49NORTH
RESOURCES INC

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 and 2012

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
49 North Resources Inc.

We have audited the accompanying consolidated financial statements of 49 North Resources Inc., which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, 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 audits 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 49 North Resources Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flows for the years 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 49 North Resources Inc. has incurred losses of $59,510,000 since inception, has continuing operating losses, and has uncertainty with regard the Corporation's ability to obtain future funding. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about 49 North Resources Inc.'s ability to continue as a going concern.

SASKATOON, SASKATCHEWAN

Ernst & Young LLP

April 30, 2014

Chartered Accountants

49 North Resources Inc.
Consolidated Statement of Financial Position
(in thousands of Canadian dollars)
(See Note 1 – Description of business and going concern)

	December 31 2013	December 31 2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,224	$ 8,098
Equity instruments, at fair value (Note 4)	6,987	20,529
Loans and advances receivable (Note 5)	274	1,425
Managment fees receivable (Note 10)	-	85
Income tax receivable	102	-
Accounts receivable and prepaid expenses	669	1,472
	16,256	**31,609**
Non-current assets		
Equity investment in associate (Note 6)	-	9,313
Exploration and evaluation assets (Note 7)	20,154	19,318
Goodwill (Note 8)	-	531
Property, plant and equipment (Note 9)	687	886
Total assets	**$ 37,097**	**$ 61,657**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,246	$ 8,267
Management fees and reimbursements payable (Note 10)	73	-
Current portion of convertible debentures (Note 11)	-	4,411
Income taxes payable	-	155
	6,319	**12,833**
Non-current liabilities		
Convertible debentures (Note 11)	14,943	10,170
Loans payable (Note 12)	13	1,054
Promissory note payable (Note 13)	-	59
Decommissioning liabilties (Note 14)	936	741
Other Liability	-	105
Deferred income tax liabilities (Note 15)	1,012	2,335
Total liabilities	**23,223**	**27,297**
Commitments (Note 17)		
EQUITY		
Common shares (Note 16)	65,871	57,862
Contributed surplus (Note 16)	3,123	2,533
Equity portion of convertible debentures (Note 11)	1,993	1,516
Deficit	(59,510)	(30,602)
Equity attributable to common sharholders	11,477	31,309
Non-controlling interests	2,397	3,051
	13,874	**34,360**
Total liabilities and equity	**$ 37,097**	**$ 61,657**

Approved by the Board

"Tom MacNeill
Director

"Norman Betts"
Director

49 North Resources Inc.
Consolidated Statement of Loss and Comprehensive Loss
(in thousands of Canadian dollars, except securities and per share amounts)

	2013	2012
Continuing operations		
Revenues		
Geological and other consulting	$ 6,380	$ 15,100
Oil and gas sales	198	1,409
Realized losses	(1,137)	(5,008)
Unrealized losses on portfolio investments (Note 4)	(9,476)	(9,134)
Equity loss on investment in associate	-	(87)
Royalty income	-	69
Interest and dividend income	259	568
	(3,776)	**2,917**
Expenses		
Amortization and depletion	135	868
Business and investor relations	600	754
Finance	2,464	3,580
Management fees (Note 10)	352	1,222
General and administration	1,165	2,303
Oil and gas operations	103	1,456
Professional fees	679	748
Project costs on geological and other consulting activities	4,186	11,131
Share based compensation (Note 16)	745	-
Transaction costs	26	59
Wages and benefits	2,121	3,095
	12,576	**25,216**
Gain on debentures extinguishment (Note 11)	329	-
Loss on writedown of Wingdam project and related investments (Notes 3, 6 & 7)	(12,398)	-
Writedown - evaluation and exploration assets (Note 7)	(2,272)	(3,082)
Writedown - goodwill (Note 8)	(531)	(1,249)
Writedown - property, plant and equipment (Note 9)	(236)	-
Loss before income taxes	**(31,460)**	**(26,630)**
Current income tax (recovery)	(116)	201
Deferred income tax (recovery)	(1,378)	(3,512)
Net loss from continuing operations	**$ (29,966)**	**$ (23,319)**
Discontinued operations		
Profit for the period from discontinued operations (Note 21)	**-**	**3,256**
Loss and comprehensive loss for the year	**$ (29,966)**	**$ (20,063)**
Loss to common shareholders from continuing operations	(28,908)	(23,007)
Income to common shareholders from discontinued operations	-	3,256
Loss to non-controlling interest from continuing operations	(1,058)	(312)
Income to non-controlling interest from discontinued operations	-	-
Net loss and comprehensive loss	**$ (29,966)**	**$ (20,063)**
Basic and diluted loss per share (Note 16)	**$ (1.40)**	**$ (1.25)**

49 North Resources Inc.
Consolidated Statement of Changes in Equity
(in thousands of Canadian dollars)

		Attributable to the common shareholders						
	Common Shares	Share Capital	Contributed Surplus	Equity portion of convertible debentures	Deficit	Total	Non-controlling interests	Total Equity
Balance, January 1, 2012	**15,505**	**$ 57,235**	**$ 3,958**	**$ 1,516**	**$ (10,070)**	**$ 52,639**	**$ 2,705**	**$ 55,344**
Acquisition of subsidiaries and changes non-controlling interests	-	-	(1,425)			(1,425)	658	(767)
Shares issued	288	938	-	-	-	938	-	938
Shares cancelled under normal course issuer bid (Note 16)	(167)	(320)	-	-	-	(320)	-	(320)
Debentures converted	2	9	-	-	-	9	-	9
Dividends paid	-	-	-	-	(781)	(781)	-	(781)
Net loss and comprehensive loss	-	-	-	-	(19,751)	(19,751)	(312)	(20,063)
Balance, December 31, 2012	**15,628**	**$ 57,862**	**$ 2,533**	**$ 1,516**	**$ (30,602)**	**$ 31,309**	**$ 3,051**	**$ 34,360**

	Common Shares	Share Capital	Contributed Surplus	Equity portion of convertible debentures	Deficit	Total	Minority Interest	Total Equity
Balance, January 1, 2013	**15,628**	**$ 57,862**	**$ 2,533**	**$ 1,516**	**$ (30,602)**	**$ 31,309**	**$ 3,051**	**$ 34,360**
Acquisition of 2011 FTLP (Note 3)	3,417	5,022	-	-	-	5,022		5,022
Acquisition of 2012 FTLP (Note 3)	2,149	3,159	-	-	-	3,159	-	3,159
2011 Debenture restructure	-	-	-	440	-	440	-	440
2012 Debenture restructure	-	-	-	37	-	37	-	37
Acquisition of subsidiaries and changes non-controlling interests	-	-	(155)			(155)	404	249
Share based compensation	-	-	745	-	-	745	-	745
Shares cancelled under normal course issuer bid (Note 16)	(141)	(172)	-	-	-	(172)	-	(172)
Net loss and comprehensive loss	-	-	-	-	(28,908)	(28,908)	(1,058)	(29,966)
Balance, December 31, 2013	**21,053**	**$ 65,871**	**$ 3,123**	**$ 1,993**	**$ (59,510)**	**$ 11,477**	**$ 2,397**	**$ 13,874**

49 North Resources Inc.
Consolidated Statement of Cash Flows
(in thousands of Canadian dollars)

		2013		2012
Cash flows from Operating Activities				
Net loss	$	(29,966)	$	(20,063)
Items not affecting cash				
Realized losses		1,137		5,008
Amortization and depletion		135		868
Deferred income tax recovery		(1,378)		(2,830)
Accretion of convertible debentures		981		1,086
Stock based compensation		745		-
Gain on debentures extinguishment		(329)		-
Loss on investment in associate		9,313		-
Writedown - exploration and evaluation assets		5,327		3,082
Writedown - Goodwill		531		1,249
Writedown - property, plant and equipment		236		-
Unrealized losses on portfolio investments		9,476		9,134
Net changes in non-cash working capital items related to operations (Note 22):		420		1,248
		(3,372)		**(1,218)**
Cash flows from Investing Activities				
Purchase of property, plant and equipment		(48)		(251)
Proceeds from disposal of capital assets		52		16,983
Purchase of investments		(1,444)		(3,248)
Proceeds from disposal of investments		7,144		4,701
Net cash acquired through acquisition of subsidiaries		2,095		-
Exploration and development		(3,089)		(7,683)
Loan repayments		(1,041)		(525)
		3,669		**9,977**
Cash flows from Financing Activities				
Repurchase of common shares		(171)		(320)
Dividends paid		-		(781)
		(171)		**(1,101)**
Net change in cash during the period		**126**		**7,658**
Cash, beginning of period		8,098		440
Cash, end of period	**$**	**8,224**	**$**	**8,098**
Cash consists of:				
Cash and cash equivalents	$	8,224	$	8,098
	$	**8,224**	**$**	**8,098**
Non cash transactions				
Common shares issued for acquisition of subsidiary	$	8,180	$	938
Interest paid in the year	$	63	$	1,990
Income taxes paid (recovered) in the year	$	(14)	$	96

1. Description of business and going concern

<u>Description of business</u>

49 North Resources Inc. (the "Corporation") is a resource investment, financial, managerial and geological advisory company which, as its principal business, invests in a diversified portfolio of common shares and other securities of resource issuers including, without limitation, resource issuers engaged in mineral or oil and gas exploration and development, with a view to achieving capital appreciation of the portfolio. In addition, the Corporation may take control positions and play a management role in selected resource issuers and/or become directly or indirectly involved in the acquisition, development and commercialization of resource properties through one or more subsidiaries, joint ventures, farm-in or other arrangements that may be established for such purposes.

The Corporation is domiciled in the Province of Saskatchewan, Canada and its office address is at Suite 602 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5.

<u>Going concern</u>

These consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will be able to realize its assets and discharge its liabilities in the ordinary course of business. To date, the Corporation has incurred accumulated losses totalling $59,510 and $29,966 loss in the current year. The Corporation relies on cash flow from actively trading in its investment portfolio to fund corporate operations. The Corporation's continuance as a going concern is dependent upon its ability to generate cash flow from its portfolio of investments. Management is addressing the going concern issue through continued trading activities in our portfolio of investments and general corporate cost cutting measures.

The recoverability of the Corporation's portfolio of investments, including its investments in subsidiaries, is dependent upon continuance as a going concern. Additionally, the recoverability of the accumulated costs shown for mineral properties, oil and gas working interests and capital assets held in certain of its subsidiary companies is dependent upon the existence of economically recoverable reserves, future profitable production and on the respective subsidiary companies ability to obtain the necessary financing to fund their operations. The subsidiary companies rely on debt, equity and joint venture financings as well as cash flow from oil and gas activities to fund their corporate operations, including the exploration and evaluation of their properties.

There can be no certainty as to the ability of the Corporation to obtain sufficient financing to continue its operations including operation of its subsidiaries or for its subsidiary companies to recover their exploration and evaluation assets or to obtain sufficient financing to continue their operations. Accordingly, there is significant uncertainty as to the ability of the Corporation and its subsidiary companies to continue as going concerns.

These financial statements do not reflect any adjustments or other changes that may be required should the Corporation or any of its consolidated subsidiaries be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

The significant accounting policies used in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented.

<u>Statement of compliance</u>

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards which the Corporation adopted in its annual consolidated financial statements as at and for the year ended December 31, 2011.

The consolidated financial statements of the Corporation, which comprise 49 North Resources Inc. and all of its subsidiaries for the year ended December 31, 2013 were authorized for issuance by the Corporation's board of directors on April 28, 2014.

2. Significant accounting policies (continued)

Basis of preparation
These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value. These financial statements are prepared in Canadian dollars, which is the Corporation's functional currency.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Corporation as at December 31, 2013 and its consolidated subsidiaries. Control is achieved when the Corporation 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. Specifically, the Corporation controls an investee if, and only if, the Corporation has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Corporation gains control until the date the Corporation ceases to control the subsidiary.

Business combinations
Business combinations are accounted for using the acquisition method; the acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price below fair value is recognized as a gain in earnings. Associated transaction costs are expensed when incurred through the statement of earnings.

Joint arrangements
A joint arrangement can take the form of a joint operation or joint venture. All joint arrangements involve a contractual arrangement that establishes joint control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation may or may not be structured through a separate vehicle. These arrangements involve joint control of one or more of the assets acquired or contributed for the purpose of the joint operation. The consolidated financial statements of the Corporation include its share of the assets in such joint operations, together with its share of the liabilities, revenues and expenses arising jointly or otherwise from those operations. All such amounts are measured in the accordance with the terms of each arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method of accounting.

2. Significant accounting policies (continued)

Investments in associate

Associates are those entities over which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity, but can also arise where the Corporation holds less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity. Investments in associates are accounted for using the equity method.

Foreign currency translation

i) Functional currency

Items included in the financial statements of each of the Corporation's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). The functional currency for the Corporation and its subsidiaries is the Canadian dollar ("Canadian dollar").

ii) Foreign currency transactions

Foreign currency transactions are translated into the Corporation's functional currency and its subsidiaries at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive loss

iii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the dates of the transactions. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains or losses of foreign operations are recognized in the cumulative translation adjustment reserve. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned or likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive income and presented within equity in the foreign currency translation account.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale (AFS) financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets carried at amortized cost are assessed at each reporting date for any potential impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted using the original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment and is recognized in the consolidated statements of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated statements of income.

2. Significant accounting policies (continued)
Financial instruments (continued)

Purchases or sales of financial assets that require delivery of assets in a timeframe established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, which is the date that the Corporation commits to purchase or sell the asset.

The Corporations financial assets include cash and cash equivalent, equity instruments, loans and receivables.

Fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments, as defined by IAS 39.

The Corporation's equity instruments (which are designated as held for trading) are carried at fair value with net changes in fair value shown in the consolidated statements of comprehensive income and loss as unrealized gains or losses on portfolio instruments. The fair value of those instruments is determined as follows:

Publicly traded companies
The fair value of any security which is listed or traded upon a stock exchange is estimated by taking the latest bid price. The fair value of investment funds and limited partnerships are recorded based on their published net asset value per unit or last bid price, as appropriate.

The market values can be impacted by trading volumes, restrictions and market price fluctuations, and the quoted market price may not be indicative of what the Corporation could realize on the immediate sale as it may take an extended period of time to liquidate positions without causing a significant negative impact on the market price.

Privately held companies
The fair value of any shares which are not listed or traded in a stock exchange are originally recorded at cost, unless the shares are flow-through shares, in which case they are originally recorded either on an assessment of the most recent price at which the investee Corporation issued common equity without flow-through characteristics or at management's estimated fair value. After the initial transaction, adjustments are made to reflect any changes in fair value as a result of an independent third party transaction. Downward adjustments to the carrying values are also made when there is evidence of a decline in value, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts and other developments.

Warrants
For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, the warrants are valued using the Black-Scholes option pricing model, otherwise they are recorded at their intrinsic value.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Corporation's loans and receivables are comprised of cash and cash equivalents and accounts receivable.

2. Significant accounting policies (continued)
Financial instruments (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and are not classified in any of the previous categories of financial assets. Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these assets are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity. When an investment is derecognized through sale or has an impairment that is other than temporary, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

The Corporation does not have any financial assets that are classified as available-for-sale.

Held-to-maturity financial assets
If the Corporation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not to close their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Corporation from classifying investment securities as held-to-maturity for the current and the following two fiscal years.

The Corporation does not have any financial assets that are classified as held-to-maturity.

Financial liabilities

Other financial liabilities
This category consists of all non-derivative financial liabilities that do not meet the definition of held-for-trading liabilities, and that have not been designated as liabilities at fair value through profit or loss. These liabilities are initially recognized at fair value less any directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognized in the consolidated statement of income in the period in which it is incurred.

Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. The Corporation accounted for its convertible debentures (Note 11) as compound financial instruments. The conversion feature is treated as an equity component and accounted for in compliance with IAS 32 and IAS 39 relating to initial recognition of compound instruments.

2. Significant accounting policies (continued)
Financial instruments (continued)
Compound financial instruments (continued)

IAS 39 deals with the measurement of financial assets and liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features embedded in the compound financial instrument other than the equity component is included in the liability component.
The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognizing the components of the instrument separately.

The convertible debentures met the criteria to be accounted for as a compound instrument in accordance with IAS 32. As such, the Corporation has first determined the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument represented by the conversion feature has then been determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

Debt modifications and extinguishments

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

If a debt modification is deemed to have been accomplished with debt instruments that are substantially different, the modification is accounted for as a debt extinguishment, whereby the Company must recognize currently in income the difference between the reacquisition price and the net carrying amount of the extinguished debt. Any fees paid by the debtor to the creditor are associated with the extinguishment of the old debt instrument and are included in determining the debt extinguishment gain or loss to be recognized.

If modification of terms is accounted for as an extinguishment of the original debt any costs or fees incurred is recognized as part of the gain or loss on the extinguishment. However, if modification is not accounted for as an extinguishment, any costs or fees incurred are an adjustment to the carrying amount of the liability will be amortized over the remaining term of the modified liability.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amounts are expected to be recovered principally through a disposition rather than through continuing use. The assets or disposal groups are measured at the lower of their net book value and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in net income or loss.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of profit or loss.

Exploration and evaluation assets
Pre-license costs
Pre-license costs are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

2. Significant accounting policies (continued)

Exploration and evaluation ("E&E") costs
Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and/or probable reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of proved and/or probable reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur. Sales from drilling results are credited against the capitalized E&E costs.

E&E assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount, and upon transfer to property, plant and equipment whereby they are allocated to cash-generating units based on geographical proximity and other factors.

Farm-in and farm out arrangements
The Corporation, as farmee, recognizes its expenditures under farm-in arrangements in respect of its own interest and that retained by the farmor, as and when the costs are incurred. The farmee accounts for its expenditures under a farm-in arrangement in the same way as directly incurred E&E expenditure.

The Corporation, as farmor, accounts for the farm-out arrangement as follows; the farmor does not record any expenditure made by the farmee on its behalf, does not recognize any gain or loss on the farm-out arrangement, but rather re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained, any cash consideration received is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Property, plant and equipment ("PP&E")
Property, plant and equipment include the costs of development and production that are not E&E assets, and costs for corporate (office) assets. PP&E is recorded at cost less accumulated depletion and depreciation and accumulated impairment losses, net of recovered impairment losses.

The Corporation does not hold any assets requiring a substantial period of time to get ready for intended use. Accordingly to date, no borrowing costs have been capitalized.

Oil and gas development and production assets
Development and production assets are capitalized on an area-by-area basis and include all costs associated with the development and production of oil and natural gas reserves. These costs may include proved property acquisitions, development drilling (including unsuccessful or delineation wells), completion, gathering and infrastructure, decommissioning costs, amounts transferred from E&E assets and directly attributable internal costs.

Expenditures to renew or improve the productive capacity or extend the life of an asset are capitalized. Maintenance and repairs are expensed as incurred.

2. Significant accounting policies (continued)
Oil and gas development and production assets (continued)

Any gains or losses from the divestiture of development and production assets are recognized in earnings. Accumulated costs are depleted using the unit-of-production method based on estimated proved plus probable reserves. Costs subject to depletion include estimated future costs to be incurred in developing proved plus probable reserves and exclude residual amounts. Depletion is calculated based on individual components (i.e. fields or combinations thereof and other major components with different useful lives).

Other assets
Other capital assets are recorded at cost and are amortized using the declining balance method. On acquisitions during the year, amortization is calculated at one-half the annual rate. Annual amortization rates are as follows:

Automotive	30%
Buildings	10%
Computers	30% and 35%
Computer software	100%
Furniture and equipment	30%
Gas line	4%
Leasehold improvements	20%
Processing facility	10%

Impairment of non-current assets
The carrying amounts of the Corporation's non-current assets are reviewed at each reporting date for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any. The recoverable amount of an asset is evaluated at the Cash Generating Unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. 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.

An impairment loss is recognized in earnings for the period to the extent that the carrying amount of the asset (or CGU) exceeds the recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset (or CGU) does not exceed the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset (or CGU).

A reversal of an impairment loss is recognized immediately in earnings.

E&E assets are assessed for impairment when they are reclassified to property, plant and equipment, or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. Significant accounting policies (continued)

Provisions

Provisions are recorded when the Corporation has a present obligation as a result of a past event, it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured based on the discounted expected cash flows.

Decommissioning liabilities are recognized for the future legal or constructive obligation to abandon and reclaim the Corporation's oil and natural gas properties. The amount of the decommissioning liabilities represents the net present value of the estimated future expenditures required to abandon and reclaim the Corporation's net ownership in wells and facilities determined in accordance with local conditions, current technology and current requirements. The liabilities are calculated using currently estimated abandonment and reclamation costs inflated to the estimated decommissioning date and then discounted using a risk free discount rate. A liability is recorded in the period in which an obligation arises with a corresponding decommissioning cost added to the carrying amount of the related asset. The liability is progressively accreted over time as the effect of discounting unwinds, creating an accretion expense which is recognized as part of finance expense. The related decommissioning cost capitalized in property, plant and equipment is depreciated in a manner consistent with the depletion and depreciation of the underlying asset.

Changes in the estimated liability resulting from revisions to estimated timing of decommissioning, expected amount of cash flows or changes in the discount rate are recognized as a change in the decommissioning liability and the related decommissioning cost. Actual decommissioning expenditures incurred are charged against the accumulated liability to the extent recorded.

Goodwill

Goodwill represents the excess of the purchase price of the Corporation's interest in businesses acquired over the fair value of the underlying net identifiable tangible and intangible assets arising on acquisitions. The Corporation determines, at least once annually, whether the fair value of the cash generating unit ("CGU") to which goodwill has been attributed is less than the carrying value of the business's net assets including goodwill, thus indicating impairment.

Deferred income taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects to recover or settle the carrying amount of its assets and liabilities.

2. Significant accounting policies (continued)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a reduction of equity, net of any tax effects.

Share based payments

Options granted are accounted for using the fair value method. Under this method, the fair value of stock options granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

The Corporation uses the Black-Scholes option-pricing method to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Earnings per share

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated based on the "treasury-stock" method for stock options and warrants, which assumes that any proceeds received on exercise of options or warrants would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the net change. Diluted earnings per share amounts also include exchangeable shares using the "if-converted" method to determine the dilutive effect of convertible debentures, whereby it is assumed the conversion of the exchangeable shares occurs at the beginning of the reporting period (or at the time of issuance, if later) where applicable.

Segment reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Corporation's other segments.

To be classified as a segment, discrete financial information must be available and operating results must be regularly reviewed by the Corporation's Chief Executive Officer.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, exploration and evaluation assets and other intangible assets other than goodwill.

Revenue recognition

Security transactions are recorded on a trade basis. Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of operations. Cost is calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred.

- Geological consulting revenue is recognized as the services are provided to the client.
- Production revenue is recognized when the oil and gas is delivered to the buyer.
- Interest and rental income are recognized on an accrual basis.
- Royalty income received from projects in which the Corporation has an interest is recorded when received or receivable if the amount can be reasonably estimated.

2. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are:

- fair value of investment in securities not quoted in an active market or private Corporation investments;
- the recoverable amounts of cash-generating units used in impairment testing of long-lived assets including estimates of reserves and resources, future commodity prices, production costs, foreign exchange rates, discount rates, inflation and income tax rates;
- the determination of useful lives, units of production and residual values of property, plant and equipment;
- the fair value of stock-based compensation determined using the Black-Scholes option pricing model
- using estimates for expected forfeitures, useful life and stock volatility;
- the provision for deferred income taxes based on estimated tax bases using substantively enacted tax rates expected to apply to taxable income during the years in which the differences are expected to be recovered or settled; and
- amounts recorded for decommissioning liabilities including estimates around timing and amount of expenditures required to settle liabilities and the risk free discount rate used.
- As described in Note 11, when the terms of a convertible debentures are modified, it is often accounted for as a de-recognition of the carrying value of the pre-modified loan and the new recognition of a new loan at the then fair value. In the determination of fair value, the Corporation uses a discounted cash flow technique which includes inputs that are not based on observable market data and inputs that are derived from observable market data. In the case of its convertible debenture modifications, where available, the Corporation seeks comparable interest rates. If unavailable, it uses those considered appropriate for the risk profile of a corporation in the industry.

In the process of applying the Corporation's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Reserves Estimates

Reserve engineering is an inherently complex and subjective process of estimating underground accumulations of petroleum and natural gas. The process relies on interpretations of available geological, geophysical, engineering and production data. The accuracy of a reserves estimate is a function of the quality and quantity of available data, the interpretation of that data, the accuracy of various economic assumptions and the judgment of those preparing the estimate. Because these estimates depend on many assumptions, all of which may differ from actual results, reserves estimates and estimates of future net revenue may be different from the sales volumes ultimately recovered and net revenues actually realized. Changes in market conditions, regulatory matters and the results of subsequent drilling, testing and production may require revisions to the original estimates. Estimates of reserves impact: (i) the assessment of whether or not a new well has found economically recoverable reserves; (ii) depletion rates; and (iii) the determination of the realizable value of oil and gas properties for impairment tests, all of which could have a material impact on earnings.

2. Significant accounting policies (continued)

Impairment of Non-Financial Assets
Amounts used for impairment testing and calculations are based on estimates of future commodity prices, expected volumes, quantity of reserves and discount rate as well as future development costs and operating costs. These calculations require the use of estimates and assumptions which, by their nature, are subject to measurement uncertainty. In addition, judgment is exercised by management as to whether there have been indicators of impairment or impairment reversal. Indicators of impairment or impairment reversal may include, but are not limited to a change in: market value of assets, estimate of future prices and costs, a change in estimated quantity of reserves and appropriate discount rate. Management will determine whether a change in one or more indicators of impairment or impairment reversal results in a change in the estimated recoverable amount of the asset. Accordingly, the impact in the financial statements of future periods could be material.

Exploration and Evaluation Expenditures
The application of the Corporation's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

New accounting pronouncements
Certain new accounting standards and interpretations have been published that are mandatory for the December 31, 2013 reporting year. The following is a brief summary of the new standards adopted in the year:

IFRS 7 - Financial Instruments: Disclosures
IFRS 7 requires additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. This standard was adopted on January 1, 2013. The adoption of this standard has no impact on the financial statements.

IFRS 10 - Consolidation
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. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC - 12 Consolidation - Special Purpose Entities and parts of IAS 27 - Consolidated and Separate Financial Statements. This standard was adopted on January 1, 2013. The adoption of this standard has no impact on the financial statements.

IFRS 11 - Joint Arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 - Interests in Joint Ventures and SIC - 13 - Jointly Controlled Entities, Non-monetary Contributions by Ventures'. This standard was adopted on January 1, 2013. The adoption of this standard has no impact on the financial statements.

IFRS 12 - Disclosure of Interests in Other Entities
IFRS 12 establishes disclosure requirements for interest in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. This standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard was adopted on January 1, 2013. The adoption of this standard resulted in a change to the disclosure of interests in other entities, as is presented in Note 10.

2. Significant accounting policies (continued)
New accounting pronouncements (continued)

IFRS 13 - Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group reassessed its policies for measuring fair values — in particular its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurements of the Corporation. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. The fair value hierarchy is provided in Note 19.

IAS 1 - Presentation of Financial Statements
IAS 1 requires entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently, i.e. those that might be reclassified and those that will not be reclassified. It also requires tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). This standard was adopted on January 1, 2013. The adoption of this standard has no impact on the financial statements.

IAS 27 - Separate Financial Statements
IAS 27 outlines the accounting and disclosure requirements for 'separate financial statements', which are financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments. The standard also outlines the accounting requirements for dividends and contains numerous disclosure requirements. IAS 27 was reissued in May 2011 and was adopted on January 1, 2013 and supersedes IAS 27 Consolidated and Separate Financial Statements from that date. The adoption of this standard has no impact on the financial statements.

IAS 28 - Investments in Associates and Joint Ventures
IAS 28 Investments in Associates and Joint Ventures outlines how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures. The standard also defines an associate by reference to the concept of "significant influence", which requires poer to participate in financial and operating policy decisions of an investee (but not joint control or control of those policies). IAS 28 was reissued in May 2011 and was adopted on January 1, 2013. The adoption of this standard has no impact on the financial statements.

Future accounting pronouncements
The following are new and revised accounting pronouncements that have been issued but are not yet effective:

IFRS 9 Financial Instruments
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized costs and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The effective date of this standard has not been determined.

IAS 32 - Financial Instruments: Presentation
IAS 32 provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

(in thousands of Canadian dollars, except securities and per share amounts)

2. Significant accounting policies (continued)
Future accounting pronouncements (continued)

IAS 36 - Impairment of Assets
IAS 36 requiring disclosure of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014. The Corporation does not expect the amendments to have impact on its consolidated financial statements.

3. Acquisitions
Acquisition of Omineca Mining and Metals Ltd ("OMM")

On October 1, 2013, in conjunction with its previously equity accounted investee CVG Mining Ltd. (CVG), the Corporation completed a transaction with Omineca Mining and Metals Ltd. ("OMM" as TSX.V company) whereby it exchanged its direct interests in the Wingdam Gold Project in Quesnel, British Columbia ("Wingdam"), its 40% interest in CVG (CVG's only asset being an interest in Wingdam), and the debentures owing from CVG for common shares of OMM and OMM's assumption of the debentures. As a result of the transaction, the Corporation's beneficial ownership in Wingdam decreased from 93% to 69%, the Corporation's direct ownership interest in OMM increased to 69% from 6.03%, CVG became a wholly owned subsidiary of OMM and CVG now owns a 100% interest in Wingdam. As such, both OMM and CVG are now consolidated subsidiaries of the Corporation. As neither OMM nor CVG meet the definition of a business under IFRS 3, the transaction was accounted for as asset acquisition with fair value of consideration exchanged allocated to net assets acquired.

In accordance with the terms of the agreement, the Corporation received 44,145,929 common shares of OMM as consideration, with OMM further assuming the debentures that was previously due to the Corporation from CVG. The debentures are eliminated on consolidation.

In estimating the fair value of the amounts exchanged in the transaction, and ultimately the Wingdam project at the date of the transaction, the Corporation considered the following:

- The fair of the shares issued by OMM (OMM being traded on the TSX Venture Exchange both before and after the transaction), giving consideration to the escrow sales restrictions on these shares. Management used the Black-Scholes option pricing model to estimate the fair value of the shares received taken into consideration the timing of the shares restriction, expected volatility and other factors.
- The fair value of the convertible debentures issued in favor of the Corporation by OMM taken into consideration the future cash out flows and estimated market discount rate that reflects the risks associated with the debentures and with no regard to the conversion feature.

The estimated fair values of the OMM and CVG assets and liabilities recorded on the acquisition of control including the debenture were:

Wingdam	$4,416
Fair value of other OMM assets and liabilities	1,273
Total	$5,689

The $12,398 difference between the sum of $8,744 and $9,343 and $5,689, being the carrying values of the Corporation's direct interest in Wingdam, its indirect interest in Wingdam held through CVG, and its original 6.03% holding in OMM and $5,689, being 49 North`s share of the fair value of the assets acquired resulting respectively were recorded as an impairment on Wingdam.

(in thousands of Canadian dollars, except securities and per share amounts)

3. Acquisitions (continued)

Acquisition of the 49 North 2011 Resource Flow-Through Limited Partnership ("2011 FTLP") and the 49 North 2012 Resource Flow-Through Limited Partnership ("2012 FTLP")

On February 1, 2013, the Corporation completed the acquisition of all of the net assets of the 49 North 2011 Resource Flow-Through Limited Partnership and the 49 North 2012 Resource Flow-Through Limited Partnership. The net asset was acquired in exchange for the issuance of 5,565 common shares of the Corporation to the partners of the 2011 and 2012 FTLPs. Subsequent to the acquisition, both FTLPs were wound up and dissolved.

The acquisition has been accounted for as an asset acquisition as neither the 2011FTLP, 2012 FTLP nor the underlining assets meet the definition of business, as defined in IFRS 3, Business Combination. The consideration of the transaction was determined using the Corporation share price on January 10, 2013 (1.47 per share), being the date where the Corporation assumed the risks and rewards relating to the assets acquired.

As a result of the transaction, the Corporation also gained control over Big Island Energy Ltd. (100%), Purcell Range Exploration Ltd (59.7%) and 101197159 Saskatchewan Ltd (100% subsequently disclosed in 2013). The consideration has been allocated as follows:

	2011 FTLP	2012 FTLP	Total
Net assets acquired			
Cash and cash equivalent	$ 513	$ 443	$ 956
Equity Investments	2,673	979	$ 3,652
Exploration and evaluation assets	2,129	1,932	$ 4,061
Liabilities	160	195	$ 355
Minority interest	133	-	$ 133
Net fair value	**$ 5,022**	**$ 3,159**	**$ 8,181**
Consideration Given			
Common share issued	3,417	2,149	5,566
Price per share at date of agreement	$ 1.47	$ 1.47	$ 1.47
Total consideration	**$ 5,022**	**$ 3,159**	**$ 8,181**

Acquisition of Kimpar Resources Ltd ("Kimpar") non- controlling interest and disposition of Gespeg Cooper Resources Inc ("Gespeg")

During the year the Corporation acquired 19.9% of the remaining 20% of Kimpar (previously controlled subsidiary) common shares in exchange for shares of Gespeg. As the transactions did not result in the Corporation obtaining or losing controls in any of Kimpar or Gespeg both transactions were treated as equity transitions.

Subsequent to the transaction, the Corporation dissolved Kimpar and rolled up its assets into the Corporation directly.

(in thousands of Canadian dollars, except securities and per share amounts)

4. Equity investments

As at December 31, 2013 and 2012, the Corporation's investments consist of the following:

	December 31, 2013		December 31, 2012	
	Cost	FMV	Cost	FMV
Base and Precious Metals	14,926	2,618	14,978	8,043
Coal	5,884	263	5,881	932
Diamonds	390	96	469	173
Oil & Gas	4,344	2,243	7,763	9,343
Other	2,848	1,512	3,325	1,723
Uranium	884	255	781	315
	$ 29,276	**$ 6,987**	**$ 33,197**	**$ 20,529**

The equity investments consist of investment in common shares of corporations of which 40.90% of the fair value are private, 53.94% are listed on the TSXV, 3.22% are listed on the CNSX and 1.94% are listed on the TSX as of December 31, 2013

As in prior years, an analysis of fair value was prepared for the private investments held in the portfolio. The analysis used comparable entities public Corporation stock prices, observable index comparisons, transaction prices for same or similar instruments and information for brokers and other analysis. Based on this review, management has recorded a $4,651 (2012 - $1,133) unrealized loss on certain private Corporation investments.

5. Loans and advances receivable

	December 31, 2013	December 31, 2012
Unrelated corporations	$ 266	$ 244
Unrelated individuals	8	15
49 North 2011 Resource Flow-Through LP (2011 FTLP)	-	674
49 North 2012 Resource Flow-Through LP (2012 FTLP)	-	492
	$ 274	**$ 1,425**

The loans to unrelated individuals and unrelated corporations bear interest at rates between prime plus 2% and prime plus 5%.

The loan to the 2011FTLP and 2012 FTLP were settled through an exchange of shares owned by the FTLPs, the shares acquired were recorded at fair value which was equal to the carrying value of the loans at the date of the transaction.

(in thousands of Canadian dollars, except securities and per share amounts)

6. Investment in associate

	December 31, 2013	December 31, 2012
Loan receivable	$ 5,400	$ 5,400
Equity investment in associate	4,030	4,000
Accumulated losses in associate	(87)	(87)
Impairment relating to Wingdam project	(9,343)	-
	$ -	**$ 9,313**

The investment in associate is related to CVG. CVG's main asset is its interest in the Wingdam project. As a result of the OMM transaction discussed in Note 3 and the estimated fair value of Wingdam project established by management, all carrying amounts relating to Wingdam project have now been recognized now as part of exploration and evaluation assets (Note 7) and written down to an estimated value of $ 6,400.

7. Exploration and evaluation assets

	Manitoba	Saskatchewan oil & gas	British Columbia	Yukon	Quebec	Total
Balance, January 1, 2012	**$ 146**	**$ 851**	**$ 7,302**	**$ -**	**$ 2,802**	**$ 11,101**
Exploration	16	4,974	2,153	-	540	7,683
Reclass for property, plant & equipment	-	3,132	-	-	-	3,132
Impairment	-	(2,500)	-	-	-	(2,500)
Disposal	-	(98)	-	-	-	(98)
Balance, December 31, 2012	**$ 162**	**$ 6,359**	**$ 9,455**	**$ -**	**$ 3,342**	**$ 19,318**
Acquisition of subsidiaries	-	2,303	1,758	208	-	**4,269**
Less exchange of Wingdam interest	-	-	(1,299)	-	-	**(1,299)**
Exploration	-	2,887	-	-	562	**3,449**
Net results of sample sales	-	(224)	-	-	-	**(224)**
Impairment	(162)	-	(3,514)	-	(1,651)	**(5,327)**
Disposal	-	(32)	-	-	-	**(32)**
Balance, December 31, 2013	**$ -**	**$ 11,293**	**$ 6,400**	**$ 208**	**$ 2,253**	**$ 20,154**

Manitoba properties

In fiscal 2010, the Corporation applied for and was granted coal permits with the Government of Manitoba and has initiated airborne analysis of these possible permit locations.

On April 27, 2010, the Corporation and Westcore Energy Inc. ("Westcore") entered into a binding agreement for the sale of an interest in the permits. Under the agreement, Westcore initially acquired a 50% interest in the property covered by the permits, together with all rights attaching to them with the ability to increase this interest

7. Exploration and evaluation assets (continued)

Manitoba properties (continued)

to as much as 80%. The consideration payable to the Corporation under the agreement consisted of the issuance of an aggregate of 1,000,000 common shares in the capital of Westcore, together with an unsecured demand promissory note in the amount of $257, which was subsequently paid. Under the agreement, Westcore was to operate all exploration and drilling activities in respect of the property and bear responsibility for all exploration expenditures and related costs until such time as a bankable feasibility study was completed.

Westcore was obliged to expend not less than $500 on exploration expenses in respect of the properties during its 2010 – 2011 exploration program and would earn additional interest in these property based upon the following: (a) provided that Westcore incurred and paid exploration expenditures in excess of $1,000 on or before December 31, 2012 (met), Westcore will earn a further 10% interest in the property; and (b) provided that Westcore completed a bankable feasibility study in respect of the property on or before December 31, 2013, Westcore would earn a further 20% interest in the property. As Westcore has met the 2012 exploration requirement, it now holds a 60% interest in the property.

In conjunction with the review for impairment at year-end, the Corporation made the decision not to continue with exploration on the Manitoba properties. As such, an impairment loss of $162 (2012 - $nil) was recorded on the property, representing the full carrying value of the Manitoba properties.

British Columbia properties

Wingdam Property

The Corporation previously owned direct interest in Wingdam project in addition to the indirect interest owned through its equity investment in CVG. As a result of the Omineca transaction discused in Note 3 and the estimated fair value of Wingdam project established by management, all carrying amounts relating to Wingdam project has been recognized now as part of exploration and evaluation asset and written down to an estimated value of $ 6,400. Accordingly an amount of $ 3,055 was recorded as impairment relating to Wingdam project.

The Corporation, through its 69% ownership of Omineca, owns a 100% undivided interest in certain mineral rights located in the province of British Columbia, subject to a 1% net smelter royalty. The Corporation has the ability to acquire the rights to the net smelter royalties from the holder at any time with a cash payment of $1,000. After the completion of the extraction of a bulk sample, the Wingdam project was put into a care and maintenance mode in August of 2012. During the care and maintenance period, the Corporation is required to carry out a program of site monitoring and maintenance prescribed in permits issued by agencies governing mining in the Province of British Columbia.

In conjunction with completing the transaction with Omineca, as is described in Note 3, all previous working interest and royalty agreements held by the Corporation were eliminated.

Goatfell Property

The Corporation, through its subsidiary Purcell, has an option to earn 60% of the Goatfell Property near Creston British Columbia. At December 31, 2013 the Corporation decided not to proceed under the option agreement. As such, the full carrying value of $459 was impaired.

Yukon Properties

Kiwi Project

The Corporation, through its 69% ownership of Omineca, owns a 100% interest in the Kiwi Project in the Yukon Territory. In 2013, the Omineca completed an option agreement with HFX Holding Corp, ("HFX"), whereby HFX can acquire a 100% interest in the Kiwi project by making $320,000 in cash payments and issuing 800,000 common shares to Omineca over six years. Omineca will retain a 2% net smelter royalty on the project, which may be reduced to 1% upon payment of $1,000 in cash. Payments under the option agreement are as follows:

(in thousands of Canadian dollars, except securities and per share amounts)

7. Exploration and evaluation assets (continued)
Yukon properties (continued)

Cash payments	Share payments	Due date
$30	50	July 12, 2013 (received)
$ -	100	July 12, 2014
$40	100	July 12, 2015
$50	150	July 12, 2016
$50	150	July 12, 2017
$75	250	July 12, 2018
$75	-	July 12, 2019
$320	800	Total

The carrying value of Kiwi project at December 31, 2013 is $208.

Saskatchewan oil & gas
The Corporation, through its subsidiary Allstar, controls approximately 23,094 acres of land with 100% of the rights to explore for, and develop petroleum and natural gas. Given the limited success on initial drill results in the Red Pheasant property, management determined that impairment indicators were evident and that a $2.5 million impairment allowance was needed in 2012. The analysis in 2013 shows that no further impairment is required.

On initial acquisition of both the Red Pheasant and Riverside properties management believed that they would be in economical production in a short period of time and accordingly classified these properties as developed and producing under the Company's accounting policies. However, operational challenges within both properties and the fact that fewer than expected wells were drilled, it was decided that the properties which were in property plant & equipment in 2011 be moved to exploration and evaluation in 2012 as there was more planning and evaluation to be performed before the projected could become economically feasible. As of December 31, 2013 both projects were still in exploration and evaluation stage with minor sales from sample drilling which was credited against the exploration and evaluation asset.

Quebec properties
The Corporation, through its 52% ownership of its subsidiary Gespeg, holds an interest in certain mineral rights related to copper, molybdenum, industrial metals and quarry product properties in the Gaspe region of the Province of Quebec. Gespeg is committed to conduct exploration work representing capital expenditures in the amount of $2,000 over the next four years.

In conjunction with the review for impairment at year-end, the Corporation made the decision not to continue with exploration on certain of its Quebec properties. As such, an impairment loss of $1,651 (2012 - $nil) was recorded on the property, representing the full carrying value of these specific properties. Gespeg remains committed to completing further exploration work on the remaining properties. As such, no further impairment was deemed necessary.

(in thousands of Canadian dollars, except securities and per share amounts)

8. Goodwill

	December 31, 2013	December 31, 2012
Balance, beginning of year	$ 531	$ 2,017
Acquisitions	-	600
Disposition of Viking CGU	-	(837)
Impairment	(531)	(1,249)
Balance, end of period	**$ -**	**$ 531**

At September 30, 2013, the Corporation reviewed the carrying value of its goodwill related to its acquisition of North Rim and determined that there was impairment. In assessing the goodwill, the Corporation used the fair value less costs to sell approach (FVLCS). The FVLCS is determined by discounting the projected future cash flows for a five year period, a growth rate of nil and terminal value discounted at 15% post tax rate. The result of this analysis was that the full carrying value of goodwill could no longer be supported. As such, the full carrying value of this goodwill was impaired at September 30, 2013.

In 2012, the Corporation recorded impairments of $ 1,149 on goodwill related to the acquisition of Vicarage, 101197165 Saskatchewan Ltd and 101197166 Saskatchewan Ltd due to the significant downturn in the capital markets of the United Kingdom and project delays respectively. The Corporation used similar valuation approach to evaluate the carrying amount of goodwill. The key assumptions used in 2012 the assessment include an estimate of current cash flow, taxes, and a growth rate of 2% and capital maintenance expenditures, discounted at 10% post tax. These assumptions are based on past experiences.

(in thousands of Canadian dollars, except securities and per share amounts)

9. Property, plant and equipment

	Total	Oil & gas interests	Processing facility, equipment, and gas line	Other Corporate Assets
Cost:				
Balance at January 1, 2012	26,614	21,503	4,431	680
Additions	251	-	-	251
Reclass to Exploration & evaluation	(4,051)	(2,869)	(1,182)	-
Dispositions	(20,926)	(17,500)	(3,249)	(177)
Write down of carry amount	(582)	(582)	-	-
Balance at December 31, 2012	1,306	552	-	754
Additions	348	34	-	314
Dispositions	(176)	-	-	(176)
Write down of carry amount	(236)	(236)	-	-
Balance at December 31, 2013	**1,242**	**350**	**-**	**892**
Accumulated depletion and depreciation				
Balance at January 1, 2012	5,793	4,669	663	461
Reclass to Exploration & evaluation	(918)	(404)	(514)	-
Depletion/depreciation expense	868	723	-	145
Dispositions	(5,323)	(4,988)	(149)	(186)
Balance at December 31, 2012	420	-	-	420
Depletion/depreciation expense	135	-	-	135
Dispositions	-	-	-	-
Balance at December 31, 2013	**555**	**-**	**-**	**555**
Total balance at December 31, 2013	**687**	**350**	**-**	**337**

The Corporation, through a working interest agreement with a private Saskatchewan oil and gas Corporation, has a 50% working interest in two oil and gas wells in Southeast Saskatchewan.

On November 9, 2012, the corporation along with its wholly owned subsidiary Allstar disposed of its working interests in oil lands, wells and equipment and gas processing facility in the Kindersley Viking area for $16,222 cash proceeds, after closing adjustments.

Petroleum properties

The impairment test at December 31, 2013 considered the results of a decrease in the forecasted oil prices, discount rate of 10% and lower than expected production results experienced during 2013, which negatively impacted the recoverable amount based on the discounted cash flows before tax. As such, the Corporation recorded impairment on this CGU in the amount of $236 (2012 - $582). The impairment was calculated using the fair value less cost to sell method. The key assumptions used in this analysis were a projection of net cash flows to the Corporation, a growth rate of nil and a post tax discount rate of 10%. The CGU of the Corporation is not considered to be a material oil & gas assets by the Corporation and, as such, no reserve report was obtained on the property.

(in thousands of Canadian dollars, except securities and per share amounts)

9. Property, plant and equipment (continued)

The following projected prices for oil and natural gas were used for asset impairment tests:

Year	Oil Price
2014	92.32
2015	94.83
2016	97.32
2017	97.30
2018	97.28
2019	98.31
2020	100.27
2021	102.28
2022	104.32
2023	106.39

A five percent increase in the assumed discount rate would result in an additional impairment of $71 (2012 - $133), whereas a 5% decrease in discount rate would result in a $97 (2012 - $214) decrease to the impairment. Similarly, a 5% increase in expected oil price would result in an $21 (2012 - $84) decrease to the impairment, whereas a 5% decrease in expected oil price would result in an $21 (2012 - $84) increase to the impairment.

10. Corporation Information and Related party transactions

Information and subsidiaries

The consolidated financial statements of the Corporation include:

Name of subsidiary	Principal activities and country of incorporation	% of Equity 2013	2012
Allstar Energy Limited	Canadian incorporated oil and gas exploration Corporation	100%	100%
Gespeg Copper Resources Inc.	Canadian incorporated copper exploration Corporation	51.8%	56%
North Rim Exploration Ltd.	Canadian incorporated geological consulting Corporation	50%	50%
Vicarage Capital Limited. ***	United Kingdom incorporated investment banking and consulting Corporation	50%	50%
Big Island Energy Ltd.	Canadian incorporated holding Corporation	100%	0%
Purcell Range Exploration Ltd.	Canadian incorporated holding Corporation	59.7%	0%
Omineca Mining and Metals Ltd.	Canadian incorporated gold exploration Corporation	69.6%	6.7%
Kimpar Resources Inc.*	Dissolved in 2013	0%	80%
Newsk Emerging Resources Ltd. **	Dissolved in 2013	0%	92%
101197165 Saskatchewan Ltd. **	Dissolved in 2013	0%	100%
101197166 Saskatchewan Ltd. **	Dissolved in 2013	0%	100%

(in thousands of Canadian dollars, except securities and per share amounts)

10. Corporation Information and Related party transactions (continued)

* In 2013, the Corporation obtained an additional 19.9% ownership in Kimpar Resources Ltd., distributed the remaining assets and dissolved the Corporation.
** Dissolved in 2013 and rolled up into the Corporation.
*** Proportionally accounts for its share at Vicarage in the consolidated statements.

Compensation of key executive personnel

	December 31, 2013	December 31, 2012
Management fees to TMM Portfolio Management Inc.	$ 279	$ 1,007
Salaries to officers	182	250
Directors fees	4	54
Stock based compensation to directors and officers	327	-
	$ 792	$ 1,311

TMM is responsible for the management of the Corporation's investment portfolio in accordance with the terms of a portfolio management agreement made January 1, 2008 (the "Management Agreement") and is to be reimbursed by the Corporation for all expenses reasonably and properly incurred in conducting the Corporation's business and in performing its duties and obligations under the Management Agreement. Additionally, pursuant to the Management Agreement, TMM: (a) is entitled to a quarterly management fee equal to 0.5% of the net asset value of the Corporation calculated as of the last business day of the relevant fiscal quarter; and (b) starting with the Corporation's fiscal year ended December 31, 2008, an annual performance bonus, calculated as of the last business day of the applicable fiscal year, in an amount in respect of each common share that is outstanding as of such day, equal to 20% of the amount, if any, by which the sum of the net asset value per common share as of that date, plus all dividends per common share during that fiscal year, exceeds the greater of $16.34 and the net asset value per common share as of the last business day of the preceding fiscal year. Effective April 1, 2013, TMM agreed to temporarily fix the management fee at $ 10,000 per month until February 1, 2014, post February 1, 2014 the management fee will equal to $ 17,000 per month and will remain at this level until such time as management and board of directors deem it appropriate to return the original compensation plan as documented in the management agreement.

Related party transactions
During the year ended December 31, 2013 reimbursements of nil (2012 - $147) were incurred or accrued to 1381613 Alberta Ltd., a corporation controlled by the CEO of the Corporation. As at December 31, 2013, the Corporation had a $73 payable (2012 – $85 receivable) to TMM.

During the year, Omineca paid $69 (2012 - $nil) of legal fees to a law firm of which one of its directors is a partner.

These transactions are recorded at fair value.

11. Convertible debentures

a) On June 6, 2013 the Corporation received debenture holder approval to restructure the terms of the debentures originally issued on June 29, 2011 and July 11, 2011. The revised debentures have a 4 year term, maturing June 29, 2017 and bear interest from the date of issuance at 9% per annum (previously 8%) which, unless the debentures are earlier converted or redeemed in accordance with their terms, interest will be paid on June 29 in each of 2014, 2015, 2016 and on maturity. The interest on the debentures otherwise payable on June 29, 2013 was capitalized to the principal of the revised debenture.

11. Convertible debentures (continued)

The revised debentures are convertible, at the option of the respective holders, at any time or from time to time prior to 5:00 p.m. (Toronto time) on June 29, 2017, into fully paid, non-assessable common shares of the Corporation at a conversion price of $1.50 per common share (previously $4.50 per share).

Subject to certain condition precedent, the Corporation may redeem the debentures prior to maturity at a redemption price equal to their principal amount plus interest accruing to but otherwise unpaid to the date preceding the redemption date.

The restructured debentures were accounted for as an extinguishment for accounting purposes, which resulted in gain on modification of $24. The original debentures were derecognized and new debentures were re-measured at their fair value on the date of the modification with an effective interest rate of 15%. The fair value of $10,288 was estimated using discounted future cash flows, and the difference between the fair value and the principal amount was allocated to the conversion feature in the amount of $2,127. The carrying value of the debenture as at December 31, 2013 was $10,504 (2012 - $4,411).

b) On June 6, 2013 the Corporation received debenture holder approval to restructure the terms of the debentures originally issued on September 23, 2010 and October 13, 2010. The revised debenture has a 3 year term, maturing on September 23, 2016 and bear interest from the date of issuance at 9% per annum which, unless the debentures are earlier converted or redeemed in accordance with their terms, interest will be paid on September 23, 2014, 2015 and on maturity. Interest otherwise payable on September 23, 2013 will be capitalized to principal of the revised debenture.

The revised debentures are convertible, at the option of the respective holders, at any time or from time to time prior to 5:00 p.m. (Toronto time) on September 23, 2016, into fully paid, non-assessable common shares of the Corporation at a conversion price of $1.50 per share.

Subject to certain conditions precedent, the Corporation may redeem the debentures prior to maturity at a redemption price equal to their principal amount plus interest accruing to but otherwise unpaid to the date preceding the redemption date.

The restructured debentures were accounted for as an extinguishment for accounting purposes and resulted in gain on modification equal of $305. The original debentures were derecognized and new debentures were re-measured at their fair value on the date of the modification with an effective interest rate of 15%. The fair value of $4,384 was estimated using discounted future cash flows, and the difference between the fair value and the principal amount was allocated to the conversion feature in the amount of $696. The carrying value of the debenture as at December 31, 2013 was $4,438 (2012 - $10,170).

In conjunction with the debenture restructure, the Corporation now has a covenant that it will not incur any long-term debt that gives priority over the debentures. There are no financial or reporting covenants associated with the debentures.

12. Loans payable

Loans payable include various loans that bear interest at a range of 0% - 8% and have no specific terms of repayment. Loans which are unsecured and demand in nature are classified as a current liability.

During the year the Corporation extinguished $1,041 of the loans payable.

(in thousands of Canadian dollars, except securities and per share amounts)

13. Promissory notes payable

As part of the acquisition of North Rim, the Corporation issued a $375 promissory note payable to the vendor. Interest is charged at the Royal Bank of Canada prime rate plus 2%. Principal and interest payments will be repaid in no more than eight semi-annual consecutive installments which will be based on a percentage of net earnings of North Rim. Any amount still payable after the eighth semi-annual period will be waived by the vendor. The promissory note is secured by the North Rim shares acquired. As at December 31, 2012, $316 of principal payments had been made on the promissory note.

In 2013, the remaining balance of the promissory note was repaid and the note was retired in full.

14. Decommissioning liabilities

	December 31, 2013	December 31, 2012
Balance, beginning of year	**$ 741**	**$ 525**
Additions through acquisition of subsidiaries	157	-
Change in estimate	(15)	-
Liabilties incurred	-	1,105
Liabilities disposed	-	(913)
Accretion expense	53	24
Balance, end of year	**$ 936**	**$ 741**

The total of the decommissioning liabilities are estimated based on the Corporation's net ownership interest in all the wells and facilities, the estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. Management of the Corporation has estimated that based on their net ownership interest, the total undiscounted cash flows required to settle the obligations will be $1,612. The obligations have been discounted using a risk free rate of 3% and an inflation rate of 2% per year. Most of these obligations are not expected to be paid until approximately 15 years in the future and will be funded from general Corporation resources at that time.

15. Deferred income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Corporation's future assets and liabilities are as follows:

	December 31 2013	December 31, 2012
Non-capital and capital loss carryforwards	$ 3,590	$ 932
Share issue costs	258	204
Exploration and evaluation assets	(1,437)	(3,373)
Convertible debentures	(695)	(432)
Property and equipment	416	(3)
Investments	1,247	337
Unrecognized deferred tax assets	(4,391)	-
Deferred income tax liability	**$ (1,012)**	**$ (2,335)**

(in thousands of Canadian dollars, except securities and per share amounts)

15. Deferred income taxes (continued)

The provision for income tax, both current and deferred, differs from the amount calculated by applying the combined expected federal and provincial rate to profit before taxes. The reasons for these differences are as follows:

		2013		2012
(Loss) income for the year before income taxes	$	(31,460)	$	(22,692)
Expected income tax (recovery)		(8,481)		(4,428)
Share based payments		201		-
Accreted discount on debt		265		212
Non taxable portion of capital gains		153		244
Non taxable portion of unrealized losses		1,279		445
Non taxable gain on extinguishment of debt		(135)		-
Non taxable loss on omm transaction		1,065		-
Change in unrecognized deferred income tax		4,159		216
		(1,494)		**(3,311)**

As of December 31, 2013 the Corporation has approximately the following tax pools available as a deduction from future income at the prescribed tax rates. These tax pools are subject to confirmation by income tax authorities:

		2013		2012
Non-capital losses carried forward	$	13,484	$	6,454
Capital losses carried forward		925		925
Cumulative Canadian exploration and development expenses		8,662		2,637
	$	**23,071**	**$**	**10,016**

As of December 31, 2013 the non-capital losses of $13,483,574 (2012 - $6,454,072) available to carry forward to reduce future years' taxable income will expire as follows:

2027	$	7
2028		110
2029		426
2030		925
2031		2,632
2032		4,261
2033		5,123
	$	**13,484**

(in thousands of Canadian dollars, except securities and per share amounts)

16. Common shares and contributed surplus

Stock option plan

The directors of the Corporation have adopted, and the shareholders have approved a stock option plan (the "2008 Option Plan"), pursuant to which the directors may from time to time grant options for up to 10% of its issued and outstanding shares, the options vest immediately upon issuance. The purpose of the 2008 Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and its subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation.

A summary of the status of the 2008 stock option plan and changes during the year is presented below.

	December 31, 2013		December 31, 2012	
	Options	**Price**	**Options**	**Price**
Exercisable, beginning of year	780,000	2.16	811,490	2.56
Options forfieted	(35,000)	3.60	(16,490)	2.35
Options forfieted	(70,000)	2.35	(15,000)	3.60
Options forfieted	(40,000)	2.00	-	-
Options granted	1,175,000	0.30	-	-
Exercisable, end of year	**1,810,000**	**$ 1.09**	**780,000**	**$ 2.16**

During the third quarter of 2013, the board of directors of the Corporation approved the grant of 1,175,000 stock options pursuant to the 2008 Option Plan. 900,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at $0.30 per share, vest immediately and, if not exercised, expire July 12, 2023, subject to earlier expiration in accordance with the 2008 Option Plan and applicable policies of the TSX Venture Exchange.

The value of options issued during the third quarter of 2013, using the Black-Scholes option-pricing model, was $305 which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 2.19%, expected life of options 10 years, annualized volatility 90.99% and dividend rate of nil.

The Corporation's consolidated subsidiary OMM under its own stock option plan issued during the year 5,155,000 options to be settled in OMM shares, $270 was recorded as share-based compensation for options granted during the year. OMM valued the options issued using the Black-Scholes model with assumptions relevant to OMM.

The Corporation's consolidated subsidiary Gespeg, under its own stock option plan, issued during the year 2,700,000 options to be settled in Gespeg shares. $170 was recorded as share-based compensation for the option granted during the year. Gespeg valued the options issued using the Black-Scholes model with assumptions relevant to Gespeg.

(in thousands of Canadian dollars, except securities and per share amounts)

16. Common shares and contributed surplus (continued)

Contributed surplus

A summary of the contributed surplus activity is as follows:

	December 31, 2013	December 31, 2012
Balance, beginning of year	$ 2,533	$ 3,958
Fair value of stock options granted	745	-
Change in ownership of subsidiary	(155)	(1,425)
Balance, end of year	**$ 3,123**	**$ 2,533**

During 2012, the Corporation purchased the remaining 10.5% shares of Allstar for $1,250 and Gespeg, a subsidiary of Kimpar sold shares to third parties for $705 reducing the Corporation's interest in the subsidiary from 72% to 56%. These transactions resulted in $201 decrease and a $859 increase, respectively to minority interest.

During the fourth quarter of 2012, a consolidated subsidiary completed a financing of which the Corporation and its associates did not participate in, effectively reducing the Corporation and its associate's ownership percentage in the subsidiary. The change in ownership of subsidiary adjustment above reflects the net book value of the ownership dilution. Also in the year the Corporation purchased the remaining 10.5% of the common shares of its subsidiary Allstar which results in an adjusted to contributed surplus.

During the year the Corporation acquired 19.9% of the remaining 20% of Kimpar's (previously controlled subsidiary) common shares in exchange for shares of Gespeg. As the transactions did not result in the Corporation obtaining or losing controls in any of Kimpar or Gespeg both transactions were treated as equity transitions.
Subsequent to the transaction, the Corporation dissolved Kimpar and rolled up its assets, being shares of Gespeg, into the Corporation directly.

Earnings per share and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

The basic and diluted earnings per share are the same as the conversion of the convertible debentures (Note 11) or the exercise of stock option would not have a dilutive effect on earnings.

	December 31, 2013	December 31, 2012
Net loss attributable to common shareholders (CDN$ thousands)	(28,908)	(19,751)
Weighted average number of common shares (CDN$ thousands)	20,587	15,739
Basic and diluted earnings per common share (CDN$ thousands)	(1.40)	(1.25)

16. Common shares and contributed surplus (continued)

Shareholder rights plan

The directors of the Corporation have approved a shareholder rights plan ("Rights Plan"). In the event a bid to acquire control of the Corporation is made, the Rights Plan is designed to give the directors of the Corporation time to consider alternatives to allow shareholders to receive full and fair value for their shares. In the event that a bid, other than a permitted bid, is made, shareholders become entitled to exercise rights to acquire common shares of the Corporation at a significant discount to the market price.

17. Commitments

The Corporation, through its subsidiary Gespeg, is committed to conduct exploration work representing capital expenditures in the amount of $2,000 in total over the next four years.

The Corporation, through its subsidiary North Rim, has operating lease commitments related to equipment and office space of $383 in total over the next two years.

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to Government licensing requirements or regulations, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements.

18. Capital management

The Corporation's objectives when managing capital are:
(a) to ensure that the Corporation maintains the level of capital necessary to meet the requirements of its brokers and bank;
(b) to allow the Corporation to respond to changes in economic and/or marketplace conditions by maintaining the Corporation's ability to purchase new investments;
(c) to provide sustained growth and value by increasing equity; and,
(d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:
(a) realizing proceeds from the disposition of its investments;
(b) creates cash flow from its oil & gas operations
(c) utilizing leverage in the form of margin (due from brokers) and the Corporation's bank credit line (bank indebtedness);
(d) raising capital through equity financings;
(e) borrowing funds in the form of advances from related parties; and,
(f) purchasing the Corporation's own shares for cancellation pursuant to its normal course issuer bid.

The Corporation is subject to financial covenant calculations in conjunction with its operating line of credit. Specifically, the Corporation must maintain a quick ratio of not less than 10:1 reported bi-weekly, a current ratio of not less than 1.50:1 reported quarterly and maintain a tangible net worth of not less than $25,000 reported annually. The Corporation was not in compliance with the quick ratio, current ratio or tangible net worth, in anticipation of such, the Corporation repaid the line of credit and has maintained a cash balance since. There is no effect on the consolidated financial statements, however the Corporation's ability to use the $1.5 line of credit is limited, if at all.

The Corporation is not subject to any capital requirements imposed by a regulator. Except for the change in dividend payment policy in 2012, there were no changes in the Corporation's approach to capital management during the year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

19. Financial instruments

The investment operations of the Corporation's business involve the purchase and sale of securities and, accordingly, a significant portion of the Corporation's assets are currently comprised of financial instruments. The use of financial instruments can expose the Corporation to several risks, including market, credit, interest rate, commodity price and liquidity risks. A discussion of the Corporation's use of financial instruments and their associated risks is provided below.

(a) Liquidity risk:

Liquidity risk is the risk that the Corporation will have insufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions, generally or related to matters specific to the Corporation, or if the value of the Corporation's investments decline, resulting in losses upon disposition.

The Corporation generates cash flow primarily from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments.

The Corporation may use financial leverage (or "margin") when purchasing investments. Trading on margin allows the Corporation to borrow part of the purchase price of the investments (using marginable investments as collateral), rather than pay for them in full. Buying on margin allows the Corporation to increase its portfolio size by increasing the number and amount of investments through leverage. However, if the market moves against the Corporation's positions and the Corporation's investments decline in value, the Corporation may be required to provide additional funds to its brokers.
Given the nature of the Corporation's business, the Corporation may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments prematurely and/or at a loss, in order to generate funds needed to satisfy the Corporation's obligations.

The Corporation has at times borrowed funds from other sources to meet its obligations, but there can be no assurances that such funds will be available in the future, or available on reasonable terms, and the absence of available funding and/or the sale of the Corporation's investments in order to meet margin calls could have a materially adverse impact on the Corporation's operating results. The Corporation manages liquidity risk by reviewing the amount of margin available, and managing its cash flow. The Corporation holds investments which can be readily converted into cash when required.

(b) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Corporation's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, equity and commodity prices. The Corporation is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

The Corporation manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Corporation's investment activities are currently concentrated primarily across several sectors in the natural resource industry, including potash, oil and gas, coal, precious metals, base metals, uranium, diamonds and other commodities.

(c) Interest rate risk:

Interest rate risk is the impact that changes in interest rates could have on the Corporation's earnings and liabilities. As at December 31, 2013, the Corporation had no liabilities payable that bear interest at rates fluctuating with the prime rate.

19. Financial instruments (continued)

(d) Credit risk:

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Corporation is exposed to the risk that third parties that owe it money or securities (in connection with its loans receivable, for example) will not perform their underlying obligations.

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Corporation's customer base, including the default risk of the industry in which the customers operate, as these factors may have an influence on credit risk, particularly in the current economic circumstances. Geological and other consulting revenue consists of approximately 32% (2012 – 30%) of revenue attributable to sales transactions with a single customer.

Management has established a credit policy under which each new customer is required to pay a retainer prior to rendering services.

At December 31, 2013 the Corporation had loans and advances receivable and accounts receivable and prepaid expenses from companies, totaling $943 (2012 - $8,297) which represents approximately 2.5% (2012 – 13.5%) of the Corporation's total assets. As at December 31, 2013 an impairment loss of $107 (2012 – $94) and an allowance for doubtful accounts provision of nil (2012 – $15) was recorded.

(e) Commodity price risk:

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted not only by the relationship between the Canadian and United States dollar, but also by world economic events that dictate the levels of supply and demand.

In the past, and from time to time, the Corporation has attempted to mitigate a portion of its commodity price risk through the use of the futures contract, as at December 31, 2013 – all futures contracts have been disposed.

(f) Fair value:

The fair value of the Corporation's financial assets and liabilities approximate their carrying values unless otherwise disclosed in the accounting policies.

Fair value hierarchy and determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(in thousands of Canadian dollars, except securities and per share amounts)

19. Financial instruments (continued)

(f) Fair value: (continued)

The Corporation and its subsidiaries uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis at fair value, the Corporation determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Corporation assets that are recognized at fair value on a recurring basis are the equity investments.

The following is a summary of the fair value of investments segregated based on the various levels of inputs, as discussed in Note 2:

	Level 1	Level 2	Level 3	Total
Investments, at fair value	**$ 4,129**	**$ 322**	**$ 2,536**	**$ 6,987**

For the year ended December 31, 2013, a reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Beginning balance as at December 31, 2012	$10,222
Additional investments	814
Valuation adjustment	(4,651)
Reclassification to level 1	(151)
Return of capital	(3,698)
Balance at December 31, 2013	**$ 2,536**

During the twelve months ended December 31, 2013, the following companies were reclassified out of level 3 investments for the following reasons; Discovery Harbour Resources Corp. pubic listing through its reverse takeover, Montan Capital Corp. and Red Star Capital Ventures Inc. are both capital pool corporations.

19. Financial instruments (continued)

(f) Fair value: (continued)

Within Level 3, the Corporation includes private company investments. The key assumptions driving the valuation of these instruments include, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental. A +/- 25% change on the fair value of these investments will result in a corresponding +/- $634 (2012 - $2,556) change to the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Corporation's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

20. Subsequent event

Subsequent to year-end, on February 12, 2014, the Corporation, through its subsidiary Allstar, announced that it had entered into a binding letter of intent (the "LOI") with Canada Zhong An Energy Investment Ltd. ("Zhong An"). Under the terms of the LOI, Zhong An has made a $2,000 non-refundable drilling deposit that was to be used in drilling two (2) new wells in the Riverside field. These wells have been drilled and completions are underway.

Upon completion of the two well program, Zhong An has the right to finance an additional $10,000,000 to drill up to an additional 12 wells at Riverside to earn a 60% interest in the Allstar’s oil and gas properties. Pending the completion of the definitive agreement, it is envisioned that, subject to Zhong An exercising its option, Zhong An and the Corporation will be 60:40 joint venture partners in Allstar’s oil and gas properties.

Completion of the definitive agreement will be subject to the negotiation and satisfaction of a number of conditions, including but not limited to, each of the Corporation and Zhong An being satisfied with the results of their respective due diligence investigations and any required regulatory approvals.

Subsequent to year end, On February 21, 2014 the board of directors of the Corporation approved the grant of 75,000 stock options pursuant to the 2008 Option Plan. All of the options were granted to a director of the Corporation and vest immediately. The options are exercisable at $0.35 per share and, if not exercised, expire February 21, 2024, subject to earlier expiration in accordance with the 2008 Option Plan and applicable policies of the TSX-V.

Subsequent to year-end, the Corporation made application to have both series of its convertible debentures listed on the TSX-V. This application was accepted and the debentures commenced trading on April 3, 2014 under the ticker symbols FNR.DB.A and FNR.DB.B respectively.

(in thousands of Canadian dollars, except securities and per share amounts)

21. Discontinued operations

In late 2012, 49 North disposed of all its assets relating the Viking oil & gas property, near Kindersley Saskatchewan, for proceeds of $16,222.

The results for Viking property for the year are presented below

	2013	2012
Revenue	$ -	$ 6,600
Expenses	-	2,649
Gross profit	-	3,951
Finance costs	-	13
Profit before tax on discontuned operation	-	3,938
Taxes	-	682
Profit for the year from a discontinued operation	**-**	**3,256**

The net cash flows incurred with respect to Viking property are consistent with its results from operations.

Basic and diluted, profit per share for the year, from discontinued operations is $nil and $0.21, respectively.

22. Supplemental cash flow information

The following table summarizes the net changes in non-cash working capital items related to operating activities:

	2013	**2012**
Loans and advances receivable	$ (32)	$ (620)
Income taxes	(257)	107
Accounts receivable and prepaid expenses	803	1,841
Management fees	(26)	(7)
Accounts payable and accrued liabilities	(68)	(73)
	420	**$ 1,248**

23. Comparatives

Certain of the comparatives have been reclassified to conform with the current presentation.

24. Segmented information (reported in thousands of Canadian dollars)

The Corporation is a resource investment, financial, managerial and geological advisory entity which, as its principal business, invests in a diversified portfolio of shares and other securities of resource issuers including, without limitation, resource issuers engaged in mineral or oil and gas exploration and development, with a view to achieving capital appreciation of the portfolio. As at December 31, 2013, the Corporation has four reportable segments: Resource investment, extractive and geological advisory in Canada and brokerage services in the United Kingdom ("UK").

	Resource Investment	Geological Advisory	UK Brokerage	Extractive Industries	Total
Total assets	**$ 9,673**	**$ 3,207**	**$ 64**	**$ 24,153**	**$ 37,097**
Total liabilities	**$ 16,888**	**$ 2,252**	**$ 33**	**$ 4,050**	**$ 23,223**
Capital expenditures	**$ -**	**$ 14**	**$ -**	**$ 3,123**	**$ 3,137**
Continuing operations					
Revenues					
Geological and other consulting	30	6,070	280	-	6,380
Oil and gas sales	-	-	-	198	198
Realized (losses) gains	(1,133)	-	-	(4)	(1,137)
Unrealized losses	(9,457)	(22)	3	-	(9,476)
Interest, rent and dividend income	79	175	-	5	259
	(10,481)	**6,223**	**283**	**199**	**(3,776)**
Expenses					
Amortization and depletion	28	62	-	45	135
Business and investor relations	377	34	-	189	600
Finance	2,433	3	-	28	2,464
Management fees	279	-	-	73	352
General and administration	240	556	247	122	1,165
Oil and gas operations	-	-	-	103	103
Professional fees	274	111	-	294	679
Project costs	-	4,149	37	-	4,186
Share based compensation	305	-	-	440	745
Transaction costs	26	-	-	-	26
Wages and benefits	408	1,713	-	-	2,121
	4,370	**6,628**	**284**	**1,294**	**12,576**
Gain on debenture restructure	329	-	-	-	329
Loss on writedown on Wingdam project and related investments	-	-	-	(12,398)	(12,398)
Writedown - exploration and evaluation assets	-	-	-	(2,272)	(2,272)
Writedown - goodwill	(531)	-	-	-	(531)
Writedown - property, plant and equipment	-	-	-	(236)	(236)
Income (loss) before income taxes	**(15,053)**	**(405)**	**(1)**	**(16,001)**	**(31,460)**
Current income tax (recovery)	-	(119)	3	-	(116)
Deferred income tax (recovery)	(2,111)	-	-	733	(1,378)
Net loss from continuing operations	**(12,942)**	**(286)**	**(4)**	**(16,734)**	**(29,966)**
Discontinued operations					
Profit from discontinued operations	-	-	-	-	-
Comprehensive (loss) income	**(12,942)**	**(286)**	**(4)**	**(16,734)**	**(29,966)**

24. Segmented information (reported in thousands of Canadian dollars) (continued)

As at December 31, 2012, the Corporation had four reportable segments: Resource investment, extractive and geological advisory in Canada and brokerage services in the United Kingdom ("UK").

	Resource Investment	Geological Advisory	UK Brokerage	Extractive Industries	Total
Total assets	**$ 31,426**	**$ 3,202**	**$ 69**	**$ 26,960**	**$ 61,657**
Total liabilities	**$ 15,884**	**$ 1,840**	**$ 33**	**$ 9,540**	**$ 27,297**
Capital expenditures	**$ 2**	**$ 26**	**$ -**	**$ 7,906**	**$ 7,934**
Continuing operations					
Revenues					
Geological and other consulting	-	14,667	433	-	15,100
Realized (losses) gains	(4,796)	-	-	(212)	(5,008)
Oil and gas sales	-	-	-	1,409	1,409
Unrealized losses	(9,080)	(57)	3	-	(9,134)
Equity loss on associate	(87)	-	-	-	(87)
Royalty income	-	-	-	69	69
Interest, rent and dividend income	66	331	-	171	568
	(13,897)	**14,941**	**436**	**1,437**	**2,917**
Expenses					
Amortization and depletion	25	90	-	753	868
Business and investor relations	550	96	-	108	754
Finance	2,630	6	1	943	3,580
Management fees	1,007	-	-	215	1,222
General and administration	269	740	415	879	2,303
Oil and gas operations	-	-	-	1,456	1,456
Professional fees	384	146	-	218	748
Project costs	-	10,502	78	551	11,131
Transaction costs	59	-	-	-	59
Wages and benefits	672	2,423	-	-	3,095
	5,596	**14,003**	**494**	**5,123**	**25,216**
Writedown - goodwill	-	-	-	1,249	1,249
Writedown - oil & gas properties	-	-	-	3,082	3,082
Income (loss) before income taxes	**(19,493)**	**938**	**(58)**	**(8,017)**	**(26,630)**
Current income tax	-	200	(10)	11	201
Deferred income tax	(2,762)	-	-	(750)	(3,512)
Net loss from continuing operations	**(16,731)**	**738**	**(48)**	**(7,278)**	**(23,319)**
Discontinued operations					
Profit from discontinued operations	-	-	-	3,256	3,256
Comprehensive (loss) income	**(16,731)**	**738**	**(48)**	**(4,022)**	**(20,063)**

(in thousands of Canadian dollars, except securities and per share amounts)

25. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interests held by non-controlling interests			
Name	**Jurisdiction**	**2013**	**2012**
Omineca	British Columbia	30.4%	93.3%
North Rim	Saskatchewan	50%	50%
Gespeg	British Columbia	48.2%	44%
Accumulated balances of material non-controlling interest			
Omineca		$641	$nil
North Rim		$763	$906
Gespeg		$880	$1,332
Profit (loss) allocated to material non-controlling interest			
Omineca		$(4,435)	$ Nil
North Rim		$(148)	$369
Gespeg		$(1,999)	$(380)

The summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarized financial information for 2013			
	Omineca	**North Rim**	**Gespeg**
Assets	$7,958	$3,206	$4,955
Liabilities	$5,891	$2,189	$450
Revenues	$ -	$6,223	$ -
Expenses	$14,587	$6,628	$4,561
Cash flows from:			
Operations	$(17)	$295	$(26)
Financing	$(15)	$(128)	$ -
Investing	$1,115	$(55)	$(23)

Summarised financial information for 2012			
	Omineca	**North Rim**	**Gespeg**
Assets	$10,253	$3,202	$4,318
Liabilities	$6,697	$1,899	$987
Revenues	$ -	$14,998	$ -
Expenses	$70	$14,003	$1,187
Cash flows from:			
Operations	$(362)	$2,345	$(7)
Financing	$(137)	$(270)	$(563)
Investing	$455	$(203)	$246