Ximen Mining Corp.

For the Six Months Ended December 31, 2014

Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited-Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of Ximen Mining Corp. for the period ended December 31, 2014 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

Ximen Mining Corp.

Interim Statements of Financial Position
(Expressed in Canadian Dollar)
(Unaudited)

	Note	December 31, 2014 $	June 30, 2014 $
ASSETS			
CURRENT			
Cash and Cash Equivalent	2(c)	149,464	155,526
GST / HST Recoverable		44,990	95,691
Subscription Receivable	7 (c)	10,000	-
Prepaid Expenses		186,342	166,388
Due from Related Parties		-	153,653
		390,796	571,258
NON-CURRENT			
Reclamation Bond		8,000	-
Loans Receivable		13,300	64,750
Property and Equipment	5	170,488	131,376
		582,584	767,384
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities	8(a)(c)	1,039,991	651,796
Loans Payable		11,700	-
		1,051,691	651,796
SHAREHOLDERS' EQUITY			
Share Capital	7(b)	11,282,094	8,926,571
Subscriptions Received		-	251,000
Share-Based Payment Reserve		488,473	73,580
Deficit		(12,239,674)	(9,135,563)
		(469,107)	115,588
		582,584	767,384

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Exploration and Evaluation Assets (Note 6)
Commitment (Note 9)
Subsequent Event (Note 13)

The accompanying notes are an integral part of the consolidated financial statements.

Approved on Behalf of the Board:

"Chris Anderson" ________ "Travis Snider" _

Chris Anderson, Director   Travis Snider, Director

Ximen Mining Corp.

Interim Statements of Changes in Equity

(Expressed in Canadian Dollar)
(Unaudited)

		Number of Common Shares	Share Capital $	Subscription Received $	Shared-Based Payment Reserve $	Deficit $	Total Shareholders' Equity $
Balance, June 30, 2013		2,607,830	5,060,052	25,000	79,641	(5,670,733)	(506,040)
Shares Issued for Cash		3,470,000	544,000	-	-	-	544,000
Subscription Received		-	-	149,750	-	-	149,750
Net Income for the Period		-	-			(165,942)	(165,942)
Balance, December 31, 2013		6,077,830	5,604,052	174,750	79,641	(5,836,675)	21,768
Balance, June 30, 2014		14,068,295	8,926,571	251,000	73,580	(9,135,563)	115,588
Shares Issued for Exploration and Evaluation Assets	7 (b) (iii, v, vi)	967,391	367,750				367,750
Shares Issued upon Settlement of Debt	7(b) (x)	177,150	35,430				35,430
Shares Issued for Cash	7 (b) (iv, vii, ix)	5,559,218	1,817,571		-	-	1,817,571
Shares Issued for Cash-Flow-Through Units	7 (b) (viii)	450,000	90,000				90,000
Exercise of Warrants	7 (b) (ii)	70,000	62,000	-	-	-	62,000
Share Issuance Costs	7 (b) (iv, vii, viii)	-	(22,978)				(22,978)
Exercise of Stock Options	7 (b) (i)	23,000	5,750				5,750
Share-Based Payments	7 (d)	-	-	-	414,893	-	414,893
Subscription Received		-	-	(251,000)			(251,000)
Net Loss for the Period		-	-	-	-	(3,104,111)	(3,104,111)
Balance, December 31, 2014		21,315,054	11,282,094	-	488,473	(12,239,674)	(469,107)

The accompanying notes are an integral part of the consolidated financial statements.

Ximen Mining Corp.

Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollar)
(Unaudited)

	Note	Three Months Ended December 31, 2014 $	Three Months Ended December 31, 2013 $	Six Months Ended December 31, 2014 $	Six Months Ended December 31, 2013 $
EXPENSES					
Accounting, Audit and Legal		45,928	11,889	36,939	23,708
Bank Charges and Interest		1,009	261	2,731	236
Consulting		177,525	30,000	311,965	90,765
Depreciation		9,319	175	15,888	350
Exploration	6	768,072	-	1,773,519	-
Investor Relations		10,315	-	246,214	-
Management		70,000	-	143,500	
Office and Administration		49,569	12,677	80,758	28,912
Property Investigation		-	12,450	-	1,007
Rent		-	-	-	16,700
Regulatory Fees and Transfer Agent		27,788	10,264	36,932	14,158
Shareholder Communications		-	3,464	-	5,854
Stock-Based Compensation	7(e)	-	-	414,893	-
Travel and Accommodations		19,580	2,298	40,772	2,298
		(1,179,105)	(83,478)	(3,104,111)	(183,988)
LOSS BEFORE OTHER ITEMS					
Gain on Settlement of Debts		-	13,286	-	13,286
Other Income		-	4,760	-	4,760
		-	18,046	-	18,046
NET COMPREHENSIVE LOSS FOR THE PERIOD		(1,179,105)	(65,432)	(3,104,111)	(165,942)
BASIC AND DILUTED LOSS PER SHARE		(0.06)	(0.01)	(0.18)	(0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		18,686,141	5,743,415	17,161,548	4,459,715

The accompanying notes are an integral part of the consolidated financial statements.

Ximen Mining Corp.

Interim Statements of Cash Flows
(Expressed in Canadian Dollar)
(Unaudited)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Six Months Ended December 31, 2014	Six Months Ended December 31, 2013
	$	$	$	$
CASH PROVIDED BY (USED FOR):				
OPERATING ACTIVITIES				
Net Loss for the Period	(1,179,105)	(65,432)	(3,104,111)	(165,942)
Non-Cash Items				
Depreciation	9,319	175	15,888	350
Stock-Based Compensation	-	-	414,893	-
Shares Issued for Exploration and Evaluation Assets	69,750	-	367,750	-
Change in Non-Cash Working Capital Accounts				
GST/HST Recoverable	65,780	602	50,701	(3,574)
Subscription Receivable	66,150		(10,000)	-
Prepaid Expenses	126,550	(21,839)	(19,954)	(39,555)
Accounts Payables and Accrued Liabilities	176,269	(32,320)	388,195	(70,384)
Other Receivables	-	22,200	-	(22,150)
Due to/from Related Parties	11,391	(31,730)	153,653	(33,934)
	(653,896)	(128,344)	(1,742,985)	(335,189)
INVESTING ACTIVITIES				
Reclamation Bond	-	-	(8,000)	-
Acquisition of Mineral Properties	-	(361,095)	-	(361,095)
Purchase of Property and Equipment		-	(55,000)	-
	-	(361,095)	(63,000)	(361,095)
FINANCING ACTIVITIES				
Proceeds from Issuance of Shares	1,021,052	429,000	1,987,773	544,000
Subscription Received	(166,000)	34,750	(251,000)	149,750
Loan (Repayment) Proceeds	(84,600)	29,000	63,150	12,000
	770,452	492,750	1,799,923	705,750
INCREASE (DECREASE) IN CASH	116,556	3,311	(6,062)	9,466
Cash, Beginning of the Period	32,908	11,698	155,526	5,543
CASH, END OF THE PERIOD	149,464	15,009	149,464	15,009

Supplementary Cash Flow Information (Note 11)

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on December 4, 2006, as Everett Resources Ltd. and changed its name to Elm Tree Minerals Inc. on March 19, 2012. On September 4, 2013, the Company changed its name to Ximen Mining Corp. In addition, on July 4, 2013, the Company consolidated its share capital, options and warrants on a five (old) to one (new) basis. These financial statements reflect the retroactive application of the share consolidation.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company's shares are listed on the TSX Venture Exchange under the symbol XIM, on the Frankfurt Exchange under the symbol A1W2EG, and on the US OTCQX, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, 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. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at December 31, 2014, the Company has an accumulated deficit of $12,239,674 and a working capital deficiency (excess of current liabilities over current assets) of $660,895. While the Company believes these amounts will be sufficient to carry out planned exploration expenditures, there remains substantial doubt about the Company's ability to continue as a going concern should it not be able to raise further funds to also meet its corporate and administrative costs beyond the end of the year.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

The 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

These unaudited financial statements were approved and authorized for issue by the board of Directors on February 28, 2015.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Foreign Currency Translation

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

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

c) Cash and Cash Equivalents

Cash and cash equivalents include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash and cash investments with institutions of high-credit worthiness.

d) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method of 20% per year.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

e) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

g) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at December 31, 2014 and June 30, 2014, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

j) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Share-Based Payments (Continued)

During the year ended June 30, 2014, the Company changed its accounting policy, whereby upon the expiry or cancellation of stock options and other share-based payments, their estimated fair value previously recorded into the share-based payment reserve is transferred to deficit. These financial statements reflect the retroactive application of this accounting policy change, which has no net effect on the net loss for the year ended June 30, 2013.

k) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Subscription Received,' 'Share-based Payment Reserve,' and 'Deficit'.

- 'Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year end.

- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

- 'Deficit' is used to record the Company's change in deficit from earnings from period to period and to recognize the fair value of stock option grants and warrants after expiry or cancellation.

l) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is antidilutive.

m) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash and cash equivalents fall into this category of financial instruments.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's amounts due from related parties and loans receivable fall into this category of financial instruments.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

  Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** **–** Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable and accrued liabilities, loans payable, and amounts due to related parties fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described as follows.

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

b) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

c) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

(Expressed in Canadian Dollar)

NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 will replace the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has tentatively been set for January 1, 2018; however, early adoption of the new standard is permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is currently not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given the nature of the Company's operations and the types of financial instruments that it currently holds.

NOTE 5 – PROPERTY AND EQUIPMENT

	Computer $	Mining Equipment $	Office Furniture $	Total $
COST				
Balance, June 30, 2014	5,217	140,476	4,000	149,693
Additions	-	55,000	-	55,000
Balance, December 31, 2014	5,217	195,476	4,000	204,693
ACCUMULATED DEPRECIATION				
Balance, June 30, 2014	3,910	11,190	3,217	18,317
Depreciation	130	15,680	78	15,888
Balance, December 31, 2014	4,040	26,870	3,295	34,205
NET BOOK VALUE				
Balance, June 30, 2014	1,307	129,286	783	131,376
Balance, December 31, 2014	1,177	168,606	705	170,488

(Expressed in Canadian Dollar)

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to date on its mineral properties are summarized below.

	Brett $	Bouleau $	Dentonia $	Gold Drop $	Treasure Mountain $	General Exploration $	Total $
Balance, June 30, 2014	915,593	-	-	376,771	200,015	143,237	1,635,616
Acquisition Costs	-	211,019	69,750	198,000	-	-	478,769
Exploration Costs	978,326			313,126	1,149	2,149	1,294,750
Balance, December 31, 2014	1,893,919	211,019	69,750	887,897	201,164	145,386	3,409,135

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

In December 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments of $1,000,000, issuing 1,000,000 shares (issued) upon signing of the agreement (Note 7(b)(iii)) and receiving TSX approval, and issuing common shares of the Company with a value of $350,000 over two and a half years. The Company paid $300,000 cash during the year ended June 30, 2014.

In January 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty ("NSR") on the Brett Gold Project. Under the terms of the agreement, the Company may acquire 100% of the NSR by issuing common shares of the Company with a value of $145,000 over two years. The Company issued 100,000 shares on February 20, 2014, upon signing the agreement and receiving TSX approval.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS (Continued)

b) Gold Drop Property, British Columbia, Canada

In October 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from downtown Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash and stock payments as follows: $25,000 cash (paid) on signing of the Letter of Intent, $15,000 cash (paid), and 150,000 shares (issued, Note 7(b)(vi)) upon TSX approval. On the first anniversary, an additional $60,000 cash (paid) and 250,000 shares are due and on the second anniversary an additional $75,000 cash (paid) and 350,000 shares are due.

During the quarter ended, the Company issued 600,000 common shares valued at $198,000.

c) Treasure Mountain, British Columbia, Canada

The Company entered into an option agreement to acquire a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia. Under the terms of the property purchase agreement, the Company may acquire a 100% interest in and to the property by making cash and stock payments as follows: $75,000 (paid) cash upon signing of the agreement, and $50,000 (paid) cash due 90 days after the signing of the agreement.

The Company acquired an adjacent mineral claim for a $15,000 (paid) cash payment. The Company paid $55,000 cash and acquired a 100% interest in two surrounding mineral claims.

d) Dentonia, South, British Columbia, Canada

The Company entered into a property option agreement with Quadra Coastal Resources Ltd., whereby the Company may acquire a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 150,000 common shares. These shares were issued on October 3, 2014, and were valued at $69,750.

e) Bouleau, British Columbia, Canada

The Company entered into option agreement with North Bay Resources to acquire the Bouleau property which is adjacent to the Company's Brett property located near Vernon, BC. Under the terms of the option agreement, the Company, may acquire a 100% undivided interest by making cash and stock payments over two years as follows: $300,000 cash and $300,000 common shares.

During the period, the Company paid $100,000 and issued 217,391 common shares valued $100,000.

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

As at December 31, 2014, there were 21,315,054 common shares issued and outstanding.

The following share issuances occurred during the nine months ended December 31, 2014:

i) The Company issued 23,000 common shares pursuant to the exercise of stock options for gross proceeds of $5,750.

ii) The Company issued 70,000 common shares pursuant to the exercise of warrants for gross proceeds of $62,000.

iii) On August 18, 2014, the Company issued 600,000 common shares pursuant to a property option agreement on the Gold Drop Property, with a fair value of $198,000.

iv) On August 27, 2014, the Company completed a private placement, raising gross proceeds of $898,971 by issuing 1,707,219 units at $0.55 per unit. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share of the Company at $1.00 per share for a period of 12 months. Finders' fees of $2,770 were paid and 5,036 finders' warrants were issued.

v) On September 14, 2014, the Company issued 217,391 common shares pursuant to the acquisition of the Bouleau Property for exploration purposes ,with a fair value of $100,000.

vi) On October 3, 2014, the Company issued 150,000 common shares pursuant to the acquisition of the Dentonia Property for exploration purposes, with a fair value of $69,750.

vii) On October 24, 2014, the Company completed a private placement, raising gross proceeds of $711,600 by issuing 2,472,000 units at a price of $0.30 per unit. Each unit consisted of one common share and one non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.40 per share for a period of 12 months. Finders' fees of $8,808 were paid and 29,360 finder' warrants were granted.

viii) On December 30, 2014, the Company completed a private placement, raising gross proceeds of $90,000 by issuing 450,000 flow-through units at $0.20 per share. Each unit consists of one flow-through common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at $0.25 per share for a period of two years. Finders' fees of $9,600 were paid.

ix) On December 30, 2014, the Company completed a private placement of $207,000 by issuing 1,380,000 units at a price of $0.15 per unit. Each unit consisted of one common share and one non-transferable share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.25 per share for a period of two years. Finders' fees of $1,800 were paid.

x) During the period ended December 31, 2014, the Company issued 177,150 shares with a total fair value of $35,430 (2013 – $nil) for the settlement of debts.

(Expressed in Canadian Dollar)

NOTE 7 – SHARE CAPITAL (Continued)

c) As at December 31, 2014, the Company had a Share Subscription Receivable balance of $10,000 relating to the private placement during the period. This amount was received by the Company subsequent to the period end.

d) Stock Options

The Company has a stock option plan under which it is authorized to grant options to 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 equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

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

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance, June 30, 2014	201,450	$0.27
Granted	1,134,000	$0.50
Exercised	(23,000)	$0.25
Balance, December 31, 2014	1,312,450	$0.47

The following stock options were outstanding at December 31, 2014:

Expiry Date	Number of Stock Option	Exercise Price $	Number of Stock Options Exercisable
November 15, 2015	158,450	0.25	158,450
August 21, 2016	1,000,000	0.50	1,000,000
September 8, 2016	134,000	0.50	134,000
June 4, 2017	20,000	0.50	20,000
	1,312,450		1,312,450

e) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options at the grant date using the Black-Scholes option-pricing model.

During the period ended December 31, 2014, the Company granted 1,134,000 (June 30, 2014 – 425,000) stock options. Stock-based compensation expense using the Black-Scholes option pricing model was $414,893 (June 30, 2014 – $148,193). The weighted average fair value of the stock options granted was $0.47 (June 30, 2014 – $0.0.46) per option.

(Expressed in Canadian Dollar)

NOTE 7 – SHARE CAPITAL (Continued)

d) Share-Based Payments, continued

The following assumptions were used for the Black-Scholes valuation of stock options granted:

	December 31, 2014	June 30, 2014
Risk-free interest rate	2.75%	1.10%
Expected life of stock options	2 years	2 years
Annualized volatility	172%	216%
Dividend rate	0.00%	0.00%

f) Share Purchase Warrants

	Number of Warrants	Weighted Average Exercise Price $
Balance, June 30, 2014	738,440	0.63
Granted	858,160	1.00
Granted	2,471,999	0.40
Granted-Flow-Through Units	450,000	0.25
Granted	1,380,000	0.25
Exercised	(50,000)	0.60
Exercised	(20,000)	1.00
Expired	(638,440)	0.60
Expired	(30,000)	1.00
Balance, December 31, 2014	5,160,159	0.45

The following share purchase warrants were outstanding at December 31, 2014*:*

	Number of Warrants	Exercise Price $
July 31, 2015	858,160	1.00
September 22, 2016	2,471,999	0.40
December 30, 2016	450,000	0.25
December 30, 2016	1,380,000	0.25
	5,160,159	

(Expressed in Canadian Dollar)

NOTE 7– SHARE CAPITAL (Continued)

g) Agents' Warrants

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, June 30, 2014	24,160	0.60
Granted	5,036	0.40
Granted	29,360	1.00
Expired	(24,160)	-
Balance, December 31, 2014	34,396	-

	Number of Warrants	Exercise Price
		$
July 31, 2015	5,036	0.40
September 22, 2016	29,360	1.00
	34,396	

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NOTE 8 – RELATED PARTY TRANSACTIONS

The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. The amounts due to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed. The Company entered into the following transactions with related parties:

a) During the period ended December 31, 2014, the Company incurred $50,003 (2013 – $nil) in professional, exploration, and other reimbursements to the director and officer and $151,500 (2013 – $25,000) in consulting, exploration, and other reimbursements to a company owned by the director and officer.

b) Professional, exploration fees, and other reimbursements of $27,004 (2013 – $7,500) were paid or accrued to a former officer and director of the Company during the period ended December 31, 2014.

c) Rent and office fees of $21,000 (2013 – $Nil) was paid or accrued to a company under common control for use of the shared office space. As at December 31, 2014, $20,880 (2013 – $nil) was owed to the company under common control.

NOTE 9 – COMMITMENTS

On December 1, 2013, the Company entered into a three-year agreement with an officer and a director for consulting services for consideration of $15,000 per month plus reimbursement of all traveling and direct expenses.

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions for the quarter ended December 31, 2014, was follows:

a) 967,391common shares valued at $367,750 were issued for mineral properties.

b) 177,150 common shares valued at $35,430 were issued upon settlement of debt.

NOTE 11 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at December 31, 2014, was $11,282,094 (June 30 2014 – $8,926,571). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the quarter ended December 31, 2014.

NOTE 12 – FINANCIAL INSTRUMENTS

The fair value of the Company's amounts receivable, share subscription receivable, loan receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

NOTE 12 – FINANCIAL INSTRUMENTS (Continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had a cash balance of $149,464 to settle current liabilities of $1,051,691. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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. The Company's loans receivable and payable are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

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 oil and natural gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 13 – SUBSEQUENT EVENT

Subsequent to the period ended December 31, 2014;

a) the Company issued 700,000 common shares, with a fair value of at a deemed price of $150,500 and paid $300,000 in cash pursuant to a purchase agreement dated December 3, 2013 with the vendor of Brett Property, Running Fox Resource Corp.

b) the Company completed a flow-through private placement, raising gross proceeds of $50,000 by issuing 250,000 flow-through units ("FT Units;) at $0.20 per FT unit. Each FT Unit consists of one flow-through common share of the Company and one non-transferable share purchase warrant. Each warrant has a two year term for the purchase of one further non flow-through common share of the Company at the exercise price of $0.25 per share.

NOTE 13 – SUBSEQUENT EVENT (Continued)

c) the Company completed a private placement, raising gross proceeds of $81,000 by issuing 540,000 units at $0.15 per unit. Each NFT Unit consists of one non flow-through common share of the Company and one non-transferable share purchase warrant. Each warrant has a two year term for the purchase of one further non flow-through common share of the Company at an exercise price of $0.25 per share.

d) the Company has increased the non-flow-through private placement from 4,000,000 non flow-through units of the Company ("NFT Units") at $0.15 per NFT Unit to 7,005,920 NFT Units to raise an aggregate amount of up to $1,050,888. Each NFT Unit consists of one non flow-through common share of the Company and one non-transferable share purchase warrant. Each warrant has a two year term for the purchase of one further non flow-through common share of the Company at an exercise price of $0.25 per share.