CODRINGTON
RESOURCE CORPORATION

(an exploration stage company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

MARCH 31, 2015

These unaudited condensed consolidated interim financial statements of Codrington Resource Corporation for the three months ended March 31, 2015 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

CODRINGTON RESOURCE CORPORATION
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	March 31, 2015	December 31, 2014 (Audited)
ASSETS		
Current		
Cash	$ 293	$ 4,250
Receivables	1,315	866
	1,608	5,116
Equipment (Note 3)	-	-
Exploration and evaluation assets (Note 4)	588,275	588,275
	$ 589,883	$ 593,391
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 501,608	$ 418,668
Related party loans payable (Note 12)	61,932	61,932
	563,540	480,600
Shareholders' equity		
Share capital (Note 7)	21,244,934	21,244,934
Reserves (Note 7)	4,309,401	4,309,401
Deficit	(25,527,992)	(25,441,544)
	26,343	112,791
	$ 589,883	$ 593,391

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

On behalf of the Board:

"Adrian F. C. Hobkirk" Director *"Christopher P. Cherry"* Director

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

CODRINGTON RESOURCE CORPORATION
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED MARCH 31,
(Unaudited)
(Expressed in Canadian Dollars)

	2015	2014
EXPENSES		
Administration	$ 7,285	$ 4,892
Amortization (Note 4)	-	112
Exploration costs (Note 5)	16,294	28,936
Management fees (Note 12)	43,149	39,071
Professional fees (Note 12)	12,887	18,115
Shareholder communications	-	2,682
Share-based payments (Note 8)	-	38,394
Transfer agent and filing fees	6,598	20,339
Travel	-	131
	(86,213)	(152,672)
OTHER ITEM		
Foreign exchange gain (loss)	(235)	(8,357)
Loss and comprehensive loss for the year	$ (86,448)	$ (161,029)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	15,037,885	6,110,990

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

CODRINGTON RESOURCE CORPORATION
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIMSTATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital					
	Common Shares	Amount	Subscriptions Received in Advance	Deficit	Reserves	Total Shareholders' Equity
Balance, December 31, 2013	4,840,526	$ 20,654,888	$ -	$ (24,329,084)	$ 4,134,874	$ 460,678
Comprehensive loss for the year	-	-	-	(161,029)	-	(161,029)
Shares issued for debt	2,931,840	175,910	-	-	-	653,382
Subscriptions received in advance	-	-	-	-	-	653,382
Share-based payments	-	-	88,572	-	38,394	38,394
Balance, March 31, 2014	7,772,366	$ 20,830,798	$ 88,572	$ (24,490,113)	$ 4,173,268	$ 602,525
Balance, December 31, 2014	15,037,885	$ 21,244,934	$ -	$ (25,441,544)	$ 4,309,401	$ 112,791
Comprehensive loss for the year	-	-	-	(86,448)	-	(86,448)
Balance, March 31, 2015	15,037,885	$ 21,244,934	$ -	$ (25,527,992)	$ 4,309,401	$ 26,343

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

CODRINGTON RESOURCE CORPORATION
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (86,448)	$ (161,029)
Items not affecting cash:		
Amortization	-	112
Write-off of equipment	-	38,394
Changes in non-cash working capital items:		
Increase in receivables	(449)	(187)
Increase in accounts payable and accrued liabilities	82,940	34,728
Net cash used in operating activities	(3,957)	(87,982)
CASH FLOWS USED IN INVESTING ACTIVITY		
Equipment	-	(87,666)
Net cash used in investing activity	-	(87,666)
CASH FLOWS FROM FINANCING ACTIVITY		
Subscriptions received in advance	-	88,572
Net cash provided by financing activity	-	88,572
Change in cash during the period	(3,957)	590
Cash, beginning of period	4,250	1,771
Cash, end of period	$ 293	$ 2,361

Supplemental disclosure with respect to cash flows:

During the three months ended March 31, 2015, the Company had no non-cash transactions.

During the three months ended March 31, 2014, the Company issued 4,840,526 shares for the settlement of debt totalling $175,910, of which $15,774 was related to related party loans payable and $160,137 was for accounts payable and accrued liabilities.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of Ontario on June 20, 1995. Effective January 15, 2007, the Company was granted a Certificate of Continuation under the *Business Corporation Act* from the jurisdiction of Ontario into British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties in Guyana. The Company's head office, principal address and registered records office is located at 408 – 837 West Hastings Street, Vancouver, British Columbia, Canada. During the year ended December 31, 2014, the Company completed a 3 for 1 share consolidation (Note 7). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation in the year ended December 31, 2014.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast doubt on the validity of this assumption. For the three months ended March 31, 2015 the Company incurred a net loss of $86,448 (March 31, 2014 - $161,029) and had an accumulated deficit of $25,527,992 (December 31, 2014 - $25,441,544). The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2014.

2. BASIS OF PRESENTATION (continued)

Approval of the financial statements

The unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2015 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 1, 2015.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Gold Port (Guyana) Incorporated, incorporated in Guyana, South America and Gold Port Resources Limited, incorporated in Guyana from the date control was acquired. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

Critical Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iv) Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

(Expressed in Canadian Dollars)

3. EQUIPMENT

Cost		Exploration equipment		Field Equipment		Office Equipment		Vehicles		Total
Balance at December 31, 2013	$	808,799	$	37,742	$	2,391	$	-	$	848,932
Additions		-		27,268		-		-		27,268
Balance at December 31, 2014	$	808,799	$	65,010	$	2,391	$	-	$	876,200

Accumulated amortization		Exploration equipment		Field Equipment		Office Equipment		Vehicles		Total
Balance at December 31, 2013	$	489,656	$	5,244	$	160	$	-	$	495,060
Amortization		50,020		8,404		525		-		58,949
Write-off		269,123		51,362		1,706		-		322,191
Balance at December 31, 2014	$	808,799	$	65,010	$	2,391	$	-	$	876,200

Carrying amounts		Exploration equipment		Field Equipment		Office Equipment		Vehicles		Total
Balance at December 31, 2013	$	319,143	$	32,498	$	2,231	$	-	$	353,872
Balance at December 31, 2014 and March 31, 2015	$	-	$	-	$	-	$	-	$	-

4. EXPLORATION AND EVALUATION ASSETS

Realization of assets

The investment in mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company incurred exploration costs during the three months ended March 31, 2015 as follows:

		Groete Project
Administration	$	2,352
Fuel and field supplies		4,471
Travel		9,471
Total	$	16,294

The Company incurred exploration costs during the three months ended March 31, 2014 as follows:

		Groete Project
Administration	$	5,756
Fuel and field supplies		12,904
Geologists and consultants		4,828
Travel		5,628
Total	$	28,936

Groete Project, Guyana

The Company holds a 100% interest in the Groete Property located in Guyana subject to a 1.5% NSR, which may be purchased for US$3,000,000.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2015		**December 31, 2014**
Accounts payables (Note 12)	$	228,600	$	228,600
Accrued liabilities (Note 12)		190,068		190,068
	$	418,668	$	418,668

6. SHARE CAPITAL

Authorized: Unlimited common shares without par value

During the year ended December 31, 2013, the Company completed a 10 for 1 share consolidation. During the year ended December 31, 2014, the Company completed a 3 for 1 share consolidation. All common share, warrant and stock option information presented in these consolidated financial statements is on a post-consolidation basis.

Included in issued share capital are 90,000 escrowed common shares.

Year ended December 31, 2014:

During April 2014, the Company issued 1,892,666 units for gross proceeds of $113,560. Each unit is comprised of one common share and one warrant entitling the holder to acquire an additional common share for $0.10 per share for a period of two years.

During August 2014, the Company issued 5,033,333 units for gross proceeds of $302,000. Each unit is comprised of one common share and one warrant entitling the holder to acquire an additional common share for $0.10 per share for a period of three years. The Company paid a finder's fee of $24,000 and issued 400,000 finders warrants, with the same terms as the warrants attached to the units. The Company has estimated the fair value of the finder's warrants to be $26,666 based on the Black-Scholes option pricing model. The assumptions used for the Black-Scholes valuation of the finder's warrants were as follows: a risk-free interest rate of 1.15%, an expected life of three years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 187.69%. The Company also incurred share issuance costs of $2,764.

Shares for debt

During the year ended December 31, 2014, the Company issued 3,271,360 shares for debt totalling $227,916.

(Expressed in Canadian Dollars)

7. STOCK OPTIONS

The Company has a rolling stock option plan (the "plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant, subject to a minimum exercise price of $0.10 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2013	-	-
Granted	1,469,000	0.10
Cancelled	(175,000)	0.10
Outstanding and exercisable, December 31, 2014 and March 31, 2015	1,294,000	$ 0.10

The weighted average remaining contractual life of options at period end is 4.13 years (December 31, 2014 – 4.38 years).

During the three months ended March 31, 2015, the Company granted Nil (Year ended December 31, 2014 – 1,469,000) stock options to directors, officers and consultants of the Company. The fair value of the options granted during the period is $Nil (Year ended December 31, 2014 - $147,861), based on the Black-Scholes option pricing model. The weighted average of the fair value per option was $Nil (Year ended December 31, 2014 - $0.10)

The following weighted average assumptions were used for the Black-Scholes option pricing model during the year ended December 31, 2014:

	2014
Risk-free interest rate	1.56%
Expected life of options	5 years
Annualized volatility	180.93%
Dividend rate	0.00%
Forfeiture rate	0.00%

As at March 31, 2015, the following options were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options
February 10, 2019	$0.05	459,000
August 18, 2019	0.12	835,000
		1,294,000*

* Subsequent to March 31, 2015, 334,000 stock options were cancelled

(Expressed in Canadian Dollars)

8. WARRANTS

The following table summarizes the Company's warrant activity for the three months ended March 31, 205 and the year ended December 31, 2014:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2013	299,967	$ 3.00
Issued	7,325,999	0.10
Outstanding, December 31, 2014	7,625,966	0.21
Expired	(299,967)	3.00
Outstanding, March 31, 2015	7,325,999	$ 0.10

As at March 31, 2015, the following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants
April 6, 2016	$0.10	1,062,666
April 13, 2016	0.10	830,000
July 24, 2017	0.10	3,893,333
August 6, 2017	0.10	1,540,000
		7,325,999

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and related party loan payable. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loan payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Currency risk

While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company is conducting business in Guyana, whose currency is the Guyanese dollar. As such, it is subject to risk due to fluctuations in the exchange rates for the United States, Canadian and Guyanese dollars. The Company does not manage currency risk through hedging or other currency management tools.

As at March 31, 2015, the Company has accounts payable denominated in US dollars of US$252,527 (December 31, 2014 – US$187,257) and cash of US$203 (December 31, 2014 - US$417). Based on a hypothetical change in the foreign exchange rate between the Canadian and the US dollars of 5% (December 31, 2014 - 5%), the effect on net and comprehensive loss would be $12,617 (December 31, 2014 - $10,862).

As at March 31, 2015, the Company has cash denominated in Guyanese dollars of $19,064 (December 31, 2014 – $227). Based on a hypothetical change in the foreign exchange rate between the Canadian and Guyanese dollars of 7.5% (December 31, 2014 – 7.5%), the effect on net comprehensive loss would be $1,430 (December 31, 2014 - $17).

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is no risk associated with receivables as this is GST due from the Canadian Government.

c) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Interest rate risk (continued)

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2015. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

d) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

e) 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. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

10. RELATED PARTY TRANSACTIONS

a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	2015	2014
Management, consulting and professional fees charged by directors and corporations under their control	$ 53,649	$ 55,571

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

b) Included in accounts payable and accrued liabilities is $449,556 (December 31, 2014 - $373,744) due to directors, officers and corporations controlled by directors of the Company. The amount due to the related parties has no specific terms of repayment, is unsecured and non-interest-bearing.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (continued)

c) The Company has loans payable of $61,932 (US$52,668) (2013 - $56,339 (US$52,668)) to a related party of the Company. The loans are unsecured, non-interest bearing and are payable on demand.

d) During the year ended December 31, 2014, the Company issued 2,741,606 common shares to settled related party debt of $178,077.

11. CAPITAL MANAGEMENT

The Company is an exploration stage company and this involves a high degree of risk. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the period.

12. SEGMENTED INFORMATION

	March 31, 2015	December 31, 2014
Exploration and evaluation assets		
Guyana	$ 588,275	$ 588,275

13. SUBSEQUENT EVENTS

Subsequent to the three months ended March 31, 2015, the Company:

- completed a non-brokered private placement for gross proceeds of $250,000 by way of the issuance of 5,000,000 units at $0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share for a period of three years. Finders fees of $22,500 were paid and 500,000 warrants exercisable under the same terms as the attached warrants were issued. These proceeds were used to pay certain accounts payable and accrued liabilities.

- entered into an option agreement to acquire the Lac Aux Bouleaux Graphite Property in Quebec by issuing an aggregate of 2,000,000 common shares (of which 1,000,000 has been issued), cash payments of $60,000 (of which $30,000 has been paid) and carrying out an exploration and development program of $500,000 over a two year period. The property is encumbered by a 3% net smelter royalty which the Company may purchase at $1,000,000 for each 1%.

- completed a non-brokered private placement for gross proceeds of $89,000 by way of the issuance of 1,780,000 units at $0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share for a period of three years. These proceeds were used to pay certain accounts payable and accrued liabilities as well as initial payments on the Lac Aux Bouleaux Graphite Property.;

- Granted 1,600,000 stock options to certain directors, officers and consultants of the Company to acquire up to 1,600,000 common shares at an exercise price of $0.10 per share.