CONFEDERATION
MINERALS LTD.

Condensed Consolidated Interim Financial Statements

Third Quarter Ended March 31, 2014

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Confederation Minerals Ltd. for the nine months ended March 31, 2014, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

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

CONFEDERATION MINERALS LTD.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Notes	March 31, 2014	June 30, 2013
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		67,716	270,981
Short-term investment	3	541,715	1,810,985
Marketable securities	4	1,310,000	1,340,000
Receivables	5	35,618	799,158
Prepaid expenses		30,674	66,518
Total current assets		1,985,723	4,287,642
Non-current assets			
Exploration and evaluation assets	6	12,139,384	10,817,065
Total assets		14,125,107	15,104,707
LIABILITIES			
Current liabilities			
Payables and accruals		82,147	313,110
Total liabilities		82,147	313,110
EQUITY			
Equity attributable to shareholders			
Share capital	8	20,045,020	19,847,270
Reserves		2,612,143	2,560,143
Deferred share based payment		-	(14,678)
Accumulated deficit		(9,163,890)	(8,150,825)
Accumulated other comprehensive income (loss)		549,687	549,687
Total equity		14,042,960	14,791,597
Total liabilities and equity		14,125,107	15,104,707

These consolidated financial statements are authorized for issue by the Board of Directors on May 29, 2014. They are signed on the Company's behalf by:

On behalf of the Board:

"Brian Bapty" Director *"Lawrence Dick"* Director
Brian Bapty Lawrence Dick

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

CONFEDERATION MINERALS LTD.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Notes	Three months ended March 31, 2014	2013	Nine months ended March 31, 2014	2013
		$	$	$	$
General and administrative expenses					
Consulting fees	9	180,000	309,144	547,500	693,041
Filing fees		12,537	30,207	17,263	46,484
Insurance		13,255	13,715	42,529	41,196
Meals and entertainment		2,248	1,752	7,454	10,899
Office expenses		11,354	9,443	39,096	29,054
Professional fees		5,882	19,931	19,192	165,935
Share-based payments		2,098	11,448	66,678	52,181
Shareholder information		9,395	10,380	67,803	60,763
Transfer agent fees		6,579	16,324	10,076	20,829
Travel and accommodation		12,435	37,308	29,698	80,556
Wages	9	48,961	49,957	145,301	143,140
		(304,744)	(509,609)	(992,590)	(1,344,078)
Loss on assets held for distribution		-	-	-	(392,135)
Unrealized loss on marketable securities		(20,000)	-	(30,000)	-
Interest and miscellaneous income		398	20,464	9,886	47,490
Loss before income tax		(324,346)	(489,145)	(1,012,704)	(1,688,723)
Income tax (expenses) recovery		-	-	(361)	231,385
Loss from continuing operations		(324,346)	(489,145)	(1,013,065)	(1,457,338)
Loss from discontinued operations		-	-	-	(437,708)
Loss for the period		(324,346)	(489,145)	(1,013,065)	(1,895,046)
Loss attributable to:					
Shareholders of the Company		(324,346)	(883,416)	(1,013,065)	(1,766,360)
Non-controlling interest		-	-	-	(128,686)
		(324,346)	(883,416)	(1,013,065)	(1,895,046)
Other comprehensive income (loss)					
Items that may be reclassified into profit and loss					
Unrealized gain (loss) on marketable securities		(160,000)	-	-	-
Foreign currency translation		-	-	-	(36,087)
Loss and comprehensive loss for the period		(484,346)	(489,145)	(1,013,065)	(1,931,133)
Comprehensive loss attributable to:					
Shareholders of the Company		(484,346)	(883,416)	(1,013,065)	(1,225,690)
Non-controlling interest		-	(73,958)	-	(216,298)
		(484,346)	(957,374)	(1,013,065)	(1,441,988)
Loss per share, basic and diluted		(0.00)	(0.01)	(0.02)	(0.03)
Weighted average common shares outstanding - basic and diluted		66,278,532	55,353,532	65,969,590	55,204,079

Loss per share (note 10)
The accompanying notes are an integral part of these condensed consolidated interim financial statements..

CONFEDERATION MINERALS LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

For the Nine Months Ended March 31,	2014	2013
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period from continuing operations	(1,013,065)	(1,766,360)
Items not involving cash:		
Interest income	(9,886)	(47,490)
Share-based payments	66,678	52,181
Unrealized loss on whole share warrants	30,000	-
Deferred income tax expense (recovery)	-	(348,667)
Changes in non-cash working capital:		
Receivables	763,540	(93,213)
Prepaid expenses	35,844	(49,407)
Accounts payable and accrued liabilities	(190,587)	(18,745)
Cash used in continuing operating activities	(317,476)	(2,271,701)
Cash used in discontinued operating activities	-	267,733
	(317,476)	(2,003,968)
Investing activities:		
Sale (purchase) of short-term investment	1,269,270	4,772,615
Exploration and evaluation assets and intangible assets	(1,327,445)	(3,263,882)
Interest received	9,886	47,490
Cash used in continuing investing activities	(48,289)	1,556,223
Cash used in discontinued investing activities	-	508,186
	(48,289)	2,064,409
Financing activities:		
Proceeds from shares issued, net of costs	162,500	-
	162,500	-
Net change in cash and cash equivalents	(203,265)	60,441
Cash and cash equivalents, beginning of period	270,981	96,899
Cash and cash equivalents, end of period	67,716	157,340

Supplementary cash flow information (note 11)

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

CONFEDERATION MINERALS LTD.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Shares Number of Shares	Common Shares Amount	Reserves	Deferred Share Based Payment	Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Shareholder`s Equity
		$	$	$	$	$		$
Balance on June 30, 2012	55,128,532	19,581,335	3,078,871	(39,838)	(6,221,380)	(3,442)	951,620	17,347,166
Common shares issued:								
- for mineral property interest	150,000	46,500	-	-	-	-	-	46,500
- distribution of Magna shares	-	(634,565)	-	-	-	-	-	(634,565)
Share-based payment	-	-	49,964	18,870	-	-	-	68,834
Loss for the period	-	-	-	-	1,895,046	-	-	1,895,046
Other comprehensive income (loss)	-	-	-	-	-	173,687	-	173,687
Deconsolidation of Magna Resources Ltd.		-	(710,221)	-	-	3,442	(951,620)	(1,658,399)
Balance - March 31, 2013	55,278,532	18,993,270	2,418,614	(20,968)	(4,326,334)	173,687	-	17,238,269
Balance on June 30, 2013	65,278,532	19,847,270	2,560,143	(14,678)	(8,150,825)	549,687	-	14,791,597
Common shares issued:								
- exercise of stock options	350,000	87,500	-	-	-	-	-	87,500
- exercise of warrants	500,000	75,000						75,000
- for mineral property interest	150,000	35,250	-	-	-	-	-	35,250
Share-based payment	-	-	52,000	14,678	-	-		66,678
Loss for the period	-	-	-	-	(1,013,065)	-	-	(1,013,065)
Balance - March 31, 2014	66,278,532	20,045,020	2,612,143	-	(9,163,890)	549,687	-	14,042,960

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

The Company was incorporated on November 3, 2005 under the Business Corporations Act (British Columbia) as “Medina Ventures Inc.”, changed its name to “Sienna Minerals Ltd.” on April 26, 2006 and changed its name to Confederation Minerals Ltd. on April 11, 2007. The Company’s principal business activity is the exploration of exploration and evaluation assets.

In January 2012, the Company acquired control of Magna Resources Ltd. (“Magna”). In December 2012, the Company disposed of its controlling interest in Magna through a distribution of Magna shares to the Company’s shareholders (note 7).

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets. Management believes they have sufficient working capital to maintain the next twelve months of operations.

The business of exploring for and mining of exploration and evaluation assets involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The head office and principal address of the Company are located at Suite 1980, 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements for the nine months ending March 31, 2014 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), on a basis consistent with the significant accounting policies disclosed in note 2 of the most recent annual consolidated financial statements as at and for the year ended June 30, 2013 as filed on SEDAR at www.sedar.com. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on May 29, 2014.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as at fair value through profit or loss (“FVTPL”) and available-for-sale that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (continued)

Critical accounting estimates and assumptions

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

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

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

Exploration and Evaluation Expenditures

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

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. The Company believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

New Accounting Standards and Interpretations

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for the Company's fiscal years beginning on or after July 1, 2013. The following standards and interpretations are relevant to the Company's financial statements but are not yet effective:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015 but is not likely to have a material impact on the Company’s financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. SHORT-TERM INVESTMENT

As at March 31, 2014, the Company has short-term investment of $541,715 of principal including $1,715 of interest. The short-term investment has an annual yield of prime minus 1.8% (June 30, 2013 - $1,810,985 and interest of $10,985).

4. MARKETABLE SECURITIES

		Cost	Fair Value
		$	$
Magna Resources Inc. - shares	8,000,000	426,313	1,040,000
Magna Resources Inc. - share purchase warrants	2,400,000	-	270,000
Balance - March 31, 2014		426,313	1,310,000

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES (continued)

On December 19, 2012, the Company received an order from the Supreme Court of British Columbia approving the distribution of 21,086,656 Magna common shares to the Company's shareholders (note 7). The fair value of the 8,000,000 shares retained by the Company was determined at $426,313 and recognized as marketable securities designated as available-for-sale instruments. During the nine months ended March 31, 2014, the Company recognized an unrealized holding gain of $nil (June 30, 2013 - $549,687, net of deferred taxes of $64,000).

At distribution, the Company retained 2,400,000 share purchase warrants that were acquired during the business acquisition. These warrants were valued at $270,000 at March 31, 2014 (June 30, 2013 - $300,000) using the Black-Scholes pricing model using the following assumptions:

Dividend yield	0%
Risk-free interest rate	1.07%
Estimated volatility	202%
Expected life in years remaining	1.92

5. RECEIVABLES

	March 31, 2014	June 30, 2013
	$	$
Share subscription receivable	-	750,000
GST - value added tax	35,618	49,158
	35,618	799,158

6. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets of the Company are comprised as follows:

	June 30, 2012	Change	Disposal	June 30, 2013	Change	March 31, 2014
	$	$	$	$	$	$
Newman Todd Project	6,986,492	3,830,573	-	10,817,065	1,322,319	12,139,384
Green River Potash	1,719,642	9,748	(1,729,390)	-	-	-
	8,706,134	3,840,321	(1,729,390)	10,817,065	1,322,319	12,139,384

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Newman Todd Project

	June 30, 2012	Change	June 30, 2013	Change	March 31, 2014
	$	$	$	$	$
Acquisition					
Cash payments	216,250	75,000	291,250	77,500	368,750
Share issuance	244,250	46,500	290,750	35,250	326,000
	460,500	121,500	582,000	112,750	694,750
Deferred exploration expenditure					
Advance payment	200,000	-	200,000	(200,000)	-
Assays and reports	831,606	346,780	1,178,386	137,549	1,315,935
Camp construction	104,056	11,220	115,276	-	115,276
Drilling	2,759,628	1,618,834	4,378,462	477,576	4,856,038
Environmental	-	121,425	121,425	135,491	256,916
Equipment installation	101,950	-	101,950	-	101,950
Field expenses	754,080	293,805	1,047,885	144,996	1,192,881
General administration	29,333	22,323	51,656	6,195	57,851
Metallurgy studies	-	75,706	75,706	41,791	117,497
Geological consulting	1,434,446	1,047,871	2,482,317	406,066	2,888,383
Permitting	1,923	783	2,706	783	3,489
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	-	15,230	15,230	17,870	33,100
Surveys and geophysics	7,068	-	7,068	8,000	15,068
Travel and Accommodation	291,902	155,096	446,998	33,252	480,250
	6,525,992	3,709,073	10,235,065	1,209,569	11,444,634
	6,986,492	3,830,573	10,817,065	1,322,319	12,139,384

Pursuant to an option agreement dated November 19, 2010 with Redstar Gold Corp. (“Redstar”), the Company was granted an option to acquire up to 70% of Redstar’s Newman Todd project (the “Newman Todd Project”), located in the Red Lake Mining District of Northern Ontario.

During the three months ended December 31, 2013, the Company completed the option to earn a 50% interest in the Newman Todd Project by paying the last installment of $75,000 of the total $250,000 required to be paid, issuing 150,000 shares, the last tranche of a total of 500,000 shares issued, and completing its requirement to incur a cumulative of $5,000,000 of work expenditures on the Property.

6. EXPLORATION AND EVALUATION ASSETS (continued)

To exercise the option to earn a further 20% interest, thereby increasing its overall interest to 70%, the Company will be required to produce, at its own cost, a preliminary assessment of the Property and issue a further 500,000 shares to Redstar on or before the sixth anniversary of the Agreement, subject to minimum annual expenditures of $250,000 during the last three years of the option period. The parties also have agreed to form a joint venture following the exercise of the option by the Company. The Property is subject to a two percent net smelter return and a fifteen percent net carried interest. The latter interest does not receive payment until capital expenditures have been recovered with interest. A finder's fee of $132,500 was paid with respect to the Newman Todd project by cash of $66,250 and issuance of 228,448 shares at a fair value of $0.29 per share.

The Company also owns an effective 35% interest in certain other claims adjacent to the Newman Todd Project.

Confederation Lake (Mitchell & Belanger) Claims, Ontario

The Company holds certain claims located in the Red Lake Mining District of Ontario. These claims have a nominal carrying value.

7. DISTRIBUTION TO SHAREHOLDERS

On December 19, 2012, the Company received an order from the Supreme Court of British Columbia approving the distribution of 21,086,656 Magna common shares. Upon completion of the distribution, the Company's ownership interest in Magna decreased from approximately 56.47% to approximately 16%. As of December 19, 2012, the Company determined that it no longer controlled Magna, and, as a result, would no longer consolidate the operations of Magna. As a result, the Company derecognized the carrying amounts of assets, liabilities and non-controlling interest related to Magna and recognized its retained investment in Magna at its fair value. The difference between the fair and carrying values at the date of deconsolidation was recorded as a loss of $392,135 on the statement of operations and comprehensive loss, as the Company was required to recognize the fair value of the Magna's net assets which had a book value of $1,982,280 and reserves of $710,221 and accumulated comprehensive income of $3,442. The fair value was based on 40.94% of fair market value of Magna. The spin out was accounted for as a return of capital with a $634,565 charge to share capital.

(Expressed in Canadian Dollars)

7. DISTRIBUTION TO SHAREHOLDERS (continued)

The fair value of the Magna shares transferred under the Distribution is summarized in the table below:

	December 19, 2012 $
Cash	54,897
Short term investment	930,037
Prepaid	25,123
Receivables	44,368
Intangible assets	659,278
Exploration and evaluation assets	96,667
Accounts payable and accrued liabilities	(260,370)
Fair value of the Magna's net assets	**1,550,000**
Fair value of the net assets distributed to shareholders	**634,565**

The following table summarizes the results of discontinued operations for the nine months ending March 31, 2014 and 2013.

For the Nine Months Ended March 31,	2014	2013
	$	$
General and administrative expenses	-	(302,598)
Loss on assets held for distribution	-	(262,194)
Interest and miscellaneous income	-	6,961
Income tax expenses	-	120,123
Loss from discontinued operations	-	(437,708)

8. SHARE CAPITAL

a) Authorized:

Unlimited common shares with no par value

b) Issued Share Capital:

At March 31, 2014, there were 66,278,532 common shares issued and outstanding (June 30, 2013 – 65,278,532).

c) Common Shares:

Fiscal 2014

In July 2013, 350,000 shares were issued when 350,000 stock options were exercised for proceeds of $87,500.

In October 2013, the Company issued 150,000 shares at a fair value of $0.235 per share for the Newman Todd project. See note 6 for details.

8. SHARE CAPITAL (continued)

In November 2013, 500,000 shares were issued when 500,000 warrants were exercised for proceeds of $75,000.

Fiscal 2013

In June 2013, the Company closed a private placement consisting of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000, of which $750,000 was received subsequent to June 30, 2013. Each unit consisted of one common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of one year from the closing of the offering. The Company paid a finder's fee of $54,000 and issued 540,000 warrants with the same terms as the private placement warrants. The fair value of these warrants was calculated at $92,000 using the Black-Scholes pricing model.

On November 13, 2012, the Company issued 150,000 shares at a fair value of $0.31 per share for the Newman Todd project. See note 6 for details.

d) Share-based Payments

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies. The options can be granted for a maximum term of 5 years.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

During the nine months ended March 31, 2014, the Company granted 500,000 (2012 – 200,000) stock options with a weighted average exercise price per option granted of $0.24 (2012 $0.45) and total share-based payment expense of $52,000 (2013 – 33,311).

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

The continuity of stock options for the period ended March 31, 2014 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance, June 30, 2012	5,050,000	0.52
Granted, exercisable on or before September 1, 2014	200,000	0.45
Granted, exercisable on or before April 1, 2015	200,000	0.22
Granted, exercisable on or before April 1, 2015	150,000	0.30
Forfeited	(550,000)	0.63
Balance June 30, 2013	5,050,000	0.49
Granted, exercisable on or before July 4, 2014	500,000	0.24
Exercised	(350,000)	0.25
Forfeited	(200,000)	0.45
Balance March 31, 2014	5,000,000	0.48

The options outstanding and exercisable at March 31, 2014, are as follows:

Number Outstanding	Exercise Price ($)	Remaining Contractual Life (Years)
300,000	0.25	1.63
1,050,000	0.45	1.85
250,000	0.69	1.91
150,000	0.84	2.32
2,000,000	0.57	2.84
400,000	0.54	2.96
200,000	0.22	1.00
150,000	0.30	1.00
500,000	0.24	0.26
5,000,000		2.12

The fair value of share options awarded to officers, directors and consultants was estimated on the dates of award using the Black-Scholes option pricing model with the following assumptions:

Nine Months Ended March 31,	2014	2013
Dividend yield	0%	0%
Risk-free interest rate	1.2%	1.07-1.15%
Estimated volatility	114%	104-125%
Expected life in years	1	2
Weighted average grant date value	0.24	0.21

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

f) Warrants

The continuity of warrants for the period ended March 31, 2014 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance June 30, 2012	7,278,599	0.96
Granted	10,540,000	0.15
Expired	(7,278,599)	0.96
Balance June 30, 2013	10,540,000	0.15
Exercised	(500,000)	0.15
Balance March 31, 2014	10,040,000	0.15

Full share equivalent warrants outstanding and exercisable at March 31, 2014 is as follows:

Expiry Date	Price per Share	Warrants Outstanding
June 26, 2014	$ 0.15	10,040,000

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions recorded as consulting fees relating to key management personnel and entities which they have control or significant influence were as follows:

Services provided by:	Notes	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Nine Months Ended March 31, 2014	Nine Months Ended March 31, 2013
		$	$	$	$
Lawrence Dick	(a)	30,000	30,000	90,000	90,000
Brian Bapty	(b)	37,750	37,750	112,500	112,500
Primarius Capital Corp.	(c)	30,000	30,000	90,000	90,000
Baron Global Financial Canada Ltd.	(d)	30,000	30,000	90,000	90,000
St. Cloud Mining Services Inc.	(e)	-	120,000	-	150,000

(a) Lawrence Dick, the CEO of the Company provided management services throughout the year.
(b) Brian Bapty, the President of the Company received management salaries for the year.
(c) Primarius Capital Corp. is a privately held corporation controlled by a director, which provides consulting services to the Company.
(d) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. (“Baron”), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.
(e) St. Cloud Mining Services Inc. is a privately held corporation controlled by a former director of Magna, who provided consulting services to the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Related party payables:

	March 31, 2014 $	June 30, 2013 $
Lawrence Dick	2,059	8,630

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the nine months ended March 31, 2014 and 2013 was as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2014	2013	2014	2013
Loss for the period	($324,346)	($489,145)	($1,013,065)	($1,895,046)
Weighted average number of common shares outstanding	66,278,532	55,353,532	65,969,590	55,204,079
	($0.00)	($0.01)	($0.02)	($0.03)

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS:

Supplementary disclosure of non-cash investing and financing activities during the nine months ended March 31, 2014 and 2013 were as follows:

For the Nine Months Ended March 31,	2014	2013
	$	$
Shares issued for exploration and evaluation asset payment	35,250	46,500
Change in mineral property expenditures included within accounts payable	40,376	154,665
Distribution of assets of Magna Resources Ltd.	-	634,565

12. COMMITMENTS

In March 2012 the Company entered into three consulting agreements with three different related parties to provide business consulting services. Each of the three consultants will be paid a monthly fee of $10,000 for an indefinite term. If any of the consulting agreements are terminated the party will receive $240,000.

On February 1, 2012, the Company entered into a 12 month management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), whereby Baron agreed to act as corporate advisor and CFO of the Company in return for a monthly fee of $10,000. The CFO of the Company is also a Senior Manager at Baron.

In July 2013, the Company entered into a consulting agreement with a company to provide business consulting services. The company will be paid $10,000 per month plus expenses for a term of one year.

13. SEGMENTAL INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets within Canada.