LATERAL GOLD CORP.

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

NINE MONTHS ENDED MARCH 31, 2015

These unaudited condensed consolidated interim financial statements of Lateral Gold Corp. for the nine 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.

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

		March 31, 2015		June 30, 2014 (Audited)
ASSETS				
Current				
Cash	$	544,642	$	195,606
Receivables and prepaid expenses (Note 4)		8,933		2,350
	$	553,575	$	197,956
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 5)	$	13,098	$	14,817
Shareholders' equity				
Share capital (Note 7)		2,378,570		1,847,316
Reserves (Note 7)		336,343		336,343
Deficit		(2,174,436)		(2,000,520)
		540,477		183,139
	$	553,575	$	197,956

Nature and continuance of operations (Note 1)

"Patrick Abraham"	Director	*"John Veltheer"*	Director
Patrick Abraham		John Veltheer	

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

LATERAL GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Nine Months Ended March 31, 2015	Nine Months Ended March 31, 2014
EXPENSES				
Consulting fees (Note 6)	$ 75,000	$ -	$ 75,000	$ -
Directors' fees (Note 6)	-	-	20,648	-
Foreign exchange (gain) loss	45	(1,427)	88	(1,575)
Office and miscellaneous	1,418	1,394	2,333	6,072
Professional fees (Note 6)	9,000	9,000	45,794	27,642
Rent	4,500	-	4,500	-
Shareholder communications	-	181	783	1,308
Transfer agent and filing fees	16,944	6,740	23,382	12,484
Travel and related costs	-	-	1,388	-
Loss from operations	(102,407)	(15,888)	(173,916)	(45,931)
OTHER ITEM				
Write-off of exploration and evaluation asset	-	(187,038)	-	(187,038)
Loss and comprehensive loss for the period	$ (102,407)	$ (202,926)	$ (173,916)	$ (232,969)
Basic and diluted loss per common share	$ (0.03)	$ (0.17)	$ (0.08)	$ (0.20)
Weighted average number of common shares outstanding	3,990,964	1,190,964	2,297,316	1,190,964

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

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
NINE MONTHS ENDED MARCH 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (173,916)	$ (232,969)
Item not affecting cash:		
Write-off of exploration and evaluation asset	-	187,038
Changes in non-cash working capital items:		
Decrease (increase) in receivables and prepaid expenses	(6,583)	4,914
Decrease in accounts payable and accrued liabilities	(1,719)	(18,991)
Net cash used in operating activities	(182,218)	(60,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mining tax credit received	-	36,143
Exploration and evaluation asset	-	(63,943)
Net cash used in investing activities	-	(33,825)
CASH FLOWS FROM FINANCING ACTIVITY		
Issuance of share capital, net	531,254	-
Net cash provided by financing activity	531,254	-
Change in cash during the period	349,036	(93,833)
Cash, beginning of period	195,606	307,314
Cash, end of period	$ 544,642	$ 213,481
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows:

As at March 31, 2015, included in accounts payable and accrued liabilities are exploration expenditures totaling $Nil (2014 - $738).

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

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at June 30, 2013	1,190,964	$ 1,847,316	$ 336,343	$ (1,735,730)	$ 447,929
Loss and comprehensive loss for the period	-	-	-	(232,969)	(232,969)
Balance at March 31, 2014	1,190,964	$ 1,847,316	$ 336,343	$ (1,968,699)	$ 214,960
Balance at June 30, 2014	1,190,964	$ 1,847,316	$ 336,343	$ (2,000,520)	$ 183,139
Issuance of share capital	9,000,000	540,000	-	-	540,000
Share issuance costs	-	(8,746)			(8,746)
Loss and comprehensive loss for the period	-	-	-	(173,916)	(173,916)
Balance at March 31, 2015	10,190,964	$ 2,378,570	$ 336,343	$ (2,174,436)	$ 540,477

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Lateral Gold Corp. (the "Company") is incorporated under the Business Corporations Act, British Columbia.

The Company's head office and principal address is 408 – 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6 and the registered and records office is 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7. During the nine months ended March 31, 2015, the Company completed a 10 old for 1 new share consolidation (Note 7). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

These unaudited condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. A number of alternatives for completing a financing are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated interim 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.

2. STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements were authorized for issue on May 11, 2015 by the directors of the Company.

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 annual audited financial statements of the Company for the year ended June 30, 2014.

(Expressed in Canadian Dollars)

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

On July 1, 2014, the Company adopted the “Amendment to IAS 32 Financial Instruments: Presentation”. There were no adjustments required on the adoption of this amendment.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

4. RECEIVABLES AND PREPAID EXPENSES

The Company’s receivables and prepaid expenses are as follows:

	March 31, 2015	June 30, 2014
GST recoverable	$ 8,933	$ 1,390
Prepaid expenses	-	960
	$ 8,933	$ 2,350

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	March 31, 2015	June 30, 2014
Trade payables	$ 13,098	$ 1,260
Due to related parties (Note 6)	-	1,057
Accrued liabilities	-	12,500
Total	$ 13,098	$ 14,817

6. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers of the Company. During the nine months ended March 31, 2015, the Company remunerated its key management as follows:

a) paid or accrued professional fees of $29,000 (2014 - $27,000) to a company controlled by the Company's corporate secretary;

b) paid or accrued professional fees of $2,000 (2014 - $nil) to a company controlled by the Company's CFO;

c) paid or accrued directors fees of $20,648 (2014 - $nil) to directors, former directors, and companies controlled by directors of the Company;

d) paid or accrued consulting fees of $60,000 (2014 - $nil) to a director of the Company, and to a company controlled by a director of the Company; and

e) paid or accrued geological fees of $Nil (2014 - $18,693), that were capitalized to exploration and evaluation assets, to a company controlled by a former director of the Company who was also the Company's Qualified Person.

As at March 31, 2015, included in accounts payable and accrued liabilities is $Nil (June 30, 2014 - $1,057) due to a company controlled by a former director of the Company who was also the Company's Qualified Person.

These amounts are unsecured and non-interest bearing with no stated terms of repayment.

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital and private placements

As at March 31, 2015, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares, are fully paid.

During the nine months ended March 31, 2015, the Company issued 9,000,000 common shares of the Company for gross proceeds of $540,000, pursuant to the completion of a non-brokered private placement. Total share issuance costs, comprised of legal and filing fees, were $8,746.

During the nine months ended March 31, 2015, the Company completed a 10-old for 1-new share consolidation. All common share, warrant and stock option information presented in these financial statements is presented on a post-consolidation basis.

There were no share issuances during the year ended June 30, 2014.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

b) Stock options

As at March 31, 2015, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of shares	Exercise price	Expiry date
62,770	$ 2.50	June 17, 2017

Stock option transactions and the number of options are summarized as follows:

	Number of options	Exercise price
Balance, June 30, 2014	111,090	$ 2.50
Forfeited	(48,320)	2.50
Balance, March 31, 2015	62,770	$ 2.50

c) Share-based payments

The Company has a stock option plan 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 stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

No stock options were granted during the nine months ended March 31, 2015 or during the year ended June 30, 2014.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

d) Warrants

As at March 31, 2015, the Company had outstanding share purchase warrants enabling the holders to acquire common shares as follows:

Number of shares	Exercise Price	Expiry date
306,108	$ 2.50	June 15, 2017

Warrant transactions and the number of warrants are summarized as follows:

	Number of Warrants		Exercise Price	Life Remaining (in years)
Balance, June 30, 2014 and March 31, 2015	306,108	$	2.50	2.24

No share purchase warrants were issued during the nine months ended March 31, 2015 or during the year ended June 30, 2014.

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, receivables and trade payables. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 input of the fair value hierarchy.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (cont'd)

Fair value (cont'd)

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2015 and June 30, 2014:

	As at March 31, 2015		
	Level 1	**Level 2**	**Level 3**
Cash	$ 544,642	$ -	$ -

	As at June 30, 2014		
	Level 1	**Level 2**	**Level 3**
Cash	$ 195,606	$ -	$ -

Risk factors

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from 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. As at March 31, 2015, the Company had cash of $544,642 to settle current liabilities of $13,098.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances. 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 credit ratings of its banks.

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (cont'd)

Market risk (cont'd)

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk on fluctuations in exchange rates as most transactions are denominated in Canadian dollars.

(c) 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. The Company does not hedge its currency risk.

Capital management

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, reserves and deficit.

The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

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 new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments payable on demand. This strategy is unchanged from fiscal 2014.

The Company is not subject to externally imposed capital restrictions.