

# **BE RESOURCES INC.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE MONTHS ENDED MARCH 31, 2014**

**(UNAUDITED)**

**(EXPRESSED IN US DOLLARS UNLESS OTHERWISE NOTED)**

### **Notice To Reader**

The accompanying unaudited condensed interim consolidated financial statements of BE Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**BE RESOURCES INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**Unaudited**  
(Expressed in US Dollars unless otherwise noted)

	As at March 31, 2014	As at December 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 297,635	\$ 341,439
Prepaid expenses, deposits and other receivables	9,630	17,970
<b>Total assets</b>	<b>\$ 307,265</b>	<b>\$ 359,409</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 109,641	\$ 89,621
Accounts payable - related party (note 7)	116,865	83,000
Accrued liabilities	162,573	184,483
<b>Total liabilities</b>	<b>389,079</b>	<b>357,104</b>
<b>Shareholders' equity (deficiency)</b>	<b>(81,814)</b>	<b>2,305</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>\$ 307,265</b>	<b>\$ 359,409</b>

Going concern (note 2)  
Commitments and contingencies (notes 4 and 5)  
Subsequent event (note 9)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these financial statements.

Approved on behalf of the Board of Directors:

/s/ Jon Pereira

Jon Pereira  
Director

/s/ Edward Godin

Edward Godin  
Director

# BE RESOURCES INC.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss Unaudited

(Expressed in US Dollars unless otherwise noted)

	Three months ended March 31,	
	2014	2013
<b>Operating expenses</b>		
Management and consulting fees (note 7)	\$ 27,177	\$ 29,400
Geological consulting fees (note 7)	16,306	14,812
Office and general	(3,715)	5,882
Professional fees	11,020	8,062
Professional fees - related party (note 7)	13,789	17,816
Foreign exchange loss	3,478	3,575
Transfer agent and filing fees	11,969	24,892
<b>Net loss for the period</b>	\$ (80,024)	\$ (104,439)
<b>Other comprehensive loss</b>		
<b>Items that will not be reclassified subsequently to income</b>		
Foreign currency translation	(4,095)	-
<b>Comprehensive loss for the period</b>	\$ (84,119)	\$ (104,439)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.01)
<b>Basic and diluted weighted average number of common shares</b>	19,357,625	10,007,625

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**BE RESOURCES INC.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**Unaudited**  
(Expressed in US Dollars unless otherwise noted)

	Three months ended March 31,	
	2014	2013
<b>Cash provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (80,024)	\$ (104,439)
Items not involving cash:		
Foreign exchange	(4,095)	-
	<b>(84,119)</b>	(104,439)
Changes in non-cash working capital items:		
Prepaid expenses, deposits and other receivables	8,340	(6,667)
Accounts payable and accrued liabilities	31,975	20,854
<b>Net cash used in operating activities</b>	<b>(43,804)</b>	<b>(90,252)</b>
<b>Change in cash</b>	<b>(43,804)</b>	<b>(90,252)</b>
<b>Cash, beginning of period</b>	<b>341,439</b>	<b>287,145</b>
<b>Cash, end of period</b>	<b>\$ 297,635</b>	<b>\$ 196,893</b>

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# BE RESOURCES INC.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

### Unaudited

(Expressed in US Dollars unless otherwise noted)

	Reserves						Shareholders' equity (deficiency) (\$)
	Common shares (#)	Common shares (\$)	Warrants (\$)	Share-based payments (\$)	Accumulated other comprehensive loss (\$)	Deficit (\$)	
<b>Balance at December 31, 2012</b>	<b>10,007,625</b>	<b>13,897,649</b>	<b>218,095</b>	<b>621,262</b>	-	<b>(14,772,735)</b>	<b>(35,729)</b>
Option expiry	-	-	-	(122,100)	-	122,100	-
Net loss for the period	-	-	-	-	-	(104,439)	(104,439)
<b>Balance at March 31, 2013</b>	<b>10,007,625</b>	<b>13,897,649</b>	<b>218,095</b>	<b>499,162</b>	-	<b>(14,755,074)</b>	<b>(140,168)</b>
<b>Balance at December 31, 2013</b>	<b>19,357,625</b>	<b>14,138,374</b>	<b>326,083</b>	<b>618,689</b>	<b>(10,657)</b>	<b>(15,070,184)</b>	<b>2,305</b>
Foreign currency translation	-	-	-	-	(4,095)	-	(4,095)
Net loss for the period	-	-	-	-	-	(80,024)	(80,024)
<b>Balance at March 31, 2014</b>	<b>19,357,625</b>	<b>14,138,374</b>	<b>326,083</b>	<b>618,689</b>	<b>(14,752)</b>	<b>(15,150,208)</b>	<b>(81,814)</b>

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these financial statements.

# **BE RESOURCES INC.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**March 31, 2014**

**Unaudited**

**(Expressed in US Dollars unless otherwise noted)**

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### **1. NATURE OF OPERATIONS**

BE Resources Inc. (the "Company") was incorporated on August 8, 2007 under the laws of the State of Colorado, United States for the purpose of acquiring certain mineral interests and further exploring and if warranted, developing those interests. The primary office of the Company is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

On July 26, 2012, the Company announced that it voluntarily deregistered its common stock in the United States in order to conserve cash as it searches for suitable assets or businesses to acquire or merge with. The Company's common stock will continue to be eligible for public trading on the TSX Venture Exchange ("TSXV") and in the United States through the Financial Industry Regulatory Authority's Over-the-Counter Bulletin Board.

The Company's focus is on the exploration of its LaFlamme property as well as on acquiring additional interests in mineral resource exploration and development properties.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

### **2. GOING CONCERN**

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has an accumulated deficit of \$15,150,208 as at March 31, 2014 and a net loss of \$80,024 and negative net cash flows from operating activities of \$43,804 for the three months ended March 31, 2014. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and the attainment of profitable operations. These factors raise significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed interim 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. These adjustments could be material.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of April 16, 2014, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

# **BE RESOURCES INC.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**March 31, 2014**

**Unaudited**

**(Expressed in US Dollars unless otherwise noted)**

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Change in accounting policies**

IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. At January 1, 2014 the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

#### **Recent accounting pronouncements**

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 and 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

### **4. COMMITMENTS AND CONTINGENCIES**

#### **Environmental Consideration**

The exploration for and development of resource properties involves the extraction, production and transportation of materials, which under certain conditions, can be hazardous or cause environmental pollution problems. The Company is taking action it believes appropriate to satisfy applicable federal, state, provincial and local environmental regulations and does not currently anticipate that compliance with federal, state, provincial and local environmental regulations will have a material adverse effect upon capital expenditures, results of operations or financial condition. However, due to the significant public and governmental interest in environmental matters related to those activities, the Company cannot predict the effects of possible future legislation, rule changes, or governmental or private claims.

### **5. MINERAL EXPLORATION PROPERTIES**

#### **LaFlamme Property**

On December 9, 2013, the Company entered into an option agreement to acquire a 100% interest in the LaFlamme property, subject to a 3% NSR. The LaFlamme property is located in the Abitibi area of Quebec in Bernetz Township. The Company has the right to earn a 100% interest in the property by making the following option payments:

- i) On signing of the agreement, cash payment of Cdn\$10,000 (\$9,708) (paid) and an option to acquire 200,000 common shares of the Company at the minimum option exercise price at the time of grant in accordance with the rules of the TSXV; and
- ii) Upon closing of a hard dollar, non-flow-through, financing of not less than Cdn\$300,000 by the Company, the further sum of Cdn\$10,000.

### **6. SHARE CAPITAL**

On March 21, 2013, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every six pre-consolidation common shares. As part of the share consolidation, the stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The share consolidation has been reflected in these unaudited condensed interim consolidated financial statements and all applicable references to the number of shares, warrants and stock options and their strike price and per share information have been restated.

# BE RESOURCES INC.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

Unaudited

(Expressed in US Dollars unless otherwise noted)

### 6. SHARE CAPITAL (Continued)

#### (a) Authorized

41,666,667 shares of voting common stock, with no par value

1,666,667 shares of preferred stock, with no par value

#### (b) Issued capital stock

There were no changes in capital stock during the three months ended March 31, 2014 and March 31, 2013.

#### (c) Stock options

The Company's stock option plan (the "Plan") was amended in December 2013 from a 10% rolling stock option plan to a fixed number option plan. The Plan now allows the Company to provide for the grant of incentive and non-qualified stock options for up to 3,800,000 common shares to employees, consultants, officers and directors of the Company.

A summary of changes in stock options are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2012	425,000	\$ 1.56
Expired	(83,333)	1.67
Balance, March 31, 2013	341,667	\$ 1.53
Balance, December 31, 2013 and March 31, 2014	1,491,667	\$ 0.15

As at March 31, 2014, the following stock options were outstanding:

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiration Date
November 12, 2009	66,667	66,667	CDN\$0.37	November 12, 2014
June 7, 2010	8,333	8,333	CDN\$0.37	June 7, 2015
September 9, 2011	266,667	266,667	CDN\$0.37	September 9, 2016
August 7, 2013	1,150,000	1,150,000	CDN\$0.10	August 7, 2018
	1,491,667	1,491,667		

As at March 31, 2014, the weighted average exercise price of the outstanding options is Cdn\$0.16. As at March 31, 2014, the weighted average remaining contractual life of outstanding options is 3.83 years.

# BE RESOURCES INC.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

Unaudited

(Expressed in US Dollars unless otherwise noted)

### 6. SHARE CAPITAL (Continued)

#### (d) Warrants

A summary of changes in warrants and compensation warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2012 and March 31, 2013	941,333	\$ 1.14
Balance, December 31, 2013 and March 31, 2014	10,183,333	\$ 0.14

As at March 31, 2014, the following warrants were outstanding:

Expiration Date	Number of Warrants	Exercise Price	Grant Date Fair Value, Net of Issue Costs
September 6, 2014	833,333	CDN\$0.60	\$ 118,065
August 1, 2018	9,350,000	CDN\$0.10	208,018
	10,183,333		\$ 326,083

### 7. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

- (a) During the three months ended March 31, 2014, the Company incurred fees for accounting services rendered of \$4,957 (three months ended March 31, 2013 - \$8,005) charged by a corporation controlled by an officer of the Company and consulting fees of \$5,435 (three months ended March 31, 2013 - \$5,947) charged by this officer. These amounts are included in professional fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. During the three months ended March 31, 2014, the Company incurred fees for corporate secretarial services rendered of \$3,397 (three months ended March 31, 2013 - \$3,864) charged by a corporation of which an officer of the Company is also an officer and shareholder. Included in accounts payable as at March 31, 2014 is \$6,207 (December 31, 2013 - \$8,081) owing to this corporation and \$2,710 (December 31, 2013 - \$1,771) owing to a corporation of which this individual is also an officer and shareholder. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.
- (b) Starting February 23, 2012, the Company paid or accrued a monthly consulting fee of CDN\$10,000 to an officer and director of the Company. During the three months ended March 31, 2014, consulting fees of \$27,177 (three months ended March 31, 2013 - \$29,400) are included in management and consulting fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Included in accounts payable as at March 31, 2014 is \$97,516 (December 31, 2013 - \$73,148) owing to the same officer and director of the Company. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

# BE RESOURCES INC.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2014

Unaudited

(Expressed in US Dollars unless otherwise noted)

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### 7. RELATED PARTY TRANSACTIONS (Continued)

- (c) During the three months ended March 31, 2014, the Company incurred fees for geological consulting services rendered of \$13,589 (three months ended March 31, 2013 - \$14,812) charged by a corporation controlled by a former director. These amounts are included in geological consulting fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Included in accounts payable as at March 31, 2014 is \$nil (December 31, 2013 - \$nil) owing to this corporation.
- (d) During the three months ended March 31, 2014, the Company incurred fees for legal services rendered of \$nil (three months ended March 31, 2013 - \$nil) charged by a corporation controlled by a director of the Company. These amounts are included in professional fees in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Included in accounts payable as at March 31, 2014 is \$10,432 (December 31, 2013 - \$10,843) owing to this corporation.

To the knowledge of the directors and senior officers of the Company as at March 31, 2014, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	<b>Number of common shares</b>	<b>Percentage of outstanding common shares</b>
2380775 Ontario Limited	2,000,000	10 %

As of March 31, 2014, directors and officers of the Company with control of less than 10% of the common shares of the Company collectively controlled 2,009,904 common shares of the Company or approximately 10% of the total common shares outstanding.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

### 8. SEGMENTED INFORMATION

The Company has one operating segment, which is the exploration and development of exploration properties in Canada.

### 9. SUBSEQUENT EVENT

On April 3, 2014, the Company released a National Instrument 43-101 report on its LaFlamme Property dated March 31, 2014.