PRISM RESOURCES INC.

Condensed Interim Consolidated Financial Statements

First Quarter ended March 31, 2014

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements of the Company for the period ended March 31, 2014 have been prepared by management and have not been subject to review by the Company's auditors.

PRISM RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	March 31, 2014	December 31, 2013
	$	$
Assets		
Current assets		
Cash	652,391	656,548
Amounts receivable	207	220
Prepaid expenses	1,600	1,600
	654,198	658,368
Investments (note 3)	5,000	1,000
	659,198	659,368
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	28,396	27,324
Equity		
Share capital (note 4)	13,528,395	13,528,395
Reserves	406,680	406,680
Accumulated other comprehensive loss	(3,000)	(7,000)
Deficit	(13,301,273)	(13,296,031)
	630,802	632,044
	659,198	659,368

See accompanying notes to the condensed interim consolidated financial statements

Nature and continuance of operations (note 1)
Events after the reporting period (note 7)

Approved by the Board of Directors and authorized for issue on May 14, 2014.

"Scott Ross"
Scott Ross, Director

"Ken Morgan"
Ken Morgan, Director

PRISM RESOURCES INC.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	$	$
Operating costs and expenses		
Bank charges and interest	32	53
Legal and accounting	1,000	-
Office and misc.	9	-
Shareholder relations	2,023	2,063
Trust and filing fees	2,178	2,007
Net Loss for the period	(5,242)	(4,123)
Other comprehensive income (loss)		
Fair value adjustment, net of tax, on available for sale financial instruments:		
Investments	4,000	(3,000)
Other comprehensive loss for the period	4,000	(3,000)
Comprehensive loss	(1,242)	(7,123)
Weighted average number of common shares outstanding	22,825,593	22,825,593
Basic and diluted loss per share	$ (0.00)	$ (0.00)

See accompanying notes to the condensed interim consolidated financial statements

PRISM RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	$	$
Cash provided by (used for):		
Operating activities		
Loss for the period	(5,242)	(4,123)
Changes in non-cash operating capital:		
Amounts receivable	13	913
Accounts payable and accrued liabilities	1,072	873
Cash used in operating activities	(4,157)	(2,337)
Decrease in cash and cash equivalents	(4,157)	(2,337)
Cash and cash equivalents, beginning of the period	656,548	692,988
Cash and cash equivalents, end of the period	652,391	690,651

See accompanying notes to condensed interim consolidated financial statements

PRISM RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares (note 4)	Share capital (note 4)	Reserves (note 4)	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' Equity
		$	$	$	$	$
December 31, 2013	22,825,593	13,528,395	406,680	(7,000)	(13,296,031)	632,044
Unrealized loss on available-for-sale investment	-	-	-	4,000	-	4,000
Loss for the three months	-	-	-	-	(5,242)	(5,242)
March 31, 2014	21,037,593	13,349,595	406,680	(3,000)	(13,301,273)	630,802
December 31, 2012	22,825,593	13,528,395	406,680	(2,000)	(13,239,033)	694,042
Unrealized loss on available-for-sale investment	-	-	-	(3,000)	-	(3,000)
Loss for the three months	-	-	-	-	(4,123)	(4,123)
March 31, 2013	22,825,593	13,528,395	406,680	(5,000)	(13,243,156)	686,919

See accompanying notes to condensed interim consolidated financial statements

(Unaudited - Expressed in Canadian dollars)

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties. The Company currently does not have an interest in any mineral properties except as described in note 6.

The address of the Company's corporate office is 214-3540 West 41 Avenue, Vancouver, BC, V6N 3E6.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has net working capital of $625,802 as at March 31, 2014 (December 31, 2013 - $631,044). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital.

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 realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and preparation

These condensed interim 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 interim consolidated financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these consolidated financial statements do not include all of the information and footnotes required by IFRS for complete consolidated financial statements for year-end reporting purposes. These consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these consolidated financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended December 31, 2013.

These consolidated financial statements have been prepared on the historical cost basis and include the accounts of the Company and its wholly owned subsidiary. Intercompany balances and transactions are eliminated on consolidation. The presentation and functional currency of the Company is the Canadian dollar.

Consolidation

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
0938980 B.C. Ltd.	British Columbia, Canada	100%	Inactive

b) Critical accounting estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(Unaudited - Expressed in Canadian dollars)

2) SIGNIFICANT ACCOUNTING POLICIES (*continued*)

c) New accounting standards and recent pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. These standards have been assessed to not have a significant impact on the Company's financial statements:

i. IFRS 9, *"Financial Instruments"*

The IASB intends to replace IAS 39 – *"Financial Instruments: Recognition and Measurement'* in its entirety with IFRS 9. 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. IFRS 9 has two measurement categories for financial assets: 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, in which case it is at fair value through profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after a future date which has yet to be determined.

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

3) INVESTMENTS

	March 31, 2014		December 31, 2013	
Available-for-sale	Number of Shares	$	Number of Shares	$
Manson Creek Resources Ltd. - cost	200,000	8,000	200,000	8,000
Unrealized (loss) gain	-	(3,000)	-	(7,000)
Balance - fair value	200,000	5,000	200,000	1,000

4) SHARE CAPITAL

a) Authorized share capital of the Company is unlimited.

b) Share purchase options

No options were granted during the three months ended March 31, 2014 and the year ended December 31, 2013.

Option pricing models require the input of highly-subjective assumptions, particularly as to the expected price volatility of the stock and the expected life of the option. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants and warrant issuances.

(Unaudited - Expressed in Canadian dollars)

4) SHARE CAPITAL *(continued)*

b) Share purchase options *(continued)*

The following is a summary of the changes in the Company's outstanding stock options:

	March 31, 2014		December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Balance, beginning of the period	1,600,000	0.32	1,600,000	0.32
Granted	-	-	-	-
Balance, end of the period	1,600,000	0.32	1,600,000	0.32
Exercisable, end of the period	1,600,000	0.32	1,600,000	0.32
Weighted average years to expiry		3.15		3.40

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	March 31, 2014		December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Balance, beginning of the year	-	-	130,165	0.10
Expired/cancelled	-	-	(130,165)	0.10
Balance, end of the year	-	-		-
Weighted average years to expiry		-		-

5) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

6) NET PROFIT INTEREST

The Company maintains a 7.5% Net Profit Interest on Detour Gold's Aurora and Sunday Lake properties located adjacent to its Detour Lake gold mine located in North-Western Ontario.

7) EVENTS AFTER THE REPORTING PERIOD

On April 2, 2014, the Company announced that Miranda Gold Corp ("Miranda") and the Company had received an exploration contract for the Cerro Oro gold-silver project in Columbia. The issuance of the exploration contract was a condition of the definitive agreement announced on July 11, 2013 (the "Agreement") between Miranda and the Company whereby Prism will be obligated to finance exploration related expenditures of $4 million (U.S.) to earn a 51% interest in the Cerro Oro property and through additional financing can earn an additional 19% for a total interest of 70%.

The agreement with the Company is now only conditional until receipt of applicable regulatory and stock exchange approvals. Upon satisfaction of these foregoing conditions, the Company will issue Miranda 200,000 common shares and will reimburse Miranda for the $90,000 (U.S.) underlying lease payments paid by Miranda. To maintain the lease, annual escalating payments that total $625,000 over five years will be required and thereafter annual payments of $135,000. The project is also subject to a 1.2% production royalty and a per ounce gold bonus for a measured and indicated NI 43-101-compliant resource.