CORONET METALS INC.

Consolidated Financial Statements

March 31, 2014 and 2013

July 25, 2014

Independent Auditor's Report

To the Shareholders of
Coronet Metals Inc.

We have audited the accompanying consolidated financial statements of **Coronet Metals Inc.**, and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2014 and March 31, 2013 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 Coronet Metals Inc. and its subsidiaries as at March 31, 2014 and March 31, 2013 and their financial performance and cash flows for the years then in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to note 1 of the consolidated financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Coronet Metals Inc.'s ability to continue as a going concern.

(signed) *"PricewaterhouseCoopers LLP"*

Chartered Accountants

PricewaterhouseCoopers LLP
Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6
T: +1 902 491 7400, F: +1 902 422 1166, www.pwc.com/ca

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND MARCH 31, 2013
EXPRESSED IN CANADIAN DOLLARS

	March 31, 2014	March 31, 2013
	$	$
Assets		
Current assets		
Cash and cash equivalents	**147,343**	1,796,020
Receivables *(note 7)*	**43,751**	27,722
Prepaid expenses	**34,588**	65,468
	225,682	1,889,210
Non-current assets		
Exploration and evaluation assets *(notes 6 & 8)*	**1,329,335**	1,138,756
Property and equipment *(note 9)*	**2,732,473**	779,623
Total assets	**4,287,490**	3,807,589
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(note 10)*	**629,355**	148,769
	629,355	148,769
Non-current liabilities		
Long-term payable	**60,067**	55,182
Total liabilities	**689,422**	203,951
Shareholders' Equity		
Share capital *(note 11)*	**16,703,001**	15,326,795
Contributed surplus and warrants *(note 11)*	**2,582,563**	2,524,547
Deficit	**(15,687,496)**	(14,247,704)
	3,598,068	3,603,638
Total liabilities and shareholders' equity	**4,287,490**	3,807,589

-See Accompanying Notes-

Nature of Operations and Going Concern *(note 1)*
Operating lease commitments *(Note 17)*
Subsequent event *(note 19)*

Approved on behalf of the Board on July 25, 2014:

"Joel Dumaresq"
Director

"Douglas Newby"
Director

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013
EXPRESSED IN CANADIAN DOLLARS

	March 31, 2014 $	March 31, 2013 $
EXPENSES		
Impairment of exploration property (*note 8*)	**-**	5,913,909
Property investigation costs *(note 8)*	**-**	502,493
Professional fees	**135,580**	141,494
General and administrative expenses *(note 12)*	**506,852**	454,215
Contingent Consideration Fair Value Adjustment (*note 8)*	**-**	221,346
Regulatory, transfer agent and filing fees	**55,844**	67,487
Automotive and general operating costs	**357,112**	46,356
Management, consulting and director's fees	**272,263**	342,805
Investor relations expenses	**41,000**	106,153
Stock-based compensation *(note 11)*	**36,952**	266,801
	1,405,603	8,063,059
Loss before other items	**(1,405,603)**	(8,063,059)
Other items:		
Interest income	**3,698**	19,242
Foreign exchange (loss) gain	**(38,577)**	21,419
Other income	**690**	10,231
Loss before tax	**(1,439,792)**	(8,012,167)
Recovery of income taxes *(note 18)*	-	935,000
Net loss and comprehensive loss for the year	**(1,439,792)**	(7,077,167)
Loss per share		
Basic and diluted loss per share	**(0.01)**	(0.08)
Weighted average number of shares outstanding	**97,696,019**	84,831,138

-See Accompanying Notes-

EXPRESSED IN CANADIAN DOLLARS

	Attributable to equity shareholders of the Company				
	Share capital #	**Share capital $**	**Contributed surplus and warrants $**	**Deficit $**	**Total equity $**
Balance – March 31, 2013	**88,600,389**	**15,326,795**	**2,524,547**	**(14,247,704)**	**3,603,638**
Net loss, being comprehensive loss for the year	**-**	**-**	**-**	**(1,439,792)**	**(1,439,792)**
Stock-based compensation	**-**	**-**	**36,952**	**-**	**36,952**
Shares issued for cash	**28,464,660**	**1,423,233**	**-**	**-**	**1,423,233**
Share issuance costs	**-**	**(47,027)**	**-**	**-**	**(47,027)**
Broker warrants	**-**	**-**	**21,064**	**-**	**21,064**
Balance – March 31, 2014	**117,065,049**	**16,703,001**	**2,582,563**	**(15,687,496)**	**3,598,068**
Balance – March 31, 2012	82,171,525	14,812,486	2,257,746	(7,170,537)	9,899,695
Net loss, being comprehensive loss for the year	-	-	-	(7,077,167)	(7,077,167)
Stock-based compensation	-	-	266,801	-	266,801
Asset purchase consideration	6,428,864	514,309	-	-	514,309
Balance – March 31, 2013	88,600,389	15,326,795	2,524,547	(14,247,704)	3,603,638

-See Accompanying Notes-

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013
EXPRESSED IN CANADIAN DOLLARS

	March 31, 2014 $	March 31, 2013 $
Cash flows from operating activities		
Net loss, being comprehensive loss, for the year	**(1,439,792)**	(7,077,167)
Adjustments for items not involving cash:		
Recovery of deferred income taxes	**-**	(935,000)
Depreciation expense	**12,621**	12,646
Finance charges	**-**	221,346
Unrealized foreign exchange gain	**(7,087)**	(6,991)
Stock-based compensation	**36,952**	266,801
Mineral property write-off	**-**	5,913,909
	(1,397,306)	(1,604,456)
Changes in non-cash working capital items:		
Increase in receivables	**(16,029)**	(1,466)
Decrease in prepaid expenses	**32,975**	10,960
Increase in accounts payable and accrued liabilities	**459,470**	7,895
Net cash used for operating activities	**(920,890)**	(1,587,067)
Financing activities		
Proceeds on issuance of common shares	**1,423,233**	-
Share issuance costs	**(13,273)**	-
Net cash provided by financing activities	**1,409,960**	-
Investing activities		
Acquisition of WCGM Assets	**-**	(801,021)
Property and equipment additions	**(1,965,471)**	(234,317)
Exploration and evaluation expenses	**(172,276)**	(434,180)
Net cash used for investing activities	**(2,137,747)**	(1,469,518)
Net decrease in cash and cash equivalents	**(1,648,677)**	(3,056,585)
Cash and cash equivalents, beginning of the year	**1,796,020**	4,852,605
Cash and cash equivalents, end of the year	**147,343**	1,796,020
Cash and cash equivalents are comprised of the following:		
Cash on hand and balances with banks	**147,343**	1,370,498
Short-term investments	**-**	425,522
	147,343	1,796,020

-See Accompanying Notes-

The significant non cash investing and financing activities for the period ended March 31, 2014 included:

a) exploration and evaluation addition of $18,305 was included in accounts payable and accrued liabilities.
b) the issuance of 500,000 warrants valued at $19,535 as finder's fees on the Private Placement *(Note 11).*
c) the issuance of 36,000 warrants valued at $1,529 as finder's fees on the February Private Placement *(Note 11).*

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

1. Nature of operations and going concern

Coronet Metals Inc. ("the Company" or "Coronet") was incorporated pursuant to the Business Corporation Act (British Columbia). The Company is a listed issuer on the TSX-V under the symbol "CRF", the Frankfurt Stock Exchange under the symbol FWB: 2CM and on the United States OTC stock market's premier tier, OTCQX, under the symbol CORMF. The Company's registered office is at Oceanic Plaza, 2600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, Canada and its head office is located at Suite 2630-1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, Canada.

The Company is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on precious mineral properties located primarily in the Americas.

These consolidated financial statements for the years ended March 31, 2014 and 2013 have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company has incurred losses since inception and has no current source of revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured given the volatile and uncertain financial markets. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. At March 31, 2014, the Company had a deficit of \$15,687,496 (March 31, 2013 - \$14,247,704) and a working capital deficit of \$403,673 (March 31, 2013 - working capital of \$1,740,441).

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going concern, the net realizable values of its assets may be materially less than the amounts recorded on the consolidated statements of financial position.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 ("CPA Handbook"). The accounting policies presented in Note 3 were consistently applied to all periods presented.

The Board of Directors approved these Financial Statements on July 25, 2014.

Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition these consolidated financial statements have been prepared on the historical-cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Significant Subsidiaries (Consolidated) - ownership	**March 31, 2014**	**March 31, 2013**
Coronet Metals Peru S.A.C.	100%	100%
Coronet Metals (US) Inc.	100%	100%
White Caps Gold Mining Company Inc.	100%	100%

2. Basis of presentation (continued)

Functional and presentation currency

Items included in the consolidated financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in Canadian dollars, which is the Functional Currency of the Company and its subsidiaries.

3. Significant accounting policies

3.1. Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments readily convertible into a known amount of cash and can be redeemed at any time without penalties.

3.2. Property and Equipment

Items of property and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Cost includes expenditures that are directly attributable to the acquisition, the development and construction of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Items of property and equipment that are not available for use are not being depreciated.

The carrying amount of a replaced asset is derecognized when replaced. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included net as part of other income in the consolidated statements of loss and comprehensive loss.

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Repairs and maintenance costs are charged to the statements of loss and comprehensive loss during the period in which they are incurred.

The major categories of property and equipment are depreciated as follows:

Vehicles	Declining balance 20%
Office furniture and other equipment	Straight line 10%
Communication and computer equipment	Straight line 25%

3.3. Exploration and evaluation assets

The Company capitalizes the direct costs of acquiring mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development costs are capitalized. Exploration and evaluation costs include value-added taxes because the recoverability of these amounts is uncertain.

3. Significant accounting policies (continued)

3.3. Exploration and evaluation assets (continued)

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests is in good standing.

3.4 Impairment of non-financial assets

The Company's non-financial assets, such as property and equipment and exploration and evaluation assets, are reviewed for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized in the statement of loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the consolidated statements of loss.

3.5. Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of cash and cash equivalents and other receivables, and are included in current assets.

Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Financial liabilities at amortized cost

Financial liabilities at amortized cost include accounts payables & accrued liabilities and long-term payables. Accounts payable & accrued liabilities and long-term payables are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable and accrued liabilities and long-term payables are measured at amortized cost using the effective interest method. Contingent consideration is recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

3. Significant accounting policies (continued)

3.5. Financial instruments (continued)

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

3.6. Provisions

Provisions for environmental restoration and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation as per management's best estimate using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as a finance cost.

At each reporting date, the liability is increased to reflect the interest element or accretion reflected in its initial measurement, and will also be adjusted for changes in the estimate of the amount, timing, change in discount rate and cost of the work to be carried out.

3.7. Stock-based compensation

The Company records stock-based compensation expense for share options granted to directors, officers and consultants using the fair value method. Option terms and vesting conditions are at the discretion of the Board of Directors. The fair value of each installment of share options granted is determined using the Black-Scholes option pricing model. Share-based compensation expense is calculated for each installment over the vesting period based on the number of stock options expected to vest. Share-based compensation expense is recorded in the consolidated statements of loss and comprehensive loss with a corresponding increase to contributed surplus. Forfeiture estimates are based on historic information and reviewed at each reporting date, with any impact being recognized immediately in the consolidated statements of loss and comprehensive loss. When stock options are exercised the consideration received and the amount previously recognized in contributed surplus is recorded as an increase to share capital.

3.8. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued.

3. Significant accounting policies (continued)

3.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognized as a finance lease obligation within long-term debt. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.10. Income taxes

Tax is recognized in the consolidated statements of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case, tax is also recognized in other comprehensive loss or directly in equity, respectively.

i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date, in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset if, and only if, the taxable entity has a legally enforceable right to set off the recognized amounts, the income taxes relate to the same taxable entity and the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the date of the consolidated statements of financial position between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are recognized for all temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Significant accounting policies (continued)

3.11. Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

3.12. Foreign currency translation of transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the Canadian dollar are translated using exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Revenue and expense items are translated at the exchange rates in effect at the date of the underlying transaction, except for amortization related to non-monetary assets, which are translated at historical exchange rates. Exchange differences are recognized in the consolidated statements of loss and comprehensive loss in the period in which they arise.

3.13. Segmented Information

The Company's business consists of a single reportable segment being mineral exploration and development. As the operations comprise a single reporting segment, amounts disclosed in the consolidated statements of loss and comprehensive loss for the period also represent segment amounts. At March 31, 2014, the Company's mineral properties are located in Canada, United States and Peru (2013 - Canada and Peru).

3.14. Related party transactions

All transactions with related parties are in the normal course of business.

4. Critical accounting estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Significant areas where judgment is applied include the carrying value and recoverability of mineral property costs, inputs used in accounting for share-based compensation, the valuations of the non-cash transactions and the probabilities used in valuing the contingent consideration. Actual results could differ from these estimates. Estimates and assumptions are continually evaluated and are based on historical 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 estimates and assumptions that have a significant risk of causing material adjustments to the Company's consolidated financial statements are addressed below.

4. Critical accounting estimates and judgments (continued)

i) The impairment of exploration and evaluation assets. At the end of each reporting period, the Company reviews the carrying amounts of its assets for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units; otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss.

ii) The inputs used for share-based compensation calculation. The Company provides compensation benefits to its consultants, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the Company's share price. Historical data is utilized to estimate option exercises and forfeiture behavior with the valuation model. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

iii) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.

iv) The probabilities assigned to individual purchase components being met in calculating the contingent consideration are based on the most current and reliable information available to management.

5. Recent accounting pronouncements

The IASB issued or amended the following standards which are relevant but have not yet been adopted by the Company: IFRS 9, Financial Instruments; IFRIC 21, Levies; IAS 32, Offsetting Financial Assets and Financial Liabilities. The Company has not yet completed the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or determining whether to adopt in advance any of the new requirements. The Company does not expect to early adopt the following revised standards and amendments.

The following is a brief summary of these new standards:

IFRS 9 – Financial Instruments ("IFRS 9")

IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. There are two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2015, with early adoption permitted. The Company has not elected for early adoption of this standard and is in the process of assessing the impact, if any, to the consolidated financial statements.

IFRIC 21, Levies

In May 2013, the IASB issued IFRIC 21, "Levies", an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, "Provisions, contingent liabilities and contingent assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company is currently assessing the impact of adopting IFRIC 21.

IAS 32, Offsetting Financial Assets and Financial Liabilities

IAS 32, Offsetting Financial Assets and Financial Liabilities, was issued in December 2011 and amends the criterion for an entity being allowed to report financial assets and liabilities on a net basis. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2014, with early adoption permitted. The Company does not anticipate early adoption of this standard and does not expect there to be any financial impact upon adoption.

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

6. Acquisition of White Caps Gold Mining Company Inc. ("WCGM")

On October 31, 2012 the Company acquired 100% of the outstanding shares of WCGM for US $630,000 in cash and 6,428,862 of Coronet common shares at a price of $0.08 per share, the closing price of the Company's shares on the TSX-V on the closing date of the transaction. In addition to the shares purchased, Coronet acquired other rights, titles and interests in the Manhattan Mining District for US $100,000 from a former WCGM shareholder.

In addition to the Purchase Price above the Company agreed to pay to the Vendors:

- 32% of the after-tax profits from the processing of material obtained from the White Caps tailings and the Gergen Keystone Mine only; and
- 6.5% of the after-tax profits derived from material, other than material included above, processed at the Company's facilities or other facilities that process ore on behalf of the Company.

These amounts are payable only after the Company recouped all of its investment from such profits. The Company has the option, exercisable within five (5) years from the closing date to acquire both the after-tax profits interest (32% and 6.5%) from the Vendors in exchange for an aggregate of $5,000,000 payable to the Vendors.

The transaction was accounted for as an asset acquisition and the cost was allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. The allocation was as follows:

	October 31, 2012 US $
Issuance of 6,428,862 Coronet common shares	514,309
Cash Consideration	730,000
Transaction Costs	76,914
Purchase consideration	**1,321,223**
Cash and cash equivalents	5,893
Property and equipment	499,000
Exploration and evaluation assets	770,665
Other mineral rights and interests	100,000
Accounts payable and accrued liabilities	(54,335)
Net identifiable assets	**1,321,223**

7. Receivables

	March 31, 2014 $	March 31, 2013 $
HST receivable	**14,577**	$ 14,716
Other receivables	**29,174**	13,006
	43,751	$27,722

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

8. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

	Yanamina Gold Project $	White Caps Gold Project $	Total $
Balance, March 31, 2012	9,616,999	-	9,616,999
Acquisition costs *(Note 6)*	-	870,665	870,665
Exploration expenditures	194,482	268,091	462,573
Write-off exploration properties	(9,811,481)	-	(9,811,481)
Balance, March 31, 2013	-	1,138,756	1,138,756
Exploration expenditures	**-**	**190,579**	**190,579**
Balance, March 31, 2014	**-**	**1,329,335**	**1,329,335**

a) The Yanamina Gold Project ("Yanamina")

On June 1, 2011 the Company completed the acquisition of a 100% interest in Coronet Peru, the owner of Yanamina mining concessions located in Peru, from Westmag Resources Limited ("Westmag") a wholly owned subsidiary of Latin Gold Limited ("Latin Gold"). Yanamina is located in the Ancash department, north of Lima.

Total consideration for the acquisition of Coronet Peru was US $10.0 million, which was to be comprised of US $2.5 million in cash and contingent payments of US $7.5 million. Directly prior to closing the acquisition, Latin Gold elected to reinvest US $1.0 million into a non-brokered private placement leaving the cash consideration payable for Coronet Peru shares at US $1.5 million. The US $1.5 million was paid during the year ended March 31, 2012.

The Company also paid a total of $2,691,430 for a database of South American mineral property information owned by Latin Gold and Westmag. The consideration for the database consisted of $1,713,075 (US $1.75 million) in cash and 3,261,173 common shares of the Company valued at $978,355.

The US $7.5 million contingent consideration on the acquisition of Coronet Peru will be paid in the following manner:

- US $1.5 million payable within 5 days of commencement of construction and a bonus of US $1.0 million payable at the time the inferred resource exceeds 275,000 ounces gold;
- US $1 million in common shares of the Company (the "gold pour shares") based on the 30 day volume weighted average price of the Company's common shares prior to the date of issuance payable within 5 days following the initial gold pour;
- US $2.0 million payable within 5 days of the 12 month anniversary of the initial gold pour; and
- US $2.0 million payable within 5 days of the 24 month anniversary of the initial gold pour.

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

8. Exploration and evaluation assets (continued)

a) The Yanamina Gold Project ("Yanamina")

In addition to the purchase consideration, the Company will issue to Latin Gold, common shares valued at US $2.5 million within 5 days of confirmation of an inferred resource equal to or greater than 250,000 ounces of gold within the Yanamina Deeps Exploration Target. The Yanamina Deeps Exploration Target is an undrilled potential hanging wall extension to the existing Yanamina resource. Latin Gold will also hold an overriding 1.0% gross royalty on all production in excess of 200,000 ounces of gold.

The contingent consideration was valued at $3,298,300 on the acquisition of Coronet Peru. The fair value of the contingent consideration has been calculated by assigning probabilities to the individual purchase components above being met, based on the most current and reliable information available to management.

The results were discounted creating a present value of the future liability. The Company assesses probabilities at each statement of financial position date, based upon updated and more relevant information available with the change flowing through the consolidated statements of loss and comprehensive loss. The contingent consideration was adjusted to zero as at March 31, 2013 as a result of the Yanamina impairment. See "Impairment of assets" below.

The acquisition was accounted for as a business combination pursuant to IFRS 3, using the acquisition method of accounting, with Coronet being the acquirer for accounting purposes, whereby the assets and liabilities assumed are recorded at their fair values. The total purchase price of $5,733,755 was allocated as follows:

	$
Cash	9,079
Receivables	27,643
Property, plant and equipment	10,330
Exploration and evaluation assets	6,641,705
Accounts payable and accrued liabilities	(20,002)
Deferred tax liability	(935,000)
	5,733,755

The acquisition of Yanamina resulted in a deferred tax liability of $935,000. This adjustment relates to temporary taxable differences as a result of fair value adjustments made to exploration and evaluation assets. The deferred tax liability was also written down to zero as a result of the Yanamina impairment.

There were no property investigation costs incurred for year ended March 31, 2014 (2013 - $502,493). Expenditures in 2013 were part of the Company's efforts to evaluate advanced-stage projects that meet its acquisition criteria and securing the Whitecaps Gold Project and the Liberty Precious Metals Processing Facility.

Impairment of assets

At March 31, 2013, the Company assessed the carrying amount of its exploration and evaluation assets for indicators of impairment such as changes in: (1) the period for which the entity cannot explore in the specific area, or whether these rights have expired during the period or will expire in the near future and are not expected to be renewed; and (2) whether substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected cash flows) of the relevant assets. In the case of Yanamina the recoverable amount is deemed to be zero due to the uncertainty of the asset's fair value and any expected future cash flows; hence the entire Yanamina asset was written down to zero. The contingent consideration and the deferred tax asset at March 31, 2013 were also written off with a resulting write down of exploration properties on the consolidated statements of loss and comprehensive loss of $5,913,909.

8. Exploration and evaluation assets (continued)

a) The Yanamina Gold Project ("Yanamina")

Impairment of assets (continued)

The conclusion for the write down of the assets is based on the fact that the Company, despite its concessions being in good standing, does not currently have the right to explore and does not know when any future rights will be granted. In addition, no substantive expenditure on further exploration and evaluation of mineral resources in the specific area is budgeted or planned.

Soon after Yanamina was acquired from Latin Gold the Company determined that there were issues with the level of support from the local community for the project as well as the approvals and permits necessary to move the Yanamina project towards production. In September 2011, the Peruvian government approved "LEY DE CONSULTA PREVIA" - The Right to Prior Consultation of Indigenous Peoples of Peru under the Convention 169 of the ILO (International Labour Organization). The Convention requires that indigenous peoples be consulted "whenever legislative or administrative measures are given which may affect them directly". In addition, such consultations "should be made in good faith and in an appropriate manner to the circumstances in order to reach an agreement or consent on the proposed measures". With the adoption of this bill and the already difficult situation in getting community support, the Company hired an experienced team of Peruvian community relations specialists to engage with the local communities. On April 23, 2012, Coronet announced completion of a community baseline report for Yanamina. The results were encouraging with the majority of the stakeholders supporting the development of a safe, environmentally sound and responsible gold mine. Yanamina incorporates a strong commitment to social sustainability that includes health and education, job training, agricultural improvement programs and the formation of community partnerships. Coronet believes that Yanamina is consistent with the government's goal of reducing poverty through the execution of responsible mining projects that ensure significant legacy benefits to the community.

In the short-term, however, the Company does not plan to deploy further resources to negotiate with the community and incur additional expenditures on relationship specialists. Given the Company's limited resources and uncertainty as to how long it will take to get community approval, the focus and strategy of the Company is to advance the Liberty Facility to production in order to start generating cash flow. The Company's concessions are in good standing with the Ministry, and the Company will continue to keep the concessions in good standing.

In the long-term the Company seeks to advance Yanamina and continue to focus on earning the trust of the local community by putting several initiatives in place demonstrating to the community that Coronet wants to make them stakeholders in the project, providing direct employment, education, health and economic benefits. Coronet plans to continue to accumulate data and work to establish strong community relations in anticipation of advancing Yanamina in Peru. The Company maintains an office in Lima and an office in Caraz, near Yanamina.

b) White Caps Gold Project

On October 31, 2012 the Company acquired all of the outstanding shares of WCGM. As part of the asset purchase, $870,665 was allocated to exploration and evaluation assets *(note 6).*

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

9. Property and Equipment

	Rolling stock $	Office furniture and other equipment $	Comm. and computer equipment $	Leasehold improvements $	Buildings and equipment related to mining production $	Total $
Year ended March 31, 2014						
Opening net book value	**65,554**	**8,117**	**16,863**	**169,975**	**519,114**	**779,623**
Additions	**37,064**	**188,770**	**-**	**363,123**	**1,376,514**	**1,965,471**
Depreciation charge	**(6,626)**	**(1,812)**	**(4,183)**	**-**	**-**	**(12,621)**
Closing net book value	**95,992**	**195,075**	**12,680**	**533,098**	**1,895,628**	**2,732,473**
As at March 31, 2014						
Cost	**111,443**	**205,911**	**34,784**	**533,098**	**1,895,628**	**2,780,864**
Accumulated depreciation	**(15,451)**	**(10,836)**	**(22,104)**	**-**	**-**	**(48,391)**
Closing net book value	**95,992**	**195,075**	**12,680**	**533,098**	**1,895,628**	**2,732,473**
Year ended March 31, 2013						
Opening net book value	36,498	6,478	15,975	-	-	58,951
WCGM Acquisition	-	-	-		499,000	499,000
Additions	35,715	3,398	5,116	169,975	20,114	234,318
Depreciation charge	(6,659)	(1,759)	(4,228)	-	-	(12,646)
Closing net book value	65,554	8,117	16,863	169,975	519,114	779,623
As at March 31, 2013						
Cost	74,379	17,141	34,783	169,975	519,114	815,392
Accumulated depreciation	(8,825)	(9,024)	(17,920)	-	-	(35,769)
Closing net book value	65,554	8,117	16,863	169,975	519,114	779,623

The buildings and equipment related to mining production was acquired as part of the WCGM acquisition *(note 6)*. The Company plans to refurbish these assets and as at March 31, 2014 the assets were not available for use and, consequently, were not depreciated. Property and equipment associated with leasing the precious metals processing facility *(note 17)* are not being depreciated as the facility was not available for use as at March 31, 2014.

10. Accounts payable and accrued liabilities

	March 31, 2014 $	March 31, 2013 $
Accounts payable	**558,104**	85,837
Accrued liabilities	**71,251**	62,932
	629,355	148,769

All payables are unsecured, non-interest bearing, incurred in the normal course of the Company's business operations and are within the credit terms of each relevant supplier or service provider.

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

11. Share capital and contributed surplus and warrants

Authorized share capital

Unlimited common shares without nominal or par value.

Escrowed shares

Per the amended share purchase agreement, Latin Gold agreed to place 6,522,366 shares in escrow for an extended period of time. Half of the shares were released from escrow on October 2, 2012 and the remainder will be released on the earlier of October 2, 2013 or on the issuance of a drill permit by Minister of Energy and Mines Peru for the Yanamina Project mining concessions. For the year ended March 31, 2014 there are no escrowed shares.

Issuance of shares and warrants

On September 25, 2013, the Company closed a non-brokered private placement of 13,517,000 units for proceeds of $675,850 ("the Private Placement"). Each unit is comprised of one common share and one common share purchase warrant (the "Warrants") entitling the holder to purchase one additional share of Coronet at $0.10 at any time for a period of two years from the closing date of the Private Placement. The Company paid finders' fees of $3,400 and other share issuance costs of $9,494 in cash in connection with the Private Placement.

In addition to the Warrants, the Company issued 500,000 broker warrants as finder's fees. The fair value of the broker warrants issued is estimated using the Black-Scholes option pricing model. The fair value of $19,535 was offset against share capital as share issuance costs together with a corresponding increase to contributed surplus. Average forecasted volatility was 137.87%, average risk-free interest rate was 1.240%, average expected life was 2 years and the fair value weighted average of broker warrants issued was $0.04.

On February 6, 2014 the Company closed a non-brokered private placement of 14,947,660 units at a price of $0.05 per unit for gross proceeds of $747,383 (the "February Private Placement"). Each unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share of Coronet at an exercise price of $0.10 at any time for a period of two years from the closing date of the February Private Placement. The Company paid finders' fees of $1,800 in cash and other share issuance costs of $11,962 in cash.

The Company also issued 36,000 finders' warrants in connection with the February Private Placement. The fair value of the broker warrants issued is estimated using the Black-Scholes option pricing model. The fair value of $1,529 was offset against share capital as share issuance costs together with a corresponding increase to contributed surplus. Average forecasted volatility was 137.48%, average risk-free interest rate was 0.98%, average expected life was 2 years and the fair value weighted average of broker warrants issued was $0.04.

On October 31, 2012, the Company issued 6,428,862 common shares as part of the consideration for the acquisition of WCGM *(note 6).*

Warrant transactions for the year ended March 31, 2014 were as follows:

	Number of Warrants #	**Weighted average exercise price $**
Balance, April 1, 2013	**19,660,217**	**0.50**
Expired June 1, 2013	**(19,660,217)**	**(0.50)**
Issued during the year	**29,000,660**	**0.10**
Balance, March 31, 2014	**29,000,660**	**0.10**

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

11. Share capital and contributed surplus and warrants (continued)

Stock options

The Company has an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares. The Company has a fixed option plan which allows for the issuance of up to 16,554,305 options, being 20% of the total number of issued and outstanding common shares of the Company as at August 11, 2011 (record date set for the annual and special general meeting where shareholders of the Company approved the plan). Such options will be exercisable for a period of up to 4 years from the date of grant. Vesting terms are determined by the Board of Directors at the time of grant.

The following table summarizes the changes in the outstanding stock options:

For the year ended	**March 31, 2014**		March 31, 2013	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance - beginning of period	**9,706,333**	**$ 0.17**	7,776,333	$ 0.37
Issued	**200,000**	**$ 0.10**	7,369,833	$ 0.10
Forfeited	**(100,000)**	**0.10**	-	-
Cancelled	**(1,402,333)**	**$ 0.16**	(5,439,833)	$ 0.37
Balance - end of period	**8,404,000**	**$ 0.17**	9,706,333	$ 0.17
Options exercisable - end of period	**8,304,000**	**$ 0.17**	8,306,333	$ 0.18

The fair value of options granted is estimated using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2014	**March 31, 2013**
Average dividend per share	**-**	-
Average forecasted volatility	**116%**	91%
Average risk-free interest rate	**1.69%**	1.53%
Average expected life	**4 years**	4 years
Fair value - weighted average of options issued	**$0.04**	$ 0.04

For the year ended March 31, 2014, the Company recorded stock-based compensation expense with an offsetting increase to contributed surplus of $36,952 (March 31, 2013 - $266,801).

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

11. Share capital and contributed surplus and warrants (continued)

Stock options (continued)

The range of exercise prices of stock options outstanding and exercisable as at March 31, 2014 is as follows:

	Outstanding options			Exercisable options	
Exercise prices	Number of options outstanding	Weighted average remaining term (years)	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$0.01 - $0.10	**6,830,000**	**2.35**	**$ 0.10**	**6,730,000**	**$ 0.10**
$0.31 - $0.40	**370,000**	**1.17**	**$ 0.36**	**370,000**	**$ 0.36**
$0.41 - $0.50	**1,204,000**	**1.53**	**$ 0.49**	**1,204,000**	**$ 0.49**
	8,404,000	**2.18**	**$ 0.17**	**8,304,000**	**$ 0.17**

12. Expenses by nature

General and administrative expenses by nature consist of the following:

For the year ended	**March 31, 2014**	March 31, 2013
	$	$
Staff costs	**133,938**	161,140
Depreciation	**12,621**	12,646
Office expenses	**59,026**	88,147
Travel and promotion	**164,751**	95,965
Insurance	**43,992**	14,714
Other administrative	**92,524**	81,603
	506,852	454,215

13. Financial instruments and risks

The Company's financial instruments consist of cash and cash equivalents, receivables, loans payable, contingent consideration and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. Receivables are GST/HST and VAT due from Canadian and Peruvian governments. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

13. Financial instruments and risks (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient liquidity to meet liabilities as they come due. As at March 31, 2014, the Company had a cash balance of $147,343 to settle current liabilities of $629,355. The Company does not have sufficient working capital to carry out all budgeted programs in 2015 and must finance during 2015 to avoid disruption in planned expenditures (see note 1).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has non-material exposure at March 31, 2014 to interest rate risk through its financial instruments.

b) Foreign currency risk

The operations of the Company in Peru are subject to currency fluctuations where exploration and administrative expenses are being incurred in the local currency, the Peruvian New Sol. The Company's ability to advance funds to Peru is subject to changes in the valuation of the New Sol and the US dollar as well as rules and regulations of the Peruvian government. Fluctuations in the value of the New Sol and the US dollar may have an adverse effect on the operations and operating costs of the Company. Certain other costs are incurred in other currencies, but mostly the US dollar. The appreciation of non- US dollar currencies against the US dollar can increase the cost of exploration and potential production in US dollar terms. The Company does not use derivatives to mitigate its exposure to foreign currency risk. The Company's consolidated statement of financial position contains balances of cash and cash equivalents, receivables, accounts payable and accrued liabilities and contingent consideration in currencies other than its functional currency. The Company is thus exposed to foreign exchange risk. A +- 5% change on the USD:CAD rate relating to US $55,711 in assets (Cash and Prepaids held in USD) could have an ~$3,079 impact either way. The impact on US $323,596 current liabilities is about $17,887 either way.

c) Price risk

The Company's exposure to price risk with respect to commodity and equity prices is minimal due to the fact that the Company is still in the exploration stage with no earnings. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company intends to closely monitor commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company when warranted.

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

14. Related party transactions

The Company incurred the following related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations and were measured at the exchange amount as follows:

a) The Company pays a monthly corporate administration fee of $3,150 that includes office rent ($900) and accounting ($2,250) to a company controlled by an officer and director. During the twelve-month period ended March 31, 2014, this amount was $37,800 (March 31, 2013- $37,800).

b) Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers and share based compensation directly to directors, executive officers and officers as follows:

Year ended	**March 31, 2014 $**	March 31, 2013 $
Consulting fees	**450,061**	561,077
Share-based compensation*	**-**	176,265
	450,061	737,342

** The estimated fair value of the stock options granted during the period was determined using the Black-Scholes option pricing model.*

Included in accounts payable and accrued liabilities at March 31, 2014 was $194,538 payable to related parties (2013 - $140,012).

15. Segmented information

The Company operates in one segment, being mineral exploration and development. Losses for the year and total assets by geographic location are as follows:

	March 31, 2014 $	March 31, 2013 $
Loss		
Canada	**401,376**	1,649,565
United States	**718,111**	83,540
Peru	**320,305**	5,344,062
Total losses	**1,439,792**	7,077,167

	March 31, 2014 $	March 31, 2013 $
Total assets		
Canada	**192,454**	1,795,779
United States	**4,030,975**	1,943,385
Peru	**64,061**	68,425
Total assets	**4,287,490**	3,807,589

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

16. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 13.

In the management of capital, the Company includes the components of Shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares monthly and annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

The Company is not currently subject to externally imposed capital requirements. There are no changes in the Company's approach to capital management.

17. Operating lease commitments

The Company through its subsidiary, Coronet Metals (US) Inc., entered into a two year operating lease for a precious metals processing facility commencing February 2013 through February 2015. The total minimum lease payments are $20,000 per month. From April 1, 2014 to March 31, 2015 the Company will incur $210,715 in lease payments. The Company has the option to purchase the Facility for $4,000,000 at any time during the lease-term. The term will renew automatically for another 24 months after the initial period.

18. Income taxes

A reconciliation of income tax recoveries at the statutory rate of 26% (2013 – 25%) with the reported taxes is as follows:

	March 31, 2014 $	March 31, 2013 $
Loss before income taxes	**(1,439,792)**	(8,012,167)
Expected income tax recovery	**(374,000)**	(2,003,000)
Impact of different foreign statutory tax rates of subsidiaries	**(70,000)**	(314,000)
Non-deductible expenditures and non-taxable income	**13,000**	717,000
Change in unrecognized deductible temporary differences	**431,000**	679,000
Impact of future income tax rates applied vs. current rates	**-**	(14,000)
Income tax recovery	**-**	(935,000)

EXPRESSED IN CANADIAN DOLLARS EXCEPT WHERE OTHERWISE INDICATED

18. Income taxes (continued)

The Company's Canadian income tax rate declined from 26.5% to 25% during fiscal 2014 and remained at 25% during fiscal 2013. Effective April 1, 2013, the Company's Canadian income tax rate increased from 25% to 26%.

The Company has not recognized any deferred tax assets as realization is not probable.

The significant components of the Company's unrecorded deferred tax assets are as follows:

	March 31, 2014 $	March 31, 2013 $
Deferred Tax Assets (liabilities):		
Exploration and evaluation assets	**893,000**	1,003,000
Property and equipment	**42,000**	-
Share issuance costs	**75,000**	117,000
Non-capital losses available for future period	**1,517,000**	1,103,000
	2,527,000	2,223,000
Unrecognized deferred tax assets	**(2,527,000)**	(2,223,000)
Net deferred tax assets	**-**	-

The non-capital losses expire from 2014 through 2033. Tax attributes are subject to review and potential adjustment, by tax authorities

19. Subsequent events

1. On June 16, 2014, Argus Metals Corp. ("Argus") and Coronet announced that they have signed a definitive agreement whereby Argus will purchase the Yanamina Gold Project from Coronet. On the close of this transaction Coronet will own 40% of Argus and have the right to maintain its ownership through any future financings by Argus. Closing of the transaction is subject to a number of conditions precedent, including satisfactory completion of due diligence and TSXV approval. There can be no assurance that the conditions will be met or that the transaction will be completed as proposed or at all.

2. Effective April 11, 2014 the company issued a promissory note to related party, Pashleth Investments Inc. The principal amount $190,900 bears interest at a rate of equal to 10% per annum, compounded monthly. Principal and accrued interest are due by October 11, 2014.