RAINMAKER
RESOURCES LTD

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2015

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Rainmaker Resources Ltd. (the "Company") for the three and six months ended April 30, 2015 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		APRIL 30, 2015		OCTOBER 31, 2014
ASSETS				
Current Assets				
Cash	**$**	**10,386**	$	80,594
Short term investment		**23,000**		331,186
Amounts receivable		**9,745**		6,750
Prepaid expenses		**53**		37,487
Total Current Assets		**43,184**		456,017
Equipment (Note 5)		**-**		4,012
Exploration and Evaluation Assets (Note 6)		**379,586**		375,784
Total Assets	**$**	**422,770**	$	835,813
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (Note 11)	**$**	**85,471**	$	154,109
Loan payable (Note 7)		**5,000**		-
Total Liabilities		**90,471**		154,109
Shareholders' Equity				
Share capital (Note 9)		**11,271,941**		11,271,941
Contributed surplus (Note 9)		**1,505,849**		1,505,849
Accumulated deficit		**(12,445,491)**		(12,096,086)
Total Shareholders' Equity		**332,299**		681,704
Total Liabilities and Shareholders' Equity	**$**	**422,770**	$	835,813

These financial statements were approved and authorized for issue on behalf of the Board of Directors on June 29, 2015 by:

"Chris Healey"	*"Bev Funston"*
Chief Executive Officer	Director

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	THREE MONTHS ENDED APRIL 30, 2015	THREE MONTHS ENDED APRIL 30, 2014	SIX MONTHS ENDED APRIL 30 2015	SIX MONTHS ENDED APRIL 30 2014
Expenses				
Advertising and shareholder relations	**$ 33,368**	$ 9,335	**$ 34,968**	$ 15,340
Consulting fees (Notes 12)	**2,865**	52,206	**65,805**	65,456
Depreciation	**3,474**	-	**4,012**	-
Filing and transfer fees	**14,781**	6,603	**15,989**	13,149
Foreign exchange loss	**148**	-	**1,019**	-
Insurance	**2,243**	-	**4,487**	-
Office and sundry	**4,094**	9,595	**13,661**	10,987
Professional fees	**31,771**	17,069	**47,855**	29,848
Property investigation (Note 12)	**-**	42,733	**18,495**	61,756
Share-based payments	**-**	219,000	**-**	219,000
Travel and entertaining	**-**	18,701	**3,579**	22,511
Total expenses	**92,744**	375,242	**209,870**	438,047
Loss before other items	**(92,744)**	(375,242)	**(209,870)**	(438,047)
Other items				
Finance fees (Note 7)	**-**	-	**-**	(14,000)
Forgiveness of debt (Note 8)	**-**	-	**-**	6,250
Interest income (expense)	**(665)**	-	**623**	-
Other expense (Notes 11 and 12)	**(126,000)**	-	**(126,000)**	-
Write-off of exploration and evaluation assets	**(14,158)**	-	**(14,158)**	-
	(140,823)	-	**(139,535)**	(7,750)
Net Loss and Total Comprehensive Loss For The Period	**(233,567)**	(375,242)	**(349,405)**	(445,797)
Basic and Fully Diluted Loss Per Share	**$ (0.01)**	$ (0.02)	**$ (0.01)**	$ (0.03)
Weighted Average Number Of Shares Outstanding	**25,838,866**	20,063,455	**25,838,866**	16,926,059

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD FROM NOVEMBER 1, 2013 TO APRIL 30, 2015
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	SHARE CAPITAL									
	SHARES		AMOUNT		SHARES TO BE ISSUED		CONTRIBUTED SURPLUS		DEFICIT		TOTAL SHAREHOLDERS' EQUITY
Balance October 31, 2013	9,010,534		9,577,350	$	14,000	$	1,278,149	$	(10,947,958)	$	(78,459)
Shares issued for cash at $0.05	6,500,000		325,000		-		-		-		325,000
Share issue costs	-		(47,547)		-		-		-		(47,547)
Shares issued for financing fees	200,000		14,000		(14,000)		-		-		-
Shares issued for cash at $0.15	7,598,332		1,139,750		-		-		-		1,139,750
Share issue costs	-		(99,112)		-		7,600		-		(91,512)
Shares issued for exploration and evaluation properties	2,230,000		320,500		-		-		-		320,500
Share based compensation	-		-		-		219,000				219,000
Net loss for the period	-		-		-		-		(445,797)		(445,797)
Balance April 30, 2014	25,538,866		11,229,941		-		1,504,749		(11,393,755)		1,340,935
Shares issued for exploration and evaluation properties	300,000		42,000		-		-		-		42,000
Share based compensation	-		-		-		1,100				1,100
Net loss for the period	-		-		-		-		(702,331)		(702,331)
Balance October 31, 2014	25,838,866		11,271,941		-		1,505,849		(12,096,086)		681,704
Net loss for the period	-		-		-		-		(349,405)		(349,405)
Balance April 30, 2015	**25,838,866**	**$**	**11,271,941**	**$**	**-**	**$**	**1,505,849**	**$**	**(12,445,491)**		**332,299**

The accompanying notes form an integral part of these financial statements.

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	SIX MONTHS ENDED APRIL 30, 2015	SIX MONTHS ENDED APRIL 30, 2014
Cash Flows From (Used In) Operating Activities		
Net loss for the period	**$ (349,405)**	$ (445,797)
Items not affecting cash:		
Accrued interest	**1,002**	-
Finance fees	**-**	14,000
Depreciation	**4,012**	-
Forgiveness of debt	**-**	(6,250)
Share-based payments	**-**	219,000
Changes in non-cash working capital items:		
Amounts recoverable	**(2,811)**	(10,751)
Prepaid expenses	**37,434**	(56,580)
Accounts payable and accrued liabilities	**(68,638)**	(6,595)
Cash Outflows From Operating Activities	**(378,406)**	(292,973)
Cash Flows From (Used in) Financing Activities		
Proceeds from issuance of shares	**-**	1,464,750
Share issue costs	**-**	(139,059)
Repayment of advance payable	**-**	(18,750)
Repayment of loan payable	**-**	(25,000)
Loan payable	**5,000**	-
Cash Inflows from Financing Activities	**5,000**	1,281,941
Cash Flows From (Used in) Investing Activities		
Equipment	**-**	(2,988)
Exploration and evaluation assets	**(3,802)**	(67,800)
Proceeds on sale of short term investment	**307,000**	-
Cash Outflows from (used in) Investing Activities	**303,198**	(70,788)
Increase (Decrease) In Cash For The Period	**(70,208)**	918,180
Cash, Beginning Of Period	**80,594**	26,471
Cash, End Of Period	**$ 10,386**	$ 944,651

Non-Cash Financing and Investing Activities

	2015	2014
Reclassification of shares to be issued to share capital	**$ -**	$ 14,000
Shares issued for evaluation and exploration properties	**-**	320,500
Valuation of Finders Warrants	**-**	7,600

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS

Rainmaker Resources Ltd.'s ("the Company") business activity is the exploration and evaluation of mineral properties. The Company was incorporated as "Thunder Sword Resources Inc." on September 13, 1979 in British Columbia. On November 20, 2009, the company changed its name to Rainmaker Mining Corp. and on May 8, 2014 as part of the Company's rebranding the Company again changed its name to Rainmaker Resources Ltd. The Company is listed on the TSX Venture Exchange, having the symbol RMG-V, as a Tier 2 mining issuer.

The address and the place of business of the Company is 3rd Floor Bellevue Center, 235 15th Street, West Vancouver, British Columbia, V7T 2X1.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended October 31, 2014.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2015.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

2. BASIS OF PRESENTATION (Continued)

b) Basis of Measurement (Continued)

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

c) Going Concern of Operations

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

As of April 30, 2015, the Company has not achieved profitable operations, has an accumulated deficit of $12,445,491 (October 31, 2014: $12,096,086) and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. As the Company is in the exploration stage, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties is dependent upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at October 31, 2014. The accompanying condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2014.

New standards, interpretations and amendments not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9, *Financial Instruments, Recognition and Measurement* was issued by the IASB on November 12, 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39").

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New standards, interpretations and amendments not yet effective (Continued)

IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. 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. The Company expects the new standard will not have a material impact on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

(Expressed in Canadian Dollars)

5. EQUIPMENT

		COMPUTER EQUIPMENT
COST		
Balance, October 31, 2013	$	-
Additions		4,918
Balance, October 31, 2014 and April 30, 2015	**$**	**4,918**
DEPRECIATION		
Balance, October 31, 2013	$	-
Charge for the year		906
Balance, October 31, 2014	$	906
Charge for the period		4,012
Balance, April 30, 2015	**$**	**4,918**
NET BOOK VALUE		
At April 30, 2015	**$**	**-**
At October 31, 2014	$	4,012

6. EXPLORATION AND EVALUATION ASSETS

	BALANCE OCTOBER 31 2014	ADDITIONS	WRITE OFFS	**BALANCE APRIL 30 2015**
Property Acquisition Costs				
Dufferin Lake Property (Sask) (a)	$ 1	$ -	$ -	$ **1**
Jayjay Lake Property (Sask) (c)	241,000	-	-	**241,000**
Jayjay East Property (d)	79,440	-	-	**79,440**
	320,441	-	-	**320,441**
Deferred Exploration Expenditures				
Jayjay Lake Property (Sask) (c)	51,485	3,802	-	**55,287**
Jayjay East Property (d)	3,858	-	-	**3,858**
	55,343	3,802	-	**59,145**
Total	$ 374,784	$ 3,802	$ -	**$ 379,586**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

	BALANCE OCTOBER 31 2013	ADDITIONS	WRITE OFFS	**BALANCE OCTOBER 31 2014**
Property Acquisition Costs				
Dufferin Lake Property (Sask) (a)	$ 1	$ -	$ -	$ **1**
Nipekamew Property (Sask) (b)	-	10,000	(10,000)	**-**
Jayjay Lake Property (Sask) (c)	-	241,000	-	**241,000**
Jayjay East Property (d)	-	79,440	-	**79,440**
Peace River Property (Alberta) (e)	-	134,500	(134,500)	**-**
	1	464,940	(144,500)	**320,441**
Deferred Exploration Expenditures				
Dufferin Lake Property (Sask) (a)	-	-	-	**-**
Nipekamew Property (Sask) (b)	-	750	(750)	**-**
Jayjay Lake Property (Sask) (c)	-	51,485	-	**51,485**
Jayjay East Property (d)	-	3,858	-	**3,858**
Peace River Property (Alberta) (e)	-	25,481	(25,481)	**-**
	-	81,574	(26,231)	**55,343**
Total	$ 1	$ 546,514	$ (170,731)	**$ 375,784**

a) Dufferin Lake Property (Saskatchewan)

On January 31, 2013, the company had earned, pursuant to an option agreement, a 25% interest in five claims, comprised of approximately 21,291 hectares located in Saskatchewan. As at October 31, 2014, the company has a 25% interest in five claims, comprised of approximately 10,910 hectares located in Saskatchewan. During the year ended October 31, 2010, the Company wrote down the carrying value to $1 due to uncertainty of continuing exploration on the property.

On August 4, 2011, the Company and the optionor granted Titan Uranium Inc. ("Titan") the option to acquire 50% of five of the above claims totaling 10,910 hectares by spending $500,000 in exploration on the claims by October 30, 2014.

Expenditures of $175,000 were due by October 30, 2012 (incurred), another $175,000 by October 30, 2013 (incurred) and the remaining $150,000 by October 2014 (incurred). The optionors have retained a 2% net smelter royalty of which the Company has a 25% share.

Titan assigned its interest and expenditure commitments to another public company. As of October 31, 2014, the current optionee is NexGen Energy Ltd. and all requirements of the agreement have been fulfilled.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Nipekamew Property (Saskatchewan)

On January 7, 2014, the Company entered into an agreement with an arm's length third party to purchase a 100% right, title and interest, subject to a 3% royalty on future sales, in and to certain mineral claims located in Saskatchewan. Consideration payable was $35,000 as follows:

(i) $10,000 on signing of the agreement (paid); and

(ii) $25,000 on or before July 31, 2014.

If the payments are not been made on or before the July 31, 2014, then these mineral claims shall revert in full ownership back to the Vendor with forfeiture of any consideration paid up until that point in time and the Agreement shall be deemed to be null and void. During the year ended October 31, 2014, the Company decided not to pursue the option and the property reverted to the vendor. As a result the company wrote off the acquisition costs of $10,000 and exploration expenditures of $750.

c) Jayjay Lake Property (Saskatchewan)

The Company entered into an option agreement, dated January 9, 2014, and amended on January 14, 2015, with JCMP Management Corp. to acquire a permit issued by the Province of Saskatchewan authorizing the exploration, prospecting and development of the lands covered by the permit (for Granular Silica, Dolomite and Limestone). The Company may earn a 100% interest in these mineral claims by:

(a) paying to the Optionor:

(i) $10,000 upon execution of this Agreement (paid);

(ii) $35,000 upon approval of this Agreement by the Exchange (January 14, 2014 (paid);

(b) incurring work expenditures in the amount of $75,000 on or before 18 months after Exchange approval (which was granted January 14, 2014);

(c) issuing and delivering to the Optionee:

(i) 1,400,000 common shares within three business days of Exchange approval (issued with a fair value of $196,000); and
(ii) 1,000,000 common shares by July 15, 2015.

The agreement is subject to a royalty interest to the optionor equal to two percent of gross proceeds from the sale of Products less allowable deductions.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Jayjay East Property (Saskatchewan)

On July 14, 2014, the Company entered into a purchase and sale agreement, with JCMP Management Corp. to acquire permits issued by the Province of Saskatchewan authorizing the exploration, prospecting and development of the lands covered by the permits (for Granular Silica, Dolomite and Limestone). The Company has earned a 100% interest in these mineral claims by paying the optionor $37,440 (paid) and issuing 300,000 common shares of the Company (issued with a fair value of $42,000).

e) Peace River Property (Alberta)

On January 28, 2014, the Company entered into a letter of intent ("LOI") with the partnership of Zimtu Capital Corp. and 877384 Alberta Ltd. to acquire a 100% interest in the Peace River Frac Sand Property located in Alberta, Canada. On February 5, 2014 the formal Option agreement was entered into.

The terms of the acquisition are:

(i) $10,000 on signing the LOI (paid);

(ii) Issuance of 750,000 common shares on the later of the TSX Venture Exchange acceptance of the agreement, or the date of execution of the Option agreement (issued with a fair value of $112,500);

(iii) $10,000 on completion of a successful exploration program on or before November 1, 2014; and

(iv) Issuance of 750,000 common shares on completion of a successful exploration program on or before November 1, 2014;

Finder's fees are also payable pursuant to the agreement as follows:

(i) 80,000 Common shares within 3 days of receipt of TSX Venture Exchange acceptance of the option agreement. (issued with a fair value of $12,000); and

(ii) 80,000 common shares on completion of a successful exploration program on or before September 15, 2014.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

e) Peace River Property (Alberta) (Continued)

During the period which is 24 months from the date of TSX-V acceptance, the Company shall retain Dahrouge Geological Consulting as the sole operator with respect to the exploration of the mineral property. The vendors retain a 2% royalty on the property, 1/2 of which can be purchased from the vendors for $1,000,000.

The LOI received TSX Venture Exchange approval on February 28, 2014.

During the year ended October 31, 2014, after the review of exploration results received, the Company determined the property did not merit further investigation and gave notice to the Optionors to terminate the contract. Accordingly during the year ended October 31, 2014 the Company has recorded a property impairment of $159,981. Accordingly, any cost incurred relating to the exploration and evaluation assets fully impaired in 2014 have been expensed during the period ended April 30, 2015.

f) Bray Property (Arkansas (USA)

On June 18, 2014, the Company entered into a binding Letter Agreement with Arkansas Silica LLC. (“ASL”) to acquire an Option to Purchase the 304-acre Bray Frac Sand property, located in Izard County, north central Arkansas.

ASL entered into an Option to Purchase Agreement (‘the Option”) with the landowners on May 30, 2014. The Option gives ASL the right to purchase a 100% interest in the property for US$1,100,000 on or before January 5, 2015.

Pursuant to the Letter Agreement, ASL will assign its interest in and to the Option in consideration of payment of $175,000 and the issuance of 2,500,000 shares of Rainmaker’s capital stock, payable in five instalments over a four year period from the effective date of the agreement. In addition, Rainmaker will pay ASL a royalty of $1.00 per short ton of frac sand extracted, processed, sold and delivered.

The effective date of the transaction is defined as the later of the receipt of regulatory approval (received June 26, 2014) and 30 days after the Company receives an independent NI 43-101 compliant report on the property pursuant to the drilling and testing program that the Company has undertaken. On January 5, 2015, the Option expired.

During the year ended October 31, 2014, the Company incurred $186,561 on a drilling and testing program together with related costs. These costs were expensed as property investigation costs in the year.

(Expressed in Canadian Dollars)

7. LOAN PAYABLE

	APRIL 30 2015	OCTOBER 31 2014
Balance, beginning of period	**$ -**	$ 11,000
Advances received pursuant to loan agreement	**5,000**	25,000
Loan principal allocated to bonus shares to be issued	**-**	-
Finance fees	**-**	14,000
Repayment of loan	**-**	(50,000)
Balance, end of period	**$ 5,000**	$ -

During the year ended October 31, 2013, the company entered in a loan agreement of $50,000 with interest at 12% per annum, due October 22, 2014, twelve months from the date the loan was advanced. The company received $25,000 of the loan amount on October 22, 2013 and the remaining $25,000 on November 19, 2013. As additional consideration for advancing the loan, upon receiving regulatory approval the Company issued 200,000 common shares to the lender. During the year ended October 31, 2013, the Company measured the consideration of the 200,000 common shares to be issued at the value of the shares on the date the loan agreement was signed.

During the year ended October 31, 2014, the Company issued 200,000 common shares and recorded accretion expense of $14,000. The loan was repaid in the amount of $50,469 including accrued interest.

On May 5, 2015, the Company entered into a loan agreement for up to $50,000 with KJN Management Ltd. The loan will be made in incremental advances of $5,000 each. These funds will be provided as working capital. The loan is unsecured, bears interest at 10% per annum and is due on May 5, 2016. As at April 30, 2015, the Company had received $5,000 pursuant to the agreement. Subsequent to the period end the Company has received an additional $10,000.

8. ADVANCE PAYABLE

	APRIL 30, 2015	OCTOBER 31, 2014
Balance, beginning of period	**$ -**	$ 25,000
Advances received	**-**	-
Forgiveness of debt	**-**	(6,250)
Repayment of advance	**-**	(18,750)
Balance, end of period	**$ -**	$ -

The advance payable was unsecured and bore no interest or specific terms of repayment. During the year ended October 31, 2014, the Company entered into a settlement agreement whereby the advance was settled for $18,750.

9. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value
Unlimited number of preference shares without par value
No preferred shares have been issued to date

b) Issued and Outstanding:

(i) Common Shares

There were no shares issued during the six month period ended April 30, 2015.

During the year ended October 31, 2014, the Company undertook the following share transactions:

a) On November 28, 2013, the Company completed a non-brokered private placement of 6,500,000 units at $0.05 per unit for gross proceeds of $325,000. Each unit consists of one common share of the company and one-half of one transferable share purchase warrant. Each full share purchase warrant is exercisable to purchase one additional common share of the company, at an exercise price of $0.12 per share until May 28, 2015. The Units are subject to a four month hold period expiring March 29, 2014.

   In settlement of finder's fees associated with this closing the Company paid $24,480, and incurred other share issuance costs comprising legal and regulatory fess aggregating $22,977.

b) Issued 200,000 common shares valued at $14,000 pursuant to a loan agreement with KJN Management Ltd.

c) Issued 1,400,000 common shares with a fair value of $196,000 pursuant to the Jayjay mineral option agreement.

d) Issued 750,000 common shares with a fair value of $112,500 pursuant to the Peace River mineral property agreement and 80,000 common shares with a fair value of $12,000 pursuant to the associated finder's fee agreement.

e) On March 31, 2014, the Company completed a non-brokered private placement of 7,598,332 units at $0.15 per unit for gross proceeds of $1,139,750. Each unit consists of one common share of the company and one-half of one non-transferable share purchase warrant. Each full share purchase warrant is exercisable to purchase one additional common share of the company, at an exercise price of $0.20 per share until March 31, 2016. The Units are subject to a four month hold period expiring July 2, 2014.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

b) Issued and Outstanding: (Continued)

(i) Common Shares (Continued)

In settlement of finder's fees associated with this closing the Company paid cash commissions aggregating $52,102 and issued 77,600 Finders Warrants. Each Finders Warrant is exercisable into one common share of the Company for $0.20 until March 31, 2016. The Company also incurred other share issuance costs comprising legal and regulatory fess aggregating $39,410. The warrants attached to the units and the finder's warrants are callable on 30 days notice in the event the Company's common stock trade exceed a price of $0.40 or higher for a 20 day period subsequent to the hold period.

f) Issued 300,000 common shares with a fair value of $42,000 pursuant to the Jayjay Lake East mineral option agreement.

c) Shares to be issued

During the year ended October 31, 2013, the Company measured the consideration of 200,000 common shares to be issued (see Note 7) at $14,000, the value of the shares on the date the loan agreement was signed. During the year ended October 31, 2014, the shares were issued.

d) Share Purchase Warrants

A summary of changes in share purchase warrants for the six months ended April 30, 2015 and for the year ended October 31, 2014 is presented below:

	SIX MONTHS ENDED APRIL 30, 2015			YEAR ENDED OCTOBER 31, 2014		
	NUMBER		**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER		WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**7,049,166**	**$**	**0.16**	2,545,455	$	0.15
Issued	**-**		**-**	7,049,166		0.16
Expired	**-**		**-**	(2,545,455)		(0.15)
Balance, end of period	**7,049,166**	**$**	**0.16**	7,049,166	$	0.16

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Share Purchase Warrants (Continued)

As at April 30, 2015, share purchase warrants were outstanding for the purchase of common shares as follows:

NUMBER OF WARRANTS	PRICE PER WARRANT	NUMBER EXERCISABLE AT APRIL 30, 2015	EXPIRY DATE
3,250,000	$ 0.12	3,250,000	May 28, 2015
3,799,166	$ 0.20	3,799,166	March 31, 2016
7,049,166		7,049,166	

On May 28, 2015, 3,250,000 share purchase warrants expired unexercised.

e) Finders Warrants

A summary of changes in finder's warrants for the six month period ended April 30, 2015 and for the year ended October 31, 2014 is presented below

	SIX MONTHS ENDED APRIL 30, 2015		YEAR ENDED OCTOBER 31, 2014	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**77,600**	**$ 0.20**	-	$ -
Issued	**-**	**-**	77,600	0.20
Balance, end of period	**77,600**	**$ 0.20**	77,600	$ 0.20

As at April 30, 2015, finder's warrants were outstanding for the purchase of common shares as follows:

NUMBER OF WARRANTS	PRICE PER WARRANT	NUMBER EXERCISABLE AT APRIL 30, 2015	EXPIRY DATE
77,600	$ 0.20	77,600	March 31, 2016

The fair value of each finder's warrant issued is estimated on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free interest rate at 1.01%; expected life 2 years; expected volatility of 180%; expected dividend yield Nil and expected forfeiture rate Nil. The fair value of the warrants issued was $0.10.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

f) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', 'Warrants' and 'Accumulated Deficit'.

'Contributed Surplus' and 'Warrants' are used to recognize the value of stock option grants and share purchase warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings year to year.

10. SHARE-BASED PAYMENTS

Stock Options

Effective March 31, 2014, the Company adopted a new stock option plan. The plan provides for the grant of non-transferable incentive stock options for up to 10% of the issued and outstanding common shares to employees, directors and officers of the Company. Options are granted for a term not to exceed five years from the date of grant.

Vesting of options and the right to adjust the exercise period of the options shall be at the complete discretion of the board. Unless otherwise stated, the options fully vest when granted. During the year ended October 31, 2014, the Company granted a total of 1,950,000 stock options to directors, officers and consultants of which 1,925,000 vested immediately and the remaining 25,000 options vested at 1/4 at the date of grant and 1/4 every subsequent three months until fully vested.

There are no stock options granted during the six months ended April 30, 2015.

A summary of changes in stock options for the six month period ended April 30, 2015 and for the year ended October 31, 2014 is presented below:

	SIX MONTHS ENDED APRIL 30, 2015		YEAR ENDED OCTOBER 31, 2014	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**1,925,000**	**$ 0.15**	296,646	$ 0.275
Granted	**-**	**-**	1,950,000	0.15
Cancelled/Expired	**-**	**-**	(346,646)	(0.257)
Balance, end of period	**1,925,000**	**$ 0.15**	1,925,000	$ 0.275

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS (Continued)

As at April 30, 2015, options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARES	PRICE PER SHARE	NUMBER EXERCISABLE AT APRIL 30, 2015	EXPIRY DATE
1,925,000	$ 0.15	1,925,000	April 28, 2017

At April 30, 2015, the weighted average remaining life of the above options is 2 years.

The fair value of each stock option issued is estimated on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free interest rate at 1.01%; expected life 3 years; expected volatility of 153%; expected dividend yield Nil and expected forfeiture rate Nil. The fair value of the warrants issued was $0.11.

Subsequent to April 30, 2015, 1,525,000 share purchase options were forfeited.

11. OTHER EXPENSE

Upon the transfer of the corporate head office from Calgary to Vancouver the Company attempted to close its banking facilities in Calgary, Alberta. During this process it was noted that an amount of $126,000 had been withdrawn from the corporate bank account, at a time concurrent with the resignation of a Director. The payment was not authorized by the Board and has been referred to legal counsel.

12. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

At April 30, 2015, included in accounts payable and accrued liabilities $Nil (October 31, 2014 - $20,237) owing to two companies each controlled by individual directors for services rendered; $nil (October 31, 2014 - $12,375) owing to a director for expense reimbursements, and $nil (October 31, 2014 - $2,000) owing to an officer for services rendered. The amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

During the six month periods ended April 30, 2015 and 2014, the Company also incurred the following expenses charged by key management personnel and companies controlled by key management personnel.

	SIX MONTHS ENDED APRIL 30			
		2015		2014
Statement of Operations Items				
Consulting	**$**	**180,185**	$	41,000
Property investigation		**6,494**		21,000
Office and sundry		**-**		6,300
Other expense		**126,000**		-
Share-based payments		**-**		217,700
	$	**312,679**	$	286,000

13. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The Board of Directors determines the Company's capital structure and makes adjustments to it based on funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The directors have not established a quantitative return on capital criteria for capital management.

The Company holds two mineral properties and generates no revenue. Accordingly, the Company will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential, provided it has adequate financial resources to do so.

The Board of Directors reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in the Statement of Changes in Equity as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements, nor were there any changes to the Company's approach to capital management during the period.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Financial assets measured at fair value on a recurring basis:

	FAIR VALUE INPUT LEVEL	**AS AT APRIL 30, 2015**		AS AT OCTOBER 31, 2014	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	$ 10,386	$ 10,386	$ 80,594	$ 80,594
Short term investments	1	23,000	23,000	331,186	331,186

Due to the relatively short term liquidity of accounts payable and accrued liabilities and loan payable, the fair value of these instruments approximate their carrying values.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and short term investments. Cash and short term investments are held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2015 the Company held cash and short term investments aggregating of $33,386 (October 31, 2014 - $411,780) and had current liabilities of $102,721 (October 31, 2014 - $154,109). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

c) Market Risk

i) Interest Rate Risk

The Company has cash balances, and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at April 30, 2015, the Company held no financial assets which were denominated in currencies other than the Canadian dollar. Financial Liabilities denominated in US Dollars comprised current liabilities of $Nil. The Company has determined its foreign exchange risk at April 30, 2015 is immaterial.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. 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. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

16. COMMITMENTS

On January 19, 2015, the Company agreed to bear the cost of up to US$15,000 of the legal fees incurred by the former President, in his dealings with the Bluebird Mine operation. As of April 30, 2015 the Company has incurred US$5,000 pursuant to this commitment.