Cadillac Ventures Inc.

Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 28, 2015

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

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

CADILLAC VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	February 28, 2015	May 31, 2014
	$	$
ASSETS		
Current assets		
Cash	**3,498**	8,859
Short-term investments (Note 4)	**30,133**	30,193
Accounts receivable and prepaids (Note 6)	**40,839**	35,756
Due from Renforth Resources Inc. (Note 17(a)(iii))	**170,000**	230,000
Marketable securities (Note 5)	**115,500**	201,000
Total current assets	**359,970**	505,808
Non-current assets		
Restricted cash (Note 9)	**400,000**	400,000
Property, plant and equipment (Note 7)	**76,843**	90,216
Mining rights (Note 8)	**22,682,386**	22,384,617
Total non-current assets	**23,159,229**	22,874,833
Total assets	**23,519,199**	23,380,641
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	**2,038,619**	1,276,603
Flow-through share liability (Note 11)	**-**	3,759
Total current liabilities	**2,038,619**	1,280,362
Non-current liability		
Decommissioning provision (Note 9)	**407,156**	401,046
Total non-current liability	**407,156**	401,046
Total liabilities	**2,445,775**	1,681,408
SHAREHOLDERS' EQUITY		
Share capital (Note 12(b))	**29,017,997**	29,017,997
Reserves	**10,523,502**	10,523,502
Accumulated deficit	**(18,468,075)**	(17,842,266)
Total shareholders' equity	**21,073,424**	21,699,233
Total liabilities and shareholders' equity	**23,519,199**	23,380,641

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

Nature of business and going concern (Note 1)

Approved by the Board:
"Norman Brewster", Director
"Maurice Stekel", Director

CADILLAC VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2015	**2014**	**2015**	**2014**
	$	$	**$**	$
Expenses				
Share-based compensation	**-**	560	**-**	30,059
Management and consulting fees (Note 17)	**75,500**	74,086	**245,195**	239,772
Shareholder relations	**22,352**	11,671	**41,477**	56,061
Legal and audit	**10,999**	12,602	**23,858**	53,912
Office and general	**57,717**	62,469	**182,072**	190,720
Travel	**1,164**	3,952	**3,023**	28,173
Accounting and corporate services	**11,913**	13,435	**32,585**	41,133
Advertising, promotions and investor relations	**-**	16,383	**3,907**	49,310
Foreign exchange loss	**-**	-	**-**	53,524
Flow-through charges	**-**	1,148	**173**	4,532
Depreciation (Note 7)	**4,458**	5,687	**13,373**	17,061
Total operating expenses	**184,103**	201,993	**545,663**	764,257
Net operating loss before the following	**(184,103)**	(201,993)	**(545,663)**	(764,257)
Accretion expense (Note 9)	**(2,378)**	-	**(6,110)**	-
Interest and other income	**1,144**	11,284	**13,205**	15,414
Property option revenue (Note 8(i))	**-**	-	**54,500**	-
Premium on flow-through shares (Note 11)	**-**	32,641	**3,759**	76,676
Loss on marketable securities	**(10,000)**	(134,000)	**(145,500)**	(104,000)
Gain on sale of subsidiary (Note 3)	**-**	-	**-**	10,697
Net loss for the period	**(195,337)**	(292,068)	**(625,809)**	(765,470)
Basic and diluted loss per share (Note 15)	**(0.01)**	(0.02)	**(0.04)**	(0.05)
Weighted average number of shares outstanding - basic and diluted	**16,690,424**	16,632,404	**16,690,424**	16,518,373

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

CADILLAC VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2015	**2014**	**2015**	**2014**
	$	$	**$**	$
Net loss for the period	**(195,337)**	(292,068)	**(625,809)**	(765,470)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Sale of subsidiary (Note 3)	**-**	-	**-**	53,808
Total comprehensive loss	**(195,337)**	(292,068)	**(625,809)**	(711,662)

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

CADILLAC VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital	Reserves: Warrants	Reserves: Contributed Surplus	Reserves: Other Comprehensive Loss	Accumulated Deficit	Total
Balance, May 31, 2013	**$ 28,951,778**	**$ 1,797,734**	**$ 8,663,045**	**$ (53,808)**	**$ (16,811,230)**	**$ 22,547,519**
Private placements	135,440	-	-	-	-	135,440
Share issuance costs	(30,330)	-	-	-	-	(30,330)
Warrants and broker warrants issued	(32,664)	32,664	-	-	-	-
Flow-through share premium	(6,353)	-	-	-	-	(6,353)
Warrants expiry	-	(885,633)	885,633	-	-	-
Share-based compensation	-	-	30,059	-	-	30,059
Sale of subsidiary (Note 3)	-	-	-	53,808	-	53,808
Net loss for the period	-	-	-	-	(765,470)	(765,470)
Balance, February 28, 2014	**$ 29,017,871**	**$ 944,765**	**$ 9,578,737**	**$ -**	**$ (17,576,700)**	**$ 21,964,673**
Balance, May 31, 2014	**$ 29,017,997**	**$ 944,765**	**$ 9,578,737**	**$ -**	**$ (17,842,266)**	**$ 21,699,233**
Warrants expiry	-	(218,768)	218,768	-	-	-
Net loss for the period	-	-	-	-	(625,809)	(625,809)
Balance, February 28, 2015	**$ 29,017,997**	**$ 725,997**	**$ 9,797,505**	**$ -**	**$ (18,468,075)**	**$ 21,073,424**

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

CADILLAC VENTURES

CADILLAC VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended February 28, 2015	Nine Months Ended February 28, 2014
	$	$
Cash provided by (used in) operating activities		
Net loss for the period	**(625,809)**	(765,470)
Items not involving cash:		
Share-based compensation	**-**	30,059
Depreciation	**13,373**	17,061
Property option revenue	**(54,500)**	-
Gain on sale of subsidiary	**-**	(10,697)
Gain on marketable securities	**145,500**	104,000
Foreign exchange loss	**-**	53,808
Premium on flow-through shares	**(3,759)**	(76,676)
Accrued interest	**60**	564
Accretion expense	**6,110**	-
Changes in non-cash working capital:		
Accounts receivable and prepaids	**(5,083)**	(89,880)
Accounts payable and accrued liabilities	**762,016**	674,247
	237,908	(62,984)
Cash used in investing activities		
Expenditures on mining rights	**(303,269)**	(1,219,257)
Redemption of short-term investments	**430,000**	700,000
Purchase of short-term investments	**(430,000)**	(650,000)
Cash proceeds from Renforth Resources Inc.	**60,000**	5,000
Cash proceeds from sale of subsidiary, net of costs	**-**	11,629
Cash proceeds from sale of marketable securities	**-**	8,000
	(243,269)	(1,144,628)
Cash provided by financing activities		
Issue of common shares	**-**	135,440
Share issuance costs	**-**	(30,330)
	-	105,110
Net change in cash during the period	**(5,361)**	(1,102,502)
Cash, beginning of period	**8,859**	1,113,876
Cash, end of period	**3,498**	11,374
Non-cash transactions		
Shares received as payment from Renforth Resources Inc. (Note 17(a)(iii))	**-**	210,000
Shares received as payment from Anconia Resources Corp. (Note 8(i))	**60,000**	-

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

CADILLAC VENTURES

1. NATURE OF BUSINESS AND GOING CONCERN

Cadillac Ventures Inc. ("Cadillac" or the "Company") is publicly traded on the TSX Venture Exchange under the symbol CDC. Cadillac is a development-focused exploration company which has two Canadian exploration projects, located in regions that have been historically active, and an exploration project in Peru. The Burnt Hill property is a 51% owned tungsten tin project located outside of Fredericton, New Brunswick. The Thierry Mine project is located in Kapkichi Lake Township and Ponsford Lake Township, Ontario. The Kirkland Lake Gold property is located west of the town of Kirkland Lake, Ontario. In addition, Cadillac has an initial 30% indirect interest in the Lima Norte property located in Peru. The primary office is located at 65 Front Street East, Suite 200, Toronto, Ontario, M5E 1B5.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has had recurring losses and will require additional financing to fund its continuing exploration efforts. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain and complete the acquisition and development of its property interests. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. These adjustments could be material.

2. 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 IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of April 24, 2015, 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 consolidated financial statements as at and for the year ended May 31, 2014, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending May 31, 2015 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after May 31, 2014. The following new standard have been adopted:

(i) IAS 32 - Financial Instruments, Presentation ("IAS 32") is effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At June 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Recent accounting pronouncements

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB between October 2010 and July 2014 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 except for own-credit risk presentation. 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 January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of this pronouncement.

3. SALE OF SUBSIDIARY

On November 30, 2013, the Company completed the sale of a 100% interest in its wholly-owned subsidiary Cadillac Ventures Spain S.L.U. for $20,000.

Consideration received		
Cash	$	20,000
Costs resulting from sale		(7,756)
		12,244
Net identifiable assets disposed of:		
Cash and cash equivalents		615
Accounts receivable and prepaids		932
		(1,547)
Gain on sale of subsidiary	$	10,697

Upon disposal, losses accumulated in other comprehensive loss of $53,808 were transferred to foreign exchange loss in the unaudited condensed interim consolidated statements of loss.

(Expressed in Canadian Dollars)

4. SHORT-TERM INVESTMENTS

Royal Bank Guaranteed Investment Certificates	February 28, 2015	May 31, 2014
Bearing interest at 0.8%, due August 10, 2015	**$ 30,133**	$ -
Bearing interest at 0.8%, due August 10, 2014	**-**	30,193
	$ 30,133	$ 30,193

5. MARKETABLE SECURITIES

Marketable securities consist of 6,700,000 common shares of Renforth Resources Inc. ("Renforth"), a publicly held Canadian company engaged in the exploration of properties in Canada. In addition, the Company owns 1,000,000 common shares of Anconia Resources Corp. ("Anconia"), a publicly held Canadian company engaged in the exploration of properties in Canada and Spain. The market value of the common shares at February 28, 2015 was $115,500 (May 31, 2014 - $201,000).

During the nine months ended February 28, 2014, the Company received 4,200,000 common shares from Renforth (Note 17(a)(iii)).

During the nine months ended February 28, 2014, the Company sold 400,000 common shares of GoldON Resources Ltd. for gross proceeds of $8,000.

During the nine months ended February 28, 2015, the Company received 1,000,000 common shares from Anconia (Note 8(i)).

6. ACCOUNTS RECEIVABLE AND PREPAIDS

	February 28, 2015	May 31, 2014
Sale tax receivable	**$ 18,931**	$ 20,163
Prepaids	**19,968**	13,653
Accounts receivable	**1,940**	1,940
	$ 40,839	$ 35,756

The following is an aged analysis of the accounts receivable:

	February 28, 2015	May 31, 2014
Greater than 12 months	**$ 1,940**	$ 1,940

Sales tax receivable is not past due.

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Equipment and Furniture	Mining Equipment	Buildings	Computer Equipment	Total
Balance, May 31, 2014 and February 28, 2015	**$ 78,257**	**$ 300,575**	**$ 79,500**	**$ 6,380**	**$ 464,712**

Accumulated Depreciation	Equipment and Furniture	Mining Equipment	Buildings	Computer Equipment	Total
Balance, May 31, 2014	**$ 47,461**	**$ 249,704**	**$ 72,148**	**$ 5,183**	**$ 374,496**
Depreciation	3,817	7,631	1,655	270	13,373
Balance, February 28, 2015	**$ 51,278**	**$ 257,335**	**$ 73,803**	**$ 5,453**	**$ 387,869**

Net Book Value	Equipment and Furniture	Mining Equipment	Buildings	Computer Equipment	Total
Balance, May 31, 2014	**$ 30,796**	**$ 50,871**	**$ 7,352**	**$ 1,197**	**$ 90,216**
Balance, February 28, 2015	**$ 26,979**	**$ 43,240**	**$ 5,697**	**$ 927**	**$ 76,843**

8. MINING RIGHTS

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

(Expressed in Canadian Dollars)

8. MINING RIGHTS (CONTINUED)

The following expenditures are incurred on the Company's mineral properties:

	Three Months Ended February 28, 2015	Nine Months Ended February 28, 2015	Year Ended May 31, 2014
Burnt Hill Property, New Brunswick			
Opening balance	**$ 5,987,118**	**$ 5,953,302**	$ 4,932,544
Drilling	**-**	**-**	174,057
Geology and geophysics	**-**	**-**	215,490
Equipment rental	**-**	**-**	102,620
Management fees	**-**	**-**	52,519
Claims management	**-**	**-**	15,633
Lab analysis	**-**	**-**	108,583
Administrative	**-**	**160**	19,102
Meals and accommodation	**-**	**-**	74,367
Planning	**-**	**-**	12,400
Auto, transportation and fuel	**-**	**-**	36,545
Drafting	**-**	**-**	3,710
Travel and related costs	**-**	**-**	6,123
Other	**24,000**	**16,656**	22,709
Consulting	**17,000**	**58,000**	176,900
Total expenditures	**41,000**	**74,816**	1,020,758
Closing balance	**$ 6,028,118**	**$ 6,028,118**	$ 5,953,302
Thierry Mine Project, Ontario			
Opening balance	**$ 15,959,688**	**$ 15,824,560**	$ 15,547,219
Management fees	**-**	**778**	3,406
Equipment rental	**-**	**-**	6,808
Lab analysis	**-**	**956**	15,228
Consulting	**31,000**	**110,000**	102,500
Planning	**-**	**4,232**	-
Claim management	**-**	**700**	2,705
Property taxes	**46,476**	**61,826**	61,850
Site maintenance	**-**	**145**	2,030
Other	**15,849**	**49,816**	82,814
Total expenditures	**93,325**	**228,453**	277,341
Closing balance	**$ 16,053,013**	**$ 16,053,013**	$ 15,824,560

(Expressed in Canadian Dollars)

8. MINING RIGHTS (CONTINUED)

	Three Months Ended February 28, 2015	Nine Months Ended February 28, 2015	Year Ended May 31, 2014
Lima Norte Property, Peru			
Opening balance	**$ 601,255**	**$ 601,255**	$ 557,755
Mining Concession Renewals	**-**	**-**	43,500
Total expenditures	**-**	**-**	43,500
Closing balance	**$ 601,255**	**$ 601,255**	$ 601,255
Kirkland Lake Gold Property, Ontario			
Opening balance	**$ -**	**$ 5,500**	$ 5,500
Shares received under the arrangement (i)	**-**	**(60,000)**	-
Property option revenue	**-**	**54,500**	-
Total expenditures	**-**	**(5,500)**	-
Closing balance	**$ -**	**$ -**	$ 5,500
Total	**$ 22,682,386**	**$ 22,682,386**	$ 22,384,617

(i) On September 2, 2014, the Company entered into an option agreement (the "Agreement") with Anconia whereby Anconia will have the option to acquire up to a 100% interest in Cadillac's Grenfell Property (the "Property") in the Kirkland Lake area.

Under the terms of the agreement, Anconia can acquire a 60% interest (the "Option") upon (i) incurring expenditures on the Property of at least $275,000 by September 1, 2016, and (ii) issuing 2,000,000 common shares of Anconia to Cadillac (1,000,000 common shares issued) by September 2, 2015.

Upon acquisition of the 60% interest, Anconia will have the option to acquire the remaining 40% interest in the Property for (i) $300,000 ($200,000 of which shall be paid in cash and $100,000 of which shall be paid by the issuance of common shares of Anconia at a deemed price of the average of the 20 days closing price prior to the day upon which Cadillac is notified the interest is to be earned), and (ii) Cadillac retaining a 2% net smelter return royalty ("NSR") in the Property; 1% of the NSR can be can be purchased by Anconia for a period of up to 2 years after achieving commercial production for the sum of $1,000,000.

(Expressed in Canadian Dollars)

9. RESTRICTED CASH

The Company has restricted cash comprised of Bankers Acceptances. The Acceptances currently are reinvested on a monthly basis. The restricted amounts have been provided as security for an irrevocable letter of credit to the Ministry of Northern Development and Mines relating to the Thierry Mine project. As of February 28, 2015 the balance was $400,000 (May 31, 2014 - $400,000).

In respect of the above security on the Thierry Mine project, management has estimated that the present value of its decommissioning obligation as of February 28, 2015 amounts to $407,156 (May 31, 2014 - $401,046) which has been recognized as decommissioning provision. The present value of the obligation was calculated using a risk-free pre-tax discount rate of 2.41% and the obligation is expected to be realized in 10 years. During the three and nine months ended February 28, 2015, the Company recorded an accretion expense of $2,378 and $6,110, respectively (three and nine months ended February 28, 2014 - $nil).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to expenditures on mining rights and general operating activities.

		February 28, 2015		**May 31, 2014**
Accounts payable	**$**	**1,784,496**	$	1,116,271
Accrual liabilities		**254,123**		160,332
	$	**2,038,619**	$	1,276,603

The following is an aged analysis of the accounts payable and accrued liabilities:

		February 28, 2015		**May 31, 2014**
Less than 1 month	**$**	**207,619**	$	161,892
1 to 3 months		**133,641**		168,325
3 to 12 months		**762,400**		944,131
Greater than 12 months		**934,959**		2,255
	$	**2,038,619**	$	1,276,603

(Expressed in Canadian Dollars)

11. FLOW-THROUGH SHARE LIABILITY

Other liability includes the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance, May 31, 2014	**$**	**3,759**
Settlement of flow-through share liability on incurring expenditures		(3,759)
Balance, February 28, 2015	**$**	**-**

The flow-through common shares issued in the brokered private placement completed on December 31, 2013 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $6,353. The flow-through share liability as of May 31, 2014 was $3,759.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the nine months ended February 28, 2015, the Company satisfied $3,759 of the commitment by incurring eligible expenditures of approximately $74,000 and as a result the flow-through premium has been reduced to $nil.

12. SHARE CAPITAL

On February 12, 2015, the Company completed the consolidation of its issued and outstanding common shares on the basis of one post-consolidated common shares for ten pre-consolidated common shares. As part of the share consolidation all applicable references to the number of shares, warrants and stock options and their exercise price and per share information has been restated.

(a) Authorized

Unlimited number of non-participating, redeemable, voting Class B preference shares.
Unlimited number of Class C preference shares issuable in series.
Unlimited number of common shares.

(b) Issued common shares

	Number of Shares		Stated Value
Balance, May 31, 2013	**16,461,357**	**$**	**28,951,778**
Private placements (i)	229,067		135,440
Warrants and broker warrants issued (i)	-		(32,664)
Share issue costs	-		(30,330)
Flow-through share premium (Note 11)	-		(6,353)
Balance, February 28, 2014	**16,690,424**	**$**	**29,017,871**

	Number of Shares		Stated Value
Balance, May 31, 2014 and February 28, 2015	**16,690,424**	**$**	**29,017,997**

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (CONTINUED)

(b) Issued common shares (continued)

(i) On December 31, 2013, the Company announced the closing of the first tranche of its non-brokered private placement offering of units at $0.50 per unit and flow-through units at $0.60 per flow-through unit, issuing 20,000 units and 209,067 flow-through units for aggregate gross proceeds of $135,440.

Each unit consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire a further common share of the Company at a price of $1.00 per share for a period of 24 months following the date of issuance. The fair value of the 124,533 warrants was calculated to be $27,771 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 129.89%; risk-free interest rate of 1.13% and an expected average life of 2 years.

The Company paid to certain finders an aggregate cash commission of $10,835 and issued to the finders warrants to acquire up to an aggregate of 18,325 common shares of the Company at a price of $0.60 per share for a period of 24 months following the date of issuance. The fair value of the 18,325 broker warrants was calculated to be $4,893 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 129.89%; risk-free interest rate of 1.13% and an expected average life of 2 years.

13. SHARE-BASED COMPENSATION

The following table reflects the continuity of share-based compensation for the periods presented:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, May 31, 2013	**842,000**	**2.20**
Granted (i)	30,000	1.00
Balance, February 28, 2014	**872,000**	**2.12**

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, May 31, 2014	**872,000**	**2.12**
Expired	(247,000)	(2.68)
Balance, February 28, 2015	**625,000**	**1.90**

(Expressed in Canadian Dollars)

13. SHARE-BASED COMPENSATION (CONTINUED)

As of February 28, 2015, the following share-based compensation were outstanding and exercisable:

	Options Outstanding			Options Exercisable	
Expiry Date	**Number of Options**	**Weighted Average Remaining Contractual Life (years)**	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
June 28, 2015	157,500	0.33	$ 3.50	157,500	$ 3.50
December 20, 2016	167,500	1.81	2.00	167,500	2.00
April 22, 2018	270,000	3.14	1.00	270,000	1.00
June 6, 2018	30,000	3.27	1.00	30,000	1.00
	625,000	**2.08**	**$ 1.90**	**625,000**	**$ 1.90**

(i) On June 6, 2013, the Company granted an aggregate of 30,000 options to a director to acquire common shares of the Company at an exercise price of $1.00 per share for a period of five years pursuant to its stock option plan. The options vest immediately. The fair value of the 30,000 options was estimated on the date of grant using the Black-Scholes option pricing model with the following inputs: dividend yield of 0%; expected volatility of 127.45%; risk-free interest rate of 1.45%; share price of $0.45 and an expected life of 5 years. The estimated fair value was determined to be $10,500.

14. WARRANTS

The following table summarizes warrants that have been issued, exercised or have expired during the periods presented:

	Number of Warrants	Fair Value ($)
Balance, May 31, 2013	**4,523,658**	**1,797,734**
Issued (Notes 12(b)(i))	142,858	32,664
Expired	(819,446)	(885,633)
Balance, February 28, 2014	**3,847,070**	**944,765**

	Number of Warrants	Fair Value ($)
Balance, May 31, 2014	**3,847,071**	**944,765**
Expired	(870,880)	(218,768)
Balance, February 28, 2015	**2,976,191**	**725,997**

(Expressed in Canadian Dollars)

14. WARRANTS (CONTINUED)

The following table summarizes the warrants outstanding at February 28, 2015:

Exercise Price per Share ($)	Expiry Date	Number of Warrants Outstanding
1.00	August 28, 2015	833,333
1.00	November 30, 2015	2,000,000
1.00	December 31, 2015	124,533
0.60	December 31, 2015	18,325
		2,976,191

15. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended February 28, 2015 was based on the loss attributable to common shareholders of $195,337 and $625,809, respectively (three and nine months ended February 28, 2014 – $292,068 and $765,470, respectively) and the weighted average number of common shares outstanding of 16,690,424 (three and nine months ended February 28, 2014 – 16,632,404 and 16,518,373, respectively). Diluted loss per share did not include the effect of 625,000 options (February 28, 2014 - 872,000 options) and 2,976,191 warrants (February 28, 2014 - 3,847,071 warrants) as they are anti-dilutive.

16. SEGMENTED INFORMATION

The Company primarily operates in three reportable operating segments, being mineral exploration in Canada, Peru, and Spain. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

	February 28, 2015	May 31, 2014
Canada	**$ 22,917,944**	$ 22,779,386
Peru	**601,255**	601,255
Total Assets	**$ 23,519,199**	$ 23,380,641

	Three Months Ended February 28, 2015	Three Months Ended February 28, 2014	Nine Months Ended February 28, 2015	Nine Months Ended February 28, 2014
Canada	**$ 195,337**	$ 292,068	**$ 625,809**	$ 755,153
Spain	**-**	-	**-**	10,317
Total Net loss	**$ 195,337**	$ 292,068	**$ 625,809**	$ 765,470

(Expressed in Canadian Dollars)

17. MAJOR SHAREHOLDERS AND RELATED PARTY DISCLOSURES

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at February 28, 2015, 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:

Major Shareholder	Number of Common Shares	Percentage of Outstanding Common Shares
Urion Mining International B.V. (indirect wholly-owned subsidiary of Trafigura Beheer B.V.)	4,071,861	24.40%
Sino-Canada Natural Resources Fund I	2,000,000	11.98%

The Company's major shareholders do not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at fair value, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2015	**2014**	**2015**	**2014**
Elen Enterprises Inc. (i)	**$ 55,000**	$ 75,000	**$ 205,000**	$ 225,000
Elen Enterprises Inc. (i)	**4,500**	4,500	**13,500**	13,500
L. O'Shaughnessy & Associates (ii)	**30,000**	30,000	**90,000**	90,000
	$ 89,500	$ 109,500	**$ 308,500**	$ 328,500

(Expressed in Canadian Dollars)

17. MAJOR SHAREHOLDERS AND RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions (continued)

(a) The Company entered into the following transactions with related parties (continued):

(i) During the three and nine months ended February 28, 2015, consulting fees of $55,000 and $205,000, respectively and car allowance of $4,500 and $13,500, respectively were accrued to Elen Enterprises Inc., a company controlled by the President/Chief Executive Officer of the Company (comparative period - consulting fees $75,000 and $225,000, respectively; and car allowance $4,500 and $13,500, respectively). As at February 28, 2015, an amount of $324,291 was owing to the President/Chief Executive Officer of the Company and was included in accounts payable and accrued liabilities (May 31, 2014 - $83,216).

(ii) During the three and nine months ended February 28, 2015, management fees of $30,000 and $90,000, respectively (comparative period - $30,000 and $90,000, respectively) were accrued to L. O'Shaughnessy & Associates, a registered business name, for services to be performed by the Chief Financial Officer ("CFO") of the Company. As at February 28, 2015, an amount of $210,758 was owing to the CFO and was included in accounts payable and accrued liabilities (May 31, 2014 - $115,668).

(iii) During the three and nine months ended February 28, 2014, the Company received 4,200,000 common shares from Renforth in consideration for the $210,000 cash payment due on September 30, 2013.

On February 1, 2014, the Company signed an amended agreement regarding the $250,000 amount due from Renforth. Both parties agreed to settle the $250,000 cash payment through quarterly installments of $15,000, with the balance of $190,000 payable February 2015. In consideration for the restructuring of the payment, Renforth will pay an additional fee of $10,000 payable February 2015.

On December 2, 2014, the Company agreed, at Renforth’s request, to defer the $200,000 due from Renforth to November 1, 2015 with quarterly installments of $15,000 in December 2014 (paid), March 2015 (paid), June 2015, September 2015, with the balance due November 1, 2015. As at February 28, 2015, an amount of $170,000 was due from Renforth (May 31, 2014 - $230,000).

(b) Remuneration of the key management personnel of the Company was as follows:

	Three Months Ended February 28, 2015	Three Months Ended February 28, 2014	Nine Months Ended February 28, 2015	Nine Months Ended February 28, 2014
Salaries, benefits and fees	**$ 93,500**	$ 116,500	**$ 323,000**	$ 344,500
Share-based compensation	**-**	-	**-**	10,500
	$ 93,500	$ 116,500	**$ 323,000**	$ 355,000

The Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and share-based compensation for their services. As at February 28, 2015, an amount of $28,500 was owing to directors and was included in accounts payable and accrued liabilities (May 31, 2014 - $14,000).