Interim Financial Statements of
(Unaudited and Unreviewed

GRANIZ MONDAL INC.

Nine months period ended December 31, 2014 and 2013

GRANIZ MONDAL INC.

Condensed Interim Financial Statements
(Unaudited and Unreviewed by the Company's Independent Auditors)

Nine months period ended December 31, 2014 and 2013

Interim Financial Statements

GRANIZ MONDAL INC.

Condensed Interim Statements of Financial Position
(Unaudited and Unreviewed by the Company's Independent Auditors)

Nine months period, December 31, 2014 and 2013

		December 31 2014		March 31 2014
Assets				
Current assets:				
Cash	$	30,777	$	161,764
Sales taxes receivable		911		5,083
Tax credit receivable		15,116		34,370
Total current assets		46,804		201,217
Non-current assets:				
Computer Equipment		1,049		
Mining properties (Note 4)		357,896		347,806
Exploration and evaluation assets (Note 5)		278,320		273,115
Total non-current assets		637,265		620,921
Total assets	$	684,069	$	822,138
Liabilities				
Accounts payable and accrued liabilities	$	20,241	$	69,621
Promissory notes (Note 6)		388,944		426,184
Total current liabilities		409,185		495,805
Shareholders' Equity				
Share capital (Note 7)		3,800,036		3,800,036
Contributed surplus		195,419		195,419
Deficit		(3,720,571)		(3,669,122)
Total equity		274,884		326,333
Nature of operations and going concern (Note 1)				
Commitments (Note 11)				
Total liabilities and equity	$	684,069	$	822,138

The notes are an integral part of these financial statements.

On behalf of the Board:

Berthe Lambert (signed) Director

Marie-Josée Têtu (signed) Director

GRANIZ MONDAL INC.

Statements of Comprehensive Loss
(Unaudited and Unreviewed by the Company's Independent Auditors)

Nine months period ended December 31, 2014 and 2013

	Three months period ended December 31		Nine months period ended December 31	
	2014	2013	2014	2013
Expenses:				
Professional fees	980	2,182	$ 12,340	$ 34,351
Transfer agent and filing fees	5,380	5,144	13,881	16,744
Consultant fees	150		150	163
Office and general	5,300	1,286	14,309	30,183
Share-based compensation				
Loss before finance expense and gain on debt settlement	(11,810)	(8,612)	(40,680)	(81,441)
Finance expense (Note 8)	(3,506)	(3,507)	(10,769)	(9,690)
Net loss and comprehensive loss	(15,316)	(12,119)	(51,449)	$ (91,131)
Net loss per share, basic and diluted	$ (0.00)	(0.00)	$ (0.00)	$ (0.00)

The notes are an integral part of these financial statements.

GRANIZ MONDAL INC.

Statements of Changes in Equity
(Unaudited and Unreviewed by the Company's Independent Auditors)

Nine months period ended December 31, 2014 and 2013

	Share capital				
	Number	Amount	Contributed surplus	Deficit	Total
Balance at April 1, 2013	21,194,081	3,800,036	92,375	(3,428,264)	464,147
Net loss and comprehensive loss	–	–	–	(79,011)	(79,011)
Balance at December 31, 2013	21,194,081	$ 3,800,036	$ 92,375	$ (3,507,275)	$ (385,136)
Balance at April 1, 2014	21,194,081	$ 3,800,036	$ 195,419	$ (3,669,122)	$ 326,333
Share capital issued	–	– –	– –	–	–
Net loss and comprehensive loss	–	–	–	(51,449)	(51,449)
Balance at December 31, 2014	21,194,081	$ 3,800,036	$ 195,419	$(3,720,571)	$ 274,884

The notes are an integral part of these financial statements.

GRANIZ MONDAL INC.

Statements of Cash Flows
(Unaudited and Unreviewed by the Company's Independent Auditors)

Nine months period ended December 31, 2014 and 2013

	2014	2013	2014	2013
	Three month period ended December 31		Nine months period ended December 31	
Cash flows used in operating activities:				
Net loss and comprehensive loss	(15,316)	(12,119)	$ (51,450)	$ (91,131)
Adjustments for:				
Finance expense		3,507	75	9,690
Interest paid		(1)	(75)	(172)
Net change in non-cash operating:				
Working capital items:				
Increase in sales taxes receivable	1,663	4,912	4,172	60,142
Decrease (Increase) in accounts receivable				
Decrease in tax credit receivable			19,254	
(Decrease) increase in accounts payable and accrued liabilities	3,068	(18,865)	(37,681)	(108,485)
	(10,585)	(22,566)	(65,705)	(129,956)
Cash flows from financing activities:				
Reimbursement of promissory notes	0		(47,184)	
Issuance of promissory notes from a director				42,000
Proceeds from Long term debt				50,000
Proceeds from advances from Shareholders				72,000
Promissory notes				-
	0		(47,184)	164,000
Cash flows from investing activities:				
Acquisition of mining properties				
Additions to exploration and				
Increase in exploration and evaluation assets	0			
Increase in mining properties		(4,609)		(4,609)
Evaluation assets		(6,005)	(17,049)	(34,645)
Increase in Capital Assets	0		(1049)	–
		(10,614)	(18,098)	(39,254)
Net increase in cash	(10,585)	(33,180)	(130,987)	(5,210)
Cash, beginning of year	41,362	43,074	161,764	15,104
Cash, end of year	30,777	9,894	$ 30,777	$ 9,894
Non-cash items:				
Acquisition of a mining property through issuance of promissory notes			$ –	$ –
Acquisition of a mining property through issuance of share capital				
Addition of mining properties included in accounts payable	200		200	–
Accounts payable settled through issuance of share capital			–	–
Advances from a director settled through issuance of share capital			–	–
Reduction of exploration and evaluation assets by tax credit receivable	29,554		10,300	–
Capitalizations of interest on promissory notes as mining properties	3,127		9,744	–

The notes are an integral part of these financial statements.

Graniz Mondal Inc. (the "Company") was incorporated on May 5, 1995 under the *Business Corporations Act* (Alberta). On August 17, 2012, the Company changed its corporate jurisdiction into the *Canada Business Corporations Act*. The address of the Company's registered office is 2840, rue Marie-Laurence, Lévis, Québec, G6W 8J9. The Company holds interests in two mineral properties located in Northern Québec, which are presently in the exploration stage, and has not yet determined whether the properties contain reserves that are economically recoverable. The Company has also an option on the Mousseau West Graphite Deposit.

1. Nature of operations and going concern:

The Company is in the exploration stage and has two mineral exploration properties in the province of Québec. Although the Company has taken steps to verify and confirm title to mineral properties in which it has an interest, property title might be subject to unregistered prior agreements or non-compliance with regulatory requirements.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. No revenue has been generated yet from its operating activities. The ability of the Company to meet its commitments as they become payable, including commitments relating to the acquisitions of mineral properties and the development of projects, is dependent on its ability to obtain necessary financing. As at December 31, the Company has current assets totalling $46,804 and current liabilities of $409,185. The Company's intention has been to fund this shortfall through equity financing. Until a comeback of TSX-Venture Index and the graphite market, management and main shareholders intend to answer the cash need of the Company. While the Company is still working to secure this required financing, there is no certainty that it will be able to secure such financing. These conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and on the assumption of going concern. The application of IFRS under the assumption of going concern may be inappropriate because the above condition indicates the existence of a material uncertainty which may cast substantial doubt on the ability of the Company to continue as a going concern.

The interim 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 realize its assets or discharge its obligations in the ordinary course of operations.

2. Basis of preparation:

Statement of compliance

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of annual financial statements. The accounting policies applied in these interim financial statements are based on IFRS issued and outstanding as at December 31, 2014.

These interim financial statements have been approved by the Board of Directors on February 17, 2015.

Basis of measurement

The interim financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgements

The preparation of the interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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 Note 3 and consists in the determination of capitalizable costs as exploration and evaluation assets and for the management to go or not in production in the future, with respect to refundable tax credits related to resources.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Notes 1, 3 and 4 - recoverability of mining properties and exploration and evaluation assets;
- Notes 3 and 7 - estimation of the fair value of share-based payments;
- Note 3 - assessment of tax credits related to resources and credits on mining duties;

3. Significant accounting policies:

(a) Jointly controlled assets:

The Company holds interests in mining properties through joint operating agreements which constitute jointly controlled assets.

A jointly controlled asset involves joint control and offers joint ownership by the Company and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity. Where the Company's activities are conducted through jointly controlled assets, the Company recognizes its share of the jointly controlled assets, and liabilities it has incurred, its share of liabilities incurred jointly with other venturers, and exploration and evaluation costs in the financial statements.

(b) Financial instruments:

Non-derivative financial assets and liabilities are initially recognized at fair value plus any directly attributable transaction costs.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company classified its cash as loans and receivables.

Financial liabilities

The Company classified its accounts payable and accrued liabilities, the advance from a shareholder and the promissory notes as financial liabilities at amortized cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(c) Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, share options and warrants are recognized as an increase to deficit, net of any tax effects.

(d) Mining properties and exploration and evaluation assets:

Mining properties correspond to acquired interests in mining exploration permits/claims which include the rights to explore for, mine, extract and sell all minerals from such claims.

3. Significant accounting policies (continued):

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest, are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Costs incurred include appropriate technical and administrative overhead.

Mining properties and exploration and evaluation assets are carried at historical cost less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets.

(e) Impairment:

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the assets. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

3. Significant accounting policies (continued):

(e) Impairment (continued):

Non-financial assets (continued)

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment only when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have or will expire in the near future;
- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(f) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(g) Finance expense:

Finance expense comprises interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Interests paid are classified under operating activities in the interim statements of cash flows.

(h) Share-based compensation:

The grant date fair value of share-based compensation awards granted to employees and directors is recognized as a share-based payment expense, with a corresponding increase in contributed surplus, over the period during which the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the

3. Significant accounting policies (continued):

(h) Share-based compensation (continued):

Number of awards for which the related service vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

(i) Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated similarly to basic earnings per shares, except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the year.

(j) Income tax:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statements of comprehensive loss, except to the extent that they relate to a business combination, or items recognized directly in equity. Therefore, when deferred taxes relate to equity items, a backward tracing is necessary to determine the adjustment to taxes (e.g. change in tax rates and change in unrecognized deferred tax assets) that should be recorded in equity. For this purpose, the accounting policy of the Company is to first allocate changes in the recognition of deferred tax assets based on their expected maturity date.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized with regard to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but

3. Significant accounting policies (continued):

(j) Income tax (continued):

They intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Refundable credit on mining duties and refundable tax credit related to resources:

The Corporation is eligible for a refundable credit on mining duties under the *Mining Tax Act* (Québec). This refundable credit on mining duties is equal to 16% for year ended March 31, 2014 (15% before January 2012 and 12% before January 2011) applied to 50% of eligible expenses incurred for mining activities in Québec. The accounting treatment for refundable credit on mining duties depends on management's intention to go into production in the future, or rather to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property. In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, *Income Taxes*, which generates at the same time a deferred tax liability and deferred tax expense since the exploration and evaluation assets have no more tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future. Accordingly, the credit on mining duties is recorded as a government grant under IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, which is recorded against exploration and evaluation assets. Currently, it is management's intention to sell its mining properties in the future and, as such, credits on mining duties are recorded in compliance with IAS 20 as a government grant against exploration and evaluation assets.

The Company is also eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred. The refundable tax credit related to resources represents up to 35% of the amount of eligible expenses incurred and is recorded as a government grant against exploration and evaluation assets.

Credits related to resources and credit for mining duties recognized against exploration and evaluation expenditures are recorded at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the credits. They are recognized in profit or loss on a systematic basis over the useful life of the related assets.

3. Significant accounting policies (continued):

(l) Change in accounting methods :

(i) IFRIC 21 - *Levies*

In May 2013, the IASB issued International Financial Reporting Interpretations Committee (IFRIC) 21, *Levies*. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

Application of this improvement will not have any impact on the financial statements.

(ii) Annual improvements to IFRS:

As part of its annual improvement process, in December 2013 the IASB published amendments to IFRS 1, IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40. These improvements clarify the guidance and wording or make relatively minor changes to standards. The changes apply in a prospective way to July 1, 2014.

Application of this improvement will not have any impact on the financial statements.

(m) New standards, interpretations and amendments issued but not yet effective:

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied in preparing these financial statements:

(i) IFRS 9, *Financial Instruments*:

The IASB published phase I of IFRS 9, *Financial Instruments*, which replaces the provisions of IAS 39, *Financial Instruments: Recognition and Measurement* with regard to the classification and measurement of financial assets and liabilities. It requires financial assets to be measured at amortized cost or at fair value on the basis of the entity's business model for managing assets.

On November 19, 2013, the IASB published phase III of IFRS 9, *Financial Instruments*, which replaces the provisions of IAS 39, *Financial Instruments*: *Recognition and Measurement* with regard to hedge accounting. The standard proposes a new hedge accounting model, which aims to present in the financial statements the effect of risk management activities.

The IASB tentatively established the effective date for all phases of IFRS 9 for periods beginning on or after January 1, 2018. Early adoption is permitted.

3. Significant accounting policies (continued):

(m) New standards, interpretations and amendments issued but not yet effective (continued):

(i) IFRS 9, *Financial Instruments (continued)*:

The Company has not yet evaluated the impact of this improvement on its financial statements.

4. Mining properties:

Mining properties are detailed as follows:

	2014 April 1	Acquisition	2014 December 31
Fixed asset - property			
Opawica Project (a)	$ 241	–	$ 241
Troilus		346	346
Intangible asset - optioned interest			
Mousseau West Project (b)	347,365	9,944	357,309
	$ 347,606	$ 10,290	$ 357,896

(a) Opawica:
The Company holds a 100% interest in the Opawica Project located 1,100 kilometers southwest of Chibougamau, Québec (gold property).

(b) Mousseau West property:

The Company has the option to earn a 75% undivided interest in the Mousseau West graphite property that is comprised of 12 mining claims covering a total of approximately 12 kilometers north of the town of Ste-Véronique (near Mont-Laurier), Québec.

(c) Troilus South property:

The Company holds a 50% undivided interest in the Troilus South property located about 150 kilometers north of Chibougamau, Québec. The property was written-down during the year ended March 31, 2007.

5. Exploration and evaluation assets:

	April 1	Exploration Costs	Impairment	2014 December 31
Mousseau West Project	273,115	5,205	–	$ 278,320

6. Promissory notes:

	Decembre 31 2014	March 31 2014
Promissory note due to a director, with interest accruing at 8% per annum repayable on December 2014*	$ 78,725	$ 81,893
Promissory notes due to shareholders, with interest accruing at 8% per annum repayable on December 2014*	96,219	100,201
Promissory note due to a director, bearing interest at a rate of 6.5% per annum, repayable on demand**	42,000	72,000
Promissory notes due to shareholders, bearing interest at a rate of 6.5% per annum, repayable on demand	172,000	172,000
	$ 388,944	$ 426,184

* After a new agreement, the reimbursement on the promissory note was deferred to December 19, 2014. An amount of $17,184 in interest was paid in April 2014.

** From that amount, $30,000 was reimbursed in April 2014.

7. Share capital:

(a) Share capital authorized:

An unlimited number of common shares, without par value

An unlimited number of first preferred shares

An unlimited number of second preferred shares

7. Share capital (continued):

(a) Share capital authorized (continued):

The first and second preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each serie and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each serie.

(b) Share capital issued and outstanding:

	2014	2013
Issued at beginning of year: 21,194,081 common shares	$ 3,800,036	$ 2,841,974
Issued during the year:	–	–
Issued at end of year: 21,194,081 common shares	$ 3,800,036	$ 3,800,036

(c) Share options plan:

The Company has a share options plan under which options to purchase common shares may be granted by the Board of Directors to directors, officers and employees of the Company and private corporations for terms of up to ten years at a price normally equal to the closing price of the common shares on the day immediately preceding the date of grant, and subject to a minimum price of $0.10. The maximum number of options available for grant under the plan is 10% of the issued and outstanding shares with no more than 5% granted to any one director. Options granted will vest immediately on being granted, unless the Board determines otherwise.

7. Share capital (continued):

(c) Share option plan (continued):

The table below presents a summary of the share options plan:

	December 31 2014		March 31 2014	
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Outstanding, beginning of year	1,550,000	$ 0.12	650,000	$ 0.12
Exercised	–	–	–	–
Granted	–	–	1,100,000	0.12
Cancelled	–	–	(200,000)	0.14
Outstanding, end of year	1,550,000	$ 0.12	1,550,000	$ 0.12

The following table summarizes information about stock options outstanding as at December 31, 2014:

	Options outstanding			Options exercisable	
Range of exercise price	Number of options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$0.10	425,000	3.77 years	$ 0.10	$ 425,000	$ 0.10
$0.115	1,000,000	4.48 years	0.115	866,667	0.115
$0.145	100,000	4.62 years	0.145	100,000	0.145
$0.26	25,000	3.92 years	0.26	25,000	0.26
	1,550,000	4.29 years	$ 0.12	$ 1,416,667	$ 0.12

No stock options were granted during the three months period ended December 31, 2014

7. Share capital (continued):

(d) Loss per share:

The calculation of basic loss per share at December 31, 2014 was based on the net loss attributable to common shareholders, which corresponds to the net loss for the nine months period $51,449 (2013 - $91,131), and a number of common shares outstanding of 21,194,081.

The calculation of diluted earnings per share at December 31, 2014 is the same as the basic earnings per share as all options had anti-dilutive.

8. Finance expense:

Finance expense is detailed as follows:

	Nine months period ended December 31			
		2014		2013
Interest and bank charges	$	75	$	172
Interest on promissory notes due to a director		2,271		1,922
Interest on promissory notes due to shareholders		8,423		7,596
Finance expenses recognized in profit or loss	$	10,769	$	9,690

9. Financial instruments:

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

(a) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to a credit risk consist of cash. Cash is maintained with high-credit, quality financial institutions.

9. Financial instruments continued:

(b) Interest rate risk:

Promissory notes bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

(c) Liquidity risk:

Management serves to maintain a sufficient amount of cash and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and, even though the Company was successful in the past, there is no guarantee that it will succeed in the future. The accounts payable are due 30 days after the end of period. Promissory notes are due within 12 months (Note 1).

(d) Fair value:

The fair value of cash, accounts payable and accrued liabilities and the promissory notes approximate their carrying amounts due to their short-term nature.

10. Capital disclosures:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to continue its exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares. There is no dividend policy. The Company is not subject to externally imposed capital requirements.

The Company's management of capital remained unchanged since the last year.

11. Commitments:

Mousseau West property:

On December 13, 2012, the Company signed an option agreement on the Mousseau West property which comprised 12 mining claims covering a total of approximately 489 hectares straddling the boundaries of Brunet and Mousseau Townships approximately 12 kilometers north

11. Commitments (continued):

Mousseau West property (continued):

of the town of Ste-Véronique, Québec. Under the terms of the agreement, signed in December 2012 and amended in November 2013, the Company will acquire a 75% interest in the property in exchange of promissory notes of $165,000, the issuance of 2,000,000 common shares (issued on December 21, 2012) and 2,000,000 shares to be issued on the second anniversary in addition to a cash payment of $50,000 on the second anniversary. The Company also undertook to spend $200,000 ($450,329 incurred) in exploration work on or before the first anniversary and a further $200,000 on or before the second anniversary. The sellers retain a 2% net smelter return (NSR) royalty. The Company also has an option to purchase the remaining 25% interest for $4,500,000. In December 2014, the Company renewed the option agreement until December 2015.