

PRIZE MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Prize Mining Corporation as at November 30, 2014 and for the three months ended November 30, 2014 and 2013 have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors have reviewed and approved these interim financial statements. In accordance with National Instrument 51 – 102, the Company discloses that its auditors have not reviewed the accompanying unaudited condensed consolidated interim financial statements for the three months ended November 30, 2014.

PRIZE MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)**

(Expressed in Canadian dollars)

	November 30, 2014	August 31, 2014
ASSETS		
Current assets		
Cash	\$ 19,034	\$ 42,021
Marketable securities (Note 4)	445,750	373,925
Receivables	11,006	7,577
Prepaid expenses and advances	<u>1,685</u>	<u>1,685</u>
	477,475	425,208
Non-current assets		
Deposit	2,000	2,000
Equipment (Note 3)	135	180
Exploration and evaluation assets (Note 5)	<u>-</u>	<u>1</u>
TOTAL ASSETS	\$ 479,610	\$ 427,389
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 207,971	\$ 196,530
Accounts payable to related parties (Note 6)	<u>101,240</u>	<u>75,165</u>
	<u>309,824</u>	<u>271,695</u>
Shareholders' equity		
Capital stock (Note 8)	36,323,569	36,323,569
Reserves (Note 8)	1,767,173	1,767,173
Deficit	<u>(37,920,956)</u>	<u>(37,935,048)</u>
	<u>169,786</u>	<u>155,694</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 479,610	\$ 427,389

Nature and continuance of operations (Note 1)

Commitments (Note 12)

Subsequent Event (Notes 13)

Approved and authorized by the Board on January 29, 2015

"Feisal Somji"

Director

"Tim Bergen"

Director

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

PRIZE MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30

	2014	2013
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit (Note 6)	\$ 15,500	\$ 15,500
Administration (Note 6)	7,500	7,500
Consulting fees (Note 6)	17,060	20,849
Depreciation	45	262
Interest and bank charges	190	521
Legal	-	144,413
Management fees (Note 6)	22,500	22,500
Office and miscellaneous	4,851	8,834
Permitting costs	-	5,218
Property investigation	-	9,163
Rent	3,377	9,895
Shareholder communications	250	12,461
Transfer agent and regulatory fees	4,175	5,162
Travel and related costs	<u>204</u>	<u>8,637</u>
Loss before other items	<u>(75,652)</u>	<u>(270,915)</u>
OTHER ITEMS		
Interest income	25	622
Gain on foreign exchange	-	3,193
Recovery (write-off) of costs related to divested properties (Note 5)	-	(14,000)
Write-off Nunavut acquisition costs (Note 5)	(1)	-
Realized loss on disposition of marketable securities	(18,950)	-
Unrealized gain (loss) on marketable securities (Note 3)	<u>108,670</u>	<u>(82,500)</u>
	<u>89,744</u>	<u>(92,685)</u>
Net income (loss) and comprehensive income (loss) for the period	<u>14,092</u>	<u>(363,600)</u>
Basic and diluted income (loss) per common share	<u>\$ 0.00</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>21,310,252</u>	<u>21,310,252</u>

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

PRIZE MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$ 14,092	\$ (363,600)
Items not affecting cash:		
Depreciation	45	262
Write-off of Nunavut acquisition costs	1	-
Realized loss on marketable securities	18,950	-
Unrealized (gain) loss on marketable securities	(108,670)	82,500
Changes in non-cash working capital items:		
Increase in receivables	(3,429)	(11,573)
Increase in related party receivables	-	(625)
Increase in prepaid expenses	-	(1,421)
Increase in accounts payable and accrued liabilities	84,425	30,811
(Decrease) increase in accounts payable to related parties	<u>(46,296)</u>	<u>180</u>
Net cash used in operating activities	<u>(40,882)</u>	<u>(263,466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	190,000
Proceeds from share subscriptions receivable	<u>-</u>	<u>87,500</u>
Net cash provided by financing activities	<u>-</u>	<u>277,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from disposition of marketable securities	<u>17,895</u>	<u>-</u>
Net cash provided by investing activities	<u>17,895</u>	<u>-</u>
Increase (decrease) in cash during the period	(22,987)	14,034
Cash, beginning of period	<u>42,021</u>	<u>244,804</u>
Cash, end of period	<u>\$ 19,034</u>	<u>\$ 258,838</u>
Supplemental disclosure with respect to cash flows (Note 11)		

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

PRIZE MINING CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30

	Number of Shares	Capital Stock	Reserves	Deficit	Total equity
Balance, August 31, 2013	18,811,351	36,133,795	1,767,173	(37,522,978)	377,900
Shares issued for cash	3,800,000	190,000	-	-	190,000
Comprehensive loss for the period	-	-	-	(363,600)	(363,600)
Balance, November 30, 2013	21,811,351	\$ 36,323,795	\$ 1,767,173	\$ (37,886,578)	\$ 204,390
Share issuance costs	-	(226)	-	-	(226)
Comprehensive loss for the period	-	-	-	(48,470)	(48,470)
Balance, August 31, 2014	21,811,351	36,323,569	1,767,173	(37,935,048)	155,694
Comprehensive loss for the period	-	-	-	14,092	14,092
Balance, November 30, 2014	21,811,351	\$ 36,323,569	\$ 1,767,173	\$ (37,920,956)	\$ 169,786

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

PRIZE MINING CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

1. NATURE AND CONTINUANCE OF OPERATIONS

Prize Mining Corporation (the “Company”) was incorporated under the Business Corporations Act (Alberta) on August 16, 1996 and is a mining exploration company. The Company’s head office and registered and records office address is Suite 810 – 706 7th Avenue SW, Calgary, AB, T2P 0Z1.

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, unless otherwise indicated, which is the functional currency of the parent company and its subsidiaries.

The Company had been evaluating options for the exploration and development of its remaining resource property located in Canada (the “Nunavut Claims”). During the year ended August 31, 2014, the Company opted not to renew its licenses for the Nunavut Claims received notification from Aboriginal and Northern Development Canada that if the claim renewal fees are not paid by October 20, 2014, the Nunavut Claims will be cancelled. The Company has not paid the claim renewal fees.

The Company is working to identify and evaluate new project opportunities for investment or acquisition. On December 2, 2013 the Company entered into a conditional share purchase agreement to acquire 1711935 Alberta Inc. (“1711935”), an Alberta corporation that entered into a letter of intent with two Colombian companies pursuant to which 1711935 will have the right and option to acquire up to an 80% undivided ownership interest in ten mineral concessions and related property located in Colombia held by the two Colombian companies. On October 3, 2014 the Company announced that the proposed transaction with 1711935 would not proceed at this time and announced that it has entered into a binding letter of intent (the “LOI”) with Nicaragua Milling Company Limited (“NMCL”), a private company incorporated under the laws of Belize, for the assignment of certain agreements that will provide the Company with the exclusive right to acquire 61% of the outstanding shares in the capital of Four Points Mining SAS (“Four Points”), a private company incorporated under the laws of Colombia (the “Transaction”). Four Points currently owns and operates certain mineral licenses and permits to properties located in the Zaragoza mining district of northern Colombia, including the El Limon mine and mill.

At November 30, 2014, the Company had a working capital of \$167,651, had not yet achieved profitable operations and has an accumulated deficit of \$37,920,956 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company’s ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three months ended September 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s August 31, 2014 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The condensed consolidated interim financial statements have been prepared under the historical cost convention.

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company’s August 31, 2014 annual consolidated financial statements except for the new standards and amendments mandatorily effective for the first time from January 1, 2014.

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

2. BASIS OF PRESENTATION (cont'd...)*New standards and amendments effective for the first time from January 1, 2014*

The following revised standards and amendments became effective on January 1, 2014. The new and amended standards did not have a significant impact on the financial statements. The following is a brief summary of the principal new standards:

IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities"

IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, Financial Instruments: Presentation

IAS 32 is amended to clarify requirements for offsetting of financial assets and financial liabilities.

Critical accounting estimates and judgments

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's August 31, 2014 annual consolidated financial statements.

3. EQUIPMENT

	Computer equipment	Office furniture & equipment	Total
Cost	\$	\$	\$
Balance, August 31, 2013	31,142	2,491	33,633
Additions	-	-	-
Disposals	-	-	-
Balance, August 31, 2014	31,142	2,491	33,633
Additions	-	-	-
Disposals	-	-	-
Balance, November 30, 2014	31,142	2,491	33,633
Accumulated depreciation			
Balance, August 31, 2013	(30,853)	(2,131)	(32,984)
Additions	(289)	(180)	(469)
Disposals	-	-	-
Balance, August 31, 2014	(31,142)	(2,311)	(33,453)
Additions	-	(45)	(45)
Disposals	-	-	-
Balance, November 30, 2014	(31,142)	(2,356)	(33,498)
Carrying amounts			
As at August 31, 2013	289	360	649
As at August 31, 2014	-	180	180
As at November 30, 2014	-	135	135

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

4. MARKETABLE SECURITIES

Marketable securities consist of 11,110,000 (2013 – Nil) common shares of Consolidated Goldfields Corporation (“Consolidated Goldfields”) (Notes 5 & 6), 54,000 (2013 – 500,000) common shares of Athabasca Nuclear Corp. and Nil (2013 - 1,500,000) common shares of Eagle Plains Resources Ltd..

During the interim period ended November 30, 2014, the Company recorded an unrealized gain of \$108,670 (2013 – loss \$82,500) and a realized loss of \$18,950 (2013 - \$Nil) related to the marketable securities.

5. EXPLORATION AND EVALUATION ASSETS

As at November 30, 2014 and August 31, 2014:

		Nunavut Claims
Acquisition costs – August 31, 2014	\$	1
Write-off of acquisition costs		(1)
Total exploration and evaluation assets – November 30, 2014	\$	-

Nunavut Claims

During the year ended August 31, 2014, the Company opted not to renew its licenses for the Nunavut Claims and has received notification from Aboriginal and Northern Development Canada that if the claim renewal fees are not paid by October 20, 2014, the Nunavut Claims will be cancelled. During the period ended November 30, 2014, the wrote-off the remaining carrying value of the Nunavut claims and recorded a charge of \$1.

During the three-month period ended November 30, 2013, the Company wrote off and charged to operations all related deferred exploration costs incurred during the period, including permit license renewal fees of \$5,218 amortized during the period and core sample disposal costs of \$14,000.

During the year ended August 31, 2014, the Company divested its geological data base inventory relating to the Nunavut Claims (The “Nunavut Data”) to Consolidated Goldfields. The purchase price for the Nunavut Data was \$1,000,000, paid by the issuance of 11,110,000 shares of Consolidated Goldfields to the Company (Note 4).

6. RELATED PARTY TRANSACTIONS

During the period ended November 30, the Company carried out the following transactions with related parties:

a) Purchase of services

	November 30, 2014	November 30, 2013
Administration and accounting fees to a company controlled by an officer and director of the Company	\$ 18,000	\$ 18,000
Consulting fees to a company controlled by a director	\$ -	\$ 3,600

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

6. RELATED PARTY TRANSACTIONS (cont'd...)**b) Key management compensation**

Key management includes the President & CEO and CFO. The compensation paid or payable to key management or companies controlled by them for director and/or management services is shown below:

	November 30, 2014	November 30, 2013
Fees reported as management fees to companies controlled by officers and directors	\$ 22,500	\$ 22,500

c) Accounts payable to related parties:

	November 30, 2014	August 31, 2014
Companies controlled by key management for management and support services and related out-of-pocket expenses	\$ 75,837	\$ 49,762
Consulting fees and related out-of-pocket expenses to a company controlled by a director of the Company	\$ 25,403	\$ 25,403
	\$ 101,240	\$ 75,165

Amounts due to related parties are due to officers and companies controlled by directors and officers, are unsecured, are non-interest bearing and have no specific terms of repayment.

As outlined in Note 5, during the year ended August 31, 2014, the Company divested the Nunavut Data to Consolidated Goldfields which is related to the Company whereby the Company's President & CEO is a director of Consolidated Goldfields.

7. SHARE CAPITAL**Authorized**

Unlimited number of voting common shares without par value

Unlimited number of preferred shares, issuable in series

November 30, 2014

There were no shares issued during the period ended November 30, 2014.

August 31, 2014

On September 13, 2013, the Company completed the second and final tranche of a private placement (the "Private Placement") issuing 3,800,000 units (the "Units") at \$0.05 per unit for total proceeds of \$190,000. Each Unit consists of one common share of the Company and one share purchase warrant exercisable into one common share at a price of \$0.15 per share until September 13, 2014, which expired during the current period.

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

7. SHARE CAPITAL (cont'd...)**Share Purchase Warrants**

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, August 31, 2013	4,200,000	\$ 0.15
Issued	3,800,000	\$ 0.15
Exercised	-	-
Expired	<u>(4,200,000)</u>	\$ 0.15
Balance, August 31, 2014	3,800,000	\$ 0.15
Issued	-	-
Exercised	-	-
Expired	<u>(4,200,000)</u>	\$ 0.15
Balance, November, 30, 2014	-	\$ 0.15

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the market price permitted by any stock exchange on which the Company's common shares are listed or any other regulatory body having jurisdiction. The options can be granted for a maximum term of 5 years and are subject to vesting provisions determined by the board of directors.

The fair value of the options granted was estimated on the date of grant using the Black-Scholes options-pricing model. Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at August 31, 2013	1,075,000	\$ 0.30
Granted	-	-
Expired	<u>-</u>	-
Outstanding at August 31, 2014 and November 30, 2014	1,075,000	\$ 0.30
Options exercisable as of November 30, 2014	1,075,000	\$ 0.30

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

7. SHARE CAPITAL (cont'd...)**Stock options (cont'd...)**

The following stock options were outstanding at November 30, 2014:

Number of Stock Options	Exercise Price	Expiry Date
1,075,000	\$ 0.30	May 6, 2016

8. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended November 30, 2014 was based on the gain attributable to common shareholders of \$14,092 (2013 – loss of \$363,600) and a weighted average number of common shares outstanding of 21,310,252 (2013 – 21,310,252).

Diluted loss per share did not include the effect of 1,075,000 of stock options (2013 – 1,075,000 stock option; 8,000,000 l warrants; and 35,000 finders' warrants) as they are anti-dilutive.

9. CAPITAL MANAGEMENT

The Company's capital structure consists of items in equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. 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. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

10. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada in one business segment being the exploration of resource properties.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the periods ended November 30, 2014 and 2013.

PRIZE MINING CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)**

(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

12. COMMITMENTS

The Company has entered into a lease agreement for its office premises. The remaining minimum lease payments, including operating costs, pursuant to the lease agreement, are approximated as follows:

Year ending August 31,

2015	\$ 31,045
2016	\$ 41,393
2017	\$ 37,943

13. SUBSEQUENT EVENT*Conditional Acquisition and Financing*

On Dec 19, 2014, the Company terminated the binding letter of intent previously announced on October 3, 2014 with Nicaragua Milling Company Limited ("NMCL"), due to uncertainty in the mining and capital markets. The brokered unit private placement as well as the proposed consolidation, announced on October 3rd, 2014, has also been terminated.