted income per share for the current period.

(Expressed in Canadian Dollars)

14. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss for the years ended December 31 is as follows:

	2013	**2012**
Loss from continuing operations before income tax	$ 890,619	$ 680,179
Expected income tax recovery (2013 and 2012 - 26.5%)	(236,014)	(180,247)
Non-deductible expenses	110,220	32,290
Tax rate changes and other adjustments	37,984	(57,633)
Share issue costs recognized in the current year	-	-
Change in tax benefits not recognized	87,810	205,590
Income tax expense reflected in the consolidated statements of operations	-	-
The Company's income tax expense (recover) is allocated as follows:		
Current tax expense	$ -	$ -
Deferred tax recovery	-	-
	-	-

Deferred Income Tax

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

	2013	**2012**
Non-capital losses - Canada	6,320,170	5,705,400
Resource-related deductions	1,716,720	1,914,210
Other deductible temporary differences	1,625,900	368,650
Non-capital losses - discontinued operations	-	1,805,180
Resource-related deductions-discontinued operations	-	30,272,130

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

2015	$ 29,720
2026	64,720
2027	297,980
2027	721,960
2028	566,540
2029	295,060
2030	1,508,040
2031	1,516,650
2032	800,190
2033	519,310
	$ 6,320,170

15. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its exploration, development and operating activities.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at December 31, 2013, the Company had no bank debt.

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. There were no changes in the Company's approach to capital management during the year ended December 31, 2013. The Company is not subject to externally imposed capital requirements.

16. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash. The Company has deposited the cash with reputable financial institutions, from which management believes the risk of loss is minimized. As at December 31, 2013, cash and cash equivalents are held with major Canadian financial institutions.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013, the Company had a cash and cash equivalents balance of $222,714, (December 31, 2012 - $99,263) to settle current financial liabilities of $312,145 (December 31, 2012 - $563,395). The Company is currently seeking equity financing as indicated in Note 1. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Takara may change and shareholders may suffer additional dilution.

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(a) Interest rate risk
The Company is not exposed to interest rate risk as it does not have interest bearing debt.

(b) Commodity price risk
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 uranium and nickel.

Claude shares are instruments in a publicly listed TSX Venture company. A variance of 10% in the market value of Claude shares would affect comprehensive income by $5,311.

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS AND RISK FACTORS (continued)

Currency Risk
Certain of the Company’s property interests were in Guyana, South America, which made it subject to foreign currency fluctuations and inflationary pressures which may have adversely affected the Company’s financial position, results of operations and cash flows.

As the Company has divested of its interests in Guyana on April 12, 2013, there is minimal ongoing foreign currency risk.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

As at,		December 31, 2013		December 31, 2012
Cash	$	167,714	$	24,263
Cash equivalents		55,000		75,000
Total cash and cash equivalents	$	222,714	$	99,263

18. SEGMENTED INFORMATION

The Company operates in the mining, exploration and development business and has operations in Canada. On April 12, 2013, the Company disposed all its assets in Guyana. The Company has no operating revenue.

December 31, 2013		**Canada**		**Guyana**		**Consolidated**
Current assets	$	328,500	$	-	$	328,500
	$	328,500	$	-	$	328,500

December 31, 2012		Canada		Guyana		Consolidated
Current assets	$	428,489	$	218,546	$	647,035
Property and equipment		35,040		-		35,040
	$	463,529	$	218,546	$	682,075

(Expressed in Canadian Dollars)

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Years ended December 31	
	2013	**2012**
Management fees (*note 12*)	$ 113,333	$ 179,500
Directors' fees (*note 12*)	50,000	-
Administration	68,189	118,234
Travel	4,285	17,197
Depreciation	5,859	13,584
Rent (*note 12*)	28,626	42,225
Office (*note 12*)	24,404	21,123
Transfer agent fees	12,291	9,976
Filing fees	25,447	13,805
Insurance	16,063	23,552
Telephone	1,410	3,943
Interest	332	870
Bank charges	2,547	2,782
Auto	303	522
	$ 353,089	**$ 447,313**

20. SUBSEQUENT EVENT

On April 11, 2014 the Company announced a non-brokered private placement offering of up to $350,000 by the issuance of Units, at a price of $0.05 per Unit. Each Unit is comprised of one common share and one-half of one purchase warrant, exercisable at a price of $0.10 per share for a period of eighteen months. Depending on market conditions, there is no assurance that the full offering amount will be subscribed for and a lesser amount may be raised.