CARIBOU KING RESOURCES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015

UNAUDITED – PREPARED BY MANAGEMENT

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 43 (3)(a), 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 review by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

CARIBOU KING RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

		As at March 31, 2015		As at December 31, 2014
Assets				
Current				
Cash	$	**16,218**	$	**193**
Share subscriptions receivable (Note 7)		**85,000**		**-**
Commodity taxes recoverable		**42,665**		**36,347**
Prepaid expenses		**17,500**		**-**
Due from related party (Note 8)		**2,500**		**1,000**
		163,883		**37,540**
Deposit (Note 4)		**5,000**		**-**
Exploration and evaluation assets (Note 4)		**678,523**		**639,106**
	$	**847,406**	$	**676,646**
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 5)	$	**215,794**	$	**792,891**
Loans payable (Note 6)		**88,384**		**87,798**
		304,178		**880,689**
Shareholders' equity (deficiency)				
Share capital (Note 7)		**7,026,111**		**6,234,860**
Share subscriptions received in advance		**30,400**		**-**
Share based payment reserve (Note 7)		**883,351**		**832,758**
Deficit		**(7,396,634)**		**(7,271,661)**
		543,228		**(204,043)**
	$	**847,406**	$	**676,646**

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 12)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"John Masters"	*"Michael England"*
Director	Director

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

CARIBOU KING RESOURCES LTD.
CODENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIOD ENDED MARCH 31,

		2015		2014
Operating expenses				
Consulting fees	**$**	**43,083**	$	26,500
Filing fees and permits		**11,464**		12,230
Interest		**2,086**		1,924
Management fees		**17,595**		25,500
Office and other		**30,554**		47,058
Professional fees		**18,813**		29,238
Share-based compensation (Note 7)		**65,463**		58,160
Travel, meals and accommodation		**1,848**		4,430
		(190,906)		(205,040)
Loss on sale on marketable securities (Note 3)		**-**		6,250
Gain on settlement of accounts payable (Note 7)		**65,933**		-
Reversal of flow-through premium liability		**-**		1,046
Loss and comprehensive loss for the period	**$**	**(124,973)**	$	(197,744)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.04)
Weighted average number of shares outstanding		**9,959,351**		5,117,358

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

CARIBOU KING RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
UNAUDITED – PREPAREP BY MANAGEMENT
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIOD ENDED MARCH 31,

		2015		2014
Operating Activities				
Loss for the period	$	(124,973)	$	(197,744)
Non-cash items:				
Share-based compensation		65,463		58,160
Shares issued for services		-		9,000
Reversal of flow-through premium		-		(1,046)
Accrued interest on loan payable		586		1,925
Unrealized loss on marketable securities		-		(6,250)
Changes in commodity taxes recoverable		(6,318)		16,178
Changes in prepaid expenses		(17,500)		(3,500)
Changes in subscriptions receivable		(85,000)		-
Changes in accounts payable and accrued liabilities		(293,302)		(75,069)
Cash used for operating activities		(461,044)		(198,346)
Investing Activities				
Exploration and evaluation expenditures, net of recoveries		(12,192)		(11,436)
Exploration advances		(5,000)		(84,662)
Cash used for investing activities		(17,192)		(96,098)
Financing Activities				
Private placement proceeds		430,790		136,000
Share issuance costs		(5,329)		(11,911)
Subscriptions received in advance		30,400		-
Loan repayment		(1,500)		(10,000)
Options exercised proceeds		39,900		-
Warrants exercised proceeds		-		30,300
Cash provided by financing activities		494,261		144,389
Changes in cash		16,025		(150,055)
Cash – beginning of period		193		153,032
Cash – end of period	$	16,218	$	2,977
Non-cash supplemental information:				
Warrants issued in payment of agent's fees	$	-	$	3,926
Shares issued to purchase exploration and evaluation assets	$	10,000	$	210,000
Shares received for exploration and evaluation assets	$	-	$	33,750
Shares issued for accounts payable settlement	$	193,810	$	-
Reserves reallocated on exercise of options	$	16,414	$	-
Cash paid for interest	$	-	$	-
Cash paid for taxes	$	-	$	-

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

CARIBOU KING RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payment reserve	Deficit	Share subscriptions received in advance	Total equity
December 31, 2013	4,594,493	$ 5,603,950	$ 752,306	$ (6,325,534)	$ -	$ 30,722
Shares issued for exploration and evaluation assets	400,000	210,000	-	-	-	210,000
Warrants exercised	40,400	30,300	-	-	-	30,300
Shares issued for private placements	345,333	259,000	-	-	-	259,000
Share issuance costs - cash	-	(11,911)	-	-	-	(11,911)
Share issuance costs - broker warrants	-	(3,926)	3,926	-	-	-
Share-based compensation	-	-	58,160	-	-	58,160
Loss for the period	-	-	-	(197,744)	-	(197,744)
March 31, 2014	5,380,226	6,087,413	814,392	(6,523,278)	-	378,527
Shares issued for exploration and evaluation assets	326,667	101,500	-	-	-	101,500
Share issuance costs - cash		(732)	-	-	-	(732)
Shares issued for options exercised	650,000	32,500	-	-	-	32,500
Transfer of share based payment reserve to share capital for options exercised	-	14,179	(14,179)	-	-	-
Share-based compensation	-	-	32,545	-	-	32,545
Loss for the period	-	-	-	(748,383)	-	(748,383)
December 31, 2014	6,356,893	6,234,860	832,758	(7,271,661)	-	(204,043)
Shares issued for exploration and evaluation assets	99,999	10,000	-	-	-	10,000
Shares issued for private placements	5,350,000	535,000	-	-	-	535,000
Share issuance costs - cash	-	(5,329)	-	-	-	(5,329)
Share issuance costs - broker warrants	-	(1,544)	1,544	-	-	-
Subscriptions received in advance	-	-	-	-	30,400	30,400
Shares issued for options exercised	539,000	39,900	-	-	-	39,900
Transfer of share based payment reserve to share capital for options exercised	-	16,414	(16,414)	-	-	-
Shares for debt	1,968,103	196,810	-	-	-	196,810
Share-based compensation	-	-	65,463	-	-	65,463
Loss for the period	-	-	-	(124,973)	-	(124,973)
March 31, 2015	14,313,995	$ 7,026,111	$ 883,351	$ (7,396,634)	$ 30,400	$ 543,228

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Caribou King Resources Ltd. ("the Company") was incorporated under the Business Corporations Act (Ontario), R.S.O. 1990, on February 27, 2007 and is listed on the TSX Venture Exchange ("TSX-V"). The Company's corporate office is located at Suite 1220 – 789 West Pender Street, Vancouver, British Columbia, Canada. The Company is a junior exploration company primarily engaged in the acquisition and exploration of exploration and evaluation assets located primarily in Canada. During the year ended December 31, 2014, the Company consolidated its share capital, options and warrants on a fifteen to one basis. These statements reflect the share consolidation retroactively.

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The condensed interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the condensed interim financial statements are presented below and are based on IFRS' issued and outstanding as of May 25, 2015; the date the Board of Directors approved the condensed interim financial statements.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd….)

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 of 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 statement of financial position.
ii) The inputs in the Black-Scholes option pricing model to value stock options and agent warrants.

Critical judgements exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

ii) Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. 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.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets (cont'd…)

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through profit or loss.

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 above.

The Company has classified its cash and marketable securities at fair value through profit or loss. The Company's due from related party and deposit is classified as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category includes accounts payables and accrued liabilities and loans payable which are recognized at amortized cost using the effective interest method.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. 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.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

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 statement of financial position date 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 reflected in profit or loss for the period.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

During the periods presented, the Company does not have any decommissioning or restoration obligations.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in profit or loss at the same time the qualifying expenditures are made.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Newly adopted accounting policies

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The adoption of this accounting policy did not have an effect on the financial statements for the period ended March 31, 2015.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed interim financial statements.

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has an effective date of January 1, 2018.

3. MARKETABLE SECURITIES

During the year ended December 31, 2013, the Company received 200,000 common shares of Canada Carbon Inc. valued at $31,000. As at December 31, 2013, the shares had a quoted market value of $43,000; accordingly a $12,000 unrealized gain was recorded in the 2013 fiscal year. During the year ended December 31, 2014, the Company sold the shares for proceeds of $30,870 and recorded a loss of $130 and an unrealized loss of $12,000 on the sale.

During the year ended December 31, 2014, the Company received 750,000 common shares of Ashburton Ventures Inc. valued at $33,750. During the year ended December 31, 2014, the Company sold the shares for proceeds of $14,830 and recorded a loss of $18,920 on the sale.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets summary

	March 31, 2015		
	Montpellier, Quebec	**Tac, Lac Vert and Buckingham, Quebec**	**Total**
Acquisition costs, beginning of period	$ 210,000	$ 207,500	$ 417,500
Additions	6,000	4,000	10,000
Written-off	-	-	(6,000)
Acquisition costs, end of period	216,000	211,500	421,500
Exploration costs, beginning of period	990	220,616	221,606
Additions			
Geological and other consulting	8,439	20,978	29,417
Exploration costs, end of period	9,429	241,594	251,023
Total, end of period	$ 225,429	$ 453,094	$ 672,523

	December 31, 2014				
	Montpellier, Quebec	**Yukon Properties**	**Tac, Lac Vert and Buckingham, Quebec**	**Mulloy, Ontario**	**Total**
Acquisition costs, beginning of year	$ -	$ 33,750	$ 176,000	$ 90,000	$ 299,750
Additions	210,000	-	31,500	70,000	311,500
Acquisition costs, end of year	210,000	33,750	207,500	160,000	611,250
Exploration costs, beginning of year	-	-	66,487	39,882	106,369
Additions					
Drilling	-	-	41,640	152,310	193,950
Field work, supplies and other	-	-	670	21,275	21,945
Geological and other consulting	990	-	50,951	9,088	61,029
Surveying	-	-	48,714	30,000	78,714
Travel & accommodation	-	-	12,154	4,980	17,134
Exploration costs, end of year	990	-	220,616	257,535	479,141
Sale of property	-	(33,750)	-	-	(33,750)
Property costs written off	-	-	-	(417,535)	(417,535)
Total, end of year	$ 210,990	$ -	$ 428,116	$ -	$ 639,106

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Montpellier, Quebec

On December 9, 2013, the Company entered into an option agreement, with a corporation that is related by virtue of a common director, to acquire certain claims located in the Hartwell Township, Casse Laurentides Region in Quebec. As consideration the Company must:

i) issue 400,000 common shares (issued at a value of $210,000);
ii) issue 66,667 common shares by December 9, 2014 (issued at a valued at $6,000);
iii) incur $50,000 in exploration expenditures by December 9, 2015.

The vendors have been granted a 2% Net Smelter Royalty ("NSR"). The Company has the right to repurchase a 1% NSR from the vendors for $1,000,000.

Tac, Lac Vert and Buckingham, Quebec

In February 2013, the Company entered into an option agreement, amended on April 22, 2014, to acquire a 100% interest in the Tac, Lac Vert and Buckingham properties located in the Province of Quebec. In consideration, the Company will:

i) issue 266,667 common shares (issued at a value of $160,000);
ii) issue 66,667 common shares by April 6, 2014 (issued at a value of $30,000);
iii) issue 33,333 common shares by September 16, 2014 (issued at a value of $1,500);
iv) issue 33,333 common shares by March 15, 2015 (issued at a value of $4,000);
v) spend exploration expenditures of $40,000 on or before May 31, 2013 (incurred);
vi) spend exploration expenditures of $110,000 by February 25, 2016.

The Company also issued 26,667 common shares (at a value of $16,000) as a finder's fee.

The vendor has been granted a 3% NSR. The Company has the right to repurchase a 1% NSR from the vendor for $1,000,000.

Mulloy Graphite Project, Ontario

During the year ended December 31, 2013, the Company entered into an option agreement to acquire 100% interest in the Mulloy (formerly Pito) graphite project located in the northeast of Hearst, Ontario.

During the year ended December 31, 2014, the Company abandoned the Mulloy option agreements and wrote–off exploration and evaluation costs of $417,535.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2015		December 31, 2014
Trade payables	$	172,044	$	757,891
Accrued liabilities		43,780		35,000
	$	215,824	$	792,891

6. LOANS PAYABLE

At March 31, 2015, the Company had $75,000 (December 31, 2014 - $75,000) of principal and $13,384 of interest (December 31, 2014 - $11,298) owing on a $100,000 loan agreement from the year ended December 31, 2012. During the year ended December 31, 2014, the Company repaid $10,000. This short-term loan bears an interest rate of 10% per annum, calculated semi-monthly. The loan is due on demand.

During the year ended December 31, 2014, the Company received and repaid loans from a company controlled by the CEO in the aggregate amount of $3,600 (December 31, 2014 - $3,600). The loan was non-interest bearing, unsecured and had no specific terms of repayment.

During the period ended March 31, 2015, the Company repaid a $1,500 loan to a director of the Company. The loan was received during the year ended December 31, 2014, was non-interest bearing, unsecured and had no specific terms of repayment.

7. SHARE CAPITAL

Common Shares

Authorized - An unlimited number of common shares

The following summarizes the share issuance transactions:

During the period ended March 31, 2015, the Company:

i) completed a non-brokered private placement of 2,000,000 non-flow through shares at a price of $0.10 per share.

ii) closed a debt settlement and has issued 1,968,103 common shares to creditors to settle debts aggregating $196,811. The debt settlement resulted in a gain on settlement of accounts payable of $65,933.

iii) granted 300,000 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.07 per share for a period of up to one year.

iv) granted 900,000 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.10 per share for a period of up to one year.

v) granted 200,000 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.13 per share for a period of up to one year.

vi) completed a non-brokered private placement of 3,350,000 non flow-through units at a price of $0.10 per unit for a total of $335,000, of which $94,000 was for settlement of accounts payable. Each non-flow through unit consists of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase an additional non-flow-through share at a price of $0.15 per share for a period of 12 months.

    The Company issued 26,100 finder's warrants exercisable at a price of $0.10 for a period of 12 months. In addition, the Company paid cash commissions to the finders totaling $2,610.

During the year ended December 31, 2014, the Company:

i) Completed a non-brokered private placement of 245,333 non-flow-through units at a price of $0.75 per unit and 100,000 flow-through units at a price of $0.75 per unit for a total of $259,000 including the settlement of $96,000 of accounts payable. Each non-flow through unit consists of one common share and one common share purchase warrant of the Company. Each non-flow through warrant entitles the holder to purchase an additional non-flow-through share at a price of $0.90 per share until February 12, 2016. Each flow-through unit consists of one flow-through common share and one half share purchase warrant of the Company. Each full flow-through warrant entitles the holder to purchase an additional non-flow-through share at a price of $1.50 per share until February 12, 2016. The premium received on the flow-through units issued was determined to be $Nil.

   The Company issued 8,000 finder's warrants exercisable at a price of $0.75 until August 12, 2015 valued at $3,926. In addition, the Company paid cash commissions to the finders totaling $6,000 and paid share issuance costs of $6,643.

ii) Issued 40,400 shares for $30,300 upon the exercise of warrants.

iii) Issued 400,000 shares (Note 4) for the Montpellier property at a price of $0.525 per share for a total value of $210,000.

iv) Issued 66,667 shares (Note 4) for the Tac, Lac Vert Property at a price of $0.45 per share for a total value of $30,000.

v) Issued 26,667 shares (Note 4) for the Mulloy Property at a price of $0.375 per share for a total value of $10,000.

vi) Issued 200,000 shares (Note 4) for the Mulloy Property at a price of $0.30 per share for a total value of $60,000.

vii) Issued 33,333 shares (Note 4) for the Tac, Lac Vert Property at a price of $0.045 per share for a total value of $1,500.

viii) Issued 450,000 shares for options exercised at price $0.05 per share for a total proceeds of $22,500. A total value of $9,310 was transferred from share based payment reserve to share capital in relation to the options exercised.

ix) Issued 200,000 shares for options exercised at price $0.05 per share for a total proceeds of $10,000. A total value of $4,869 was transferred from share based payment reserve to share capital in relation to the options exercised.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Stock Options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Company options to purchase common shares, provided that the number of shares reserved for the issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares, exercisable for a period and the exercise price to be determined by the Board at the time the option is granted.

During the period ended March 31, 2015, the Company:

i) granted 225,000 stock options exercisable at $0.13 until March 30, 2016 and recorded share-based compensation of $11,233.

ii) granted 200,000 stock options exercisable at $0.13 until March 9, 2016 and recorded share-based compensation of $10,623.

iii) granted 900,000 stock options exercisable at $0.10 until January 26, 2016 and recorded share-based compensation of $35,040.

iii) granted 300,000 stock options exercisable at $0.07 until January 7, 2016 and recorded share-based compensation of $8,567.

During the year ended December 31, 2014, the Company:

i) granted 33,333 stock options exercisable at $0.75 until January 15, 2019 and recorded share-based compensation of $17,079.

ii) granted 80,000 stock options exercisable at $0.75 until January 27, 2019 and recorded share-based compensation of $41,081.

iii) granted 26,667 stock options exercisable at $0.75 until March 6, 2019 and recorded share-based compensation of $13,862.

iii) granted 550,000 stock options exercisable at $0.05 until November 24, 2015 and recorded share-based compensation of $11,379.

iv) granted 300,000 stock options exercisable at $0.05 until December 22, 2015 and recorded share-based compensation of $7,304.

	Three months period ended March 31, 2015			**Year ended December 31, 2014**		
	Number of options		Weighted average exercise price	**Number of options**		Weighted average exercise price
Balance, beginning of period	240,667	$	0.84	384,333	$	1.78
Granted	1,625,000		0.10	990,000		0.15
Exercised	(539,000)		0.07	(650,000)		0.05
Expired/Cancelled	(26,666)		1.28	(483,666)		1.24
Balance, end of period	1,300,001	$	0.23	240,667	$	0.84

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Stock Options (cont'd…)

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

	Exercise price	**Number outstanding**		**Weighted average exercise price**	**Number exercisable**
$	2.40	15,000	$	2.40	15,000
	3.00	19,000		3.00	19,000
	0.75	6,667		0.75	6,667
	1.05	33,333		1.05	33,333
	0.75	40,001		0.75	40,001
	0.10	761,000		0.75	761,000
	0.13	200,000		0.75	200,000
	0.13	225,000		0.75	225,000
		1,300,001			1,300,001

As at December 31, 2014, the following options were outstanding and exercisable:

	Exercise price	**Number outstanding**		**Weighted average exercise price**	**Number exercisable**
$	0.05	100,000	$	0.05	100,000
	2.40	15,000		2.40	15,000
	3.00	19,000		3.00	19,000
	1.50	13,333		1.50	13,333
	0.75	6,667		0.75	6,667
	1.05	46,666		1.05	46,666
	0.75	40,001		0.75	40,001
		240,667			240,667

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended March 31, 2015	**Year ended December 31, 2014**
Expected dividend yield	Nil	Nil
Stock price volatility	122.64%	133.11%
Risk-free interest rate	0.62%	1.49%
Expected life of options	1 year	3.85 years

The weighted average fair value of the options granted during the period ended March 31, 2015 was $0.042 (December 31, 2014 - $0.032) per option.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Warrants

The Company has issued and outstanding the following share purchase warrants:

	Three months ended March 31, 2015			Year ended December 31, 2014		
	Number of Warrants		Weighted average exercise price	**Number of Warrants**		Weighted average exercise price
Balance, beginning of period	927,904	$	1.30	1,605,771	$	1.28
Granted	1,701,100		0.15	303,333		0.99
Exercised	-		-	(40,400)		0.75
Expired	(129,333)		2.25	(940,800)		1.19
Balance, end of period	2,499,671	$	0.47	927,904	$	1.30

As of March 31, 2015, the following share purchase warrants were outstanding and exercisable:

Expiry Date	**Number of Warrants**		**Weighted Average Exercise Price**		**Fair Value**
June 20, 2015	26,667	$	0.75	$	10,717
August 12, 2015	8,000		0.75		3,926
August 13, 2015	319,238		1.50		-
December 20, 2015	149,333		0.75		-
February 12, 2016	50,000		1.50		-
February 12, 2016	245,333		0.90		-
March 27, 2016	1,675,000		0.15		-
March 27, 2016	26,100		0.90		1,545
	2,499,671			$	16,188

As of December 31, 2014, the following share purchase warrants were outstanding and exercisable:

Expiry Date	**Number of Warrants**		**Weighted Average Exercise Price**		**Fair Value**
March 7, 2015	129,333	$	2.25	$	-
June 20, 2015	26,667		0.75		10,717
August 12, 2015	8,000		0.75		3,926
August 13, 2015	319,238		1.50		-
December 20, 2015	149,333		0.75		-
February 12, 2016	50,000		1.50		-
February 12, 2016	245,333		0.90		-
	927,904			$	14,643

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Warrants (cont'd…)

The fair value of agent's warrants is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended March 31, 2015	Year ended December 31, 2014
Expected dividend yield	0.00%	0.00%
Stock price volatility	124.17%	183.51%
Risk-free interest rate	0.52%	1.05%
Expected life of warrants	1 years	1.5 years

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company defines key management as officers and directors.

During the three months period ended March 31, 2015, the Company:

i) paid or accrued management fees of:

   a) $14,490 (2014 - $21,000) to the current CEO and a company controlled by the CEO.
   b) $3,105 (2014 - $4,500) to a director and CFO of the Company paid through a company controlled by the CEO.

ii) paid or accrued office and other expenses of $19,580 (2014 - $26,625) to a company controlled by the CEO and director of the Company for rent, administration, consultants, and general.

iii) granted a total of 740,000 stock options to officers and directors of the Company, of which the fair market value was estimated at $27,812 and was included in share share-based compensation expense.

At March 31, 2015, $12,213 (December 31, 2014 - $229,879) was owing to a company controlled by the CEO and $1,000 (December 31, 2014 - $1,000) was owing from the CEO.

9. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of mineral properties in Canada.

10. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Fair value

The fair value of cash and marketable securities are measured on level 1 of the fair value hierarchy. Given that they will mature shortly, the fair value of due from related party, deposit, accounts payable and accrued liabilities and loan payable approximate their carrying value.

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's net assets from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties. The Company's exposure to potential loss from financial instruments is primarily due to credit risk, liquidity risk and various market risks, including interest rate and foreign exchange.

Foreign Exchange

The Company's cash is held in US dollar and Canadian dollar denominated accounts with a major Canadian chartered bank. The Company is not exposed to financial risk arising from fluctuations in foreign exchange rates.

Interest Rate Risk

The Company has limited exposure to financial risk arising from fluctuations in interest rates earned on short-term investments given their short-term nature. As a result fluctuations in market interest rates during the current period would not have any material impact on the Company's financial results.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. The Company's ability to meet its commitments for exploration programs, and meet all of its general and administrative costs on a continuous basis is dependent on the continued support of the financial markets. In particular, the Company may have to issue additional common shares.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. All of the cash is held with one financial institution. Consequently the Company is exposed to concentration of credit risks of that institution. However, the credit risk is limited, based on the high quality external credit rating of that institution. Commodity taxes recoverable is due from a government agency.

Capital Management

The Company considers the items included in equity as capital. The Company's objective in managing capital is to ensure sufficient liquidity to pursue its exploration activities and may raise additional capital through the equity markets as additional capital is required. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There was no change in the Company's capital management strategy during the period ended March 31, 2015.

11. SUBSEQUENT EVENT

Subsequent to March 31, 2015, the Company:

i) signed a letter of intent to acquire an interest in a property contiguous to the Buckingham property.

ii) completed a non-brokered private placement of 1,999,999 flow-through units at a price of $0.12 per unit for aggregate gross proceeds of $240,000 and the second tranche of its non-brokered private placement of 650,000 non flow-through units at a price of $0.10 per non-flow-through unit for aggregate gross proceeds of $65,000, of which $40,000 has been received.

Each non-flow through unit is comprised of one common share and one-half of one share purchase warrant of the Company. Each whole warrant will entitle the holder to purchase one non flow-through common share in the capital of the Company at a price of $0.15 per warrant until April 10, 2016.

Each flow-through unit is comprised of one share and one-half of one share purchase warrant of the Company. Each whole warrant will entitle the holder to purchase one non flow-through common share in the capital of the Company at a price of $0.20 per warrant until April 10, 2016.

The Company issued to the finders under the flow-through offering a total of 23,360 finder's warrants to purchase up to 23,360 non flow-through common shares in the capital of the Company at a price of $0.12 per finder's warrant for a period of 12 months. In addition, the Company paid cash commissions to the finders totaling $2,803.