



GEOMEGA RESOURCES INC.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED NOVEMBER 30, 2015

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

GEOMEGA RESOURCES INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian Dollars)

		November 30, 2015	May 31, 2015
	Note	\$	\$
ASSETS			
Current			
Cash and cash equivalents	3	346,781	454,671
Sales tax receivable		63,796	35,534
Tax credits receivable		225,980	225,980
Prepaid expenses and other		51,125	55,921
Current assets		687,682	772,106
Non-current			
Tax credits receivable		92,092	129,208
Exploration and evaluation assets	4	18,255,807	17,895,108
Property and equipment		232,547	241,759
Non-current assets		18,580,447	18,266,075
Total assets		19,268,128	19,038,181
LIABILITIES			
Current			
Trade and other payables		545,329	392,931
Obligations under finance leases		5,128	34,826
Flow-through share liability	5	25,398	-
Total current liabilities		575,855	427,757
EQUITY			
Share capital	6	27,324,878	26,525,148
Warrants	7	392,094	700,225
Broker options	8	14,400	119,910
Stock options		1,434,172	1,663,131
Contributed surplus		2,210,739	1,529,238
Deficit		(12,684,010)	(11,927,228)
Total equity		18,692,273	18,610,424
Total liabilities and equity		19,268,128	19,038,181

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

Going concern (Note 1)
Subsequent events (Note 12)

Approved on Behalf of the Board:

/s/ "Kiril Mugerman"

Kiril Mugerman
President and CEO

/s/ "Gilles Gingras"

Gilles Gingras
Director

GEOMEGA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, in Canadian Dollars, except number of common shares)

		Three Months ended November 30,		Six months ended November 30,	
		2015	2014	2015	2014
	Note	\$	\$	\$	\$
EXPENSES					
Salaries, employee benefits and share-based compensation		148,683	204,446	340,650	356,266
Exploration and evaluation expenses, net of tax credits	10	175,503	362,423	370,388	613,908
Research expenses, net of tax credits		6,328	5,536	11,975	12,953
Professional fees		69,551	49,216	137,556	136,296
Travel, conference and investor relations		6,988	67,120	19,568	111,326
Administration		9,111	9,933	19,401	15,899
Filing fees		16,285	21,720	26,605	44,565
Rent		7,307	7,235	14,613	14,329
Insurance, taxes and permits		8,817	5,930	21,939	11,505
Depreciation of property and equipment		-	-	-	3,114
Loss before under noted items					
		448,573	733,559	962,695	1,320,161
Interest income		(1,016)	(3,401)	(5,344)	(8,936)
Finance costs		1,173	2,592	3,138	15,971
Loss before income taxes					
		448,730	732,750	960,489	1,327,196
Deferred income taxes recovery		(136,958)	(85,088)	(203,707)	(114,018)
Loss and comprehensive loss for the year					
		311,772	647,662	756,782	1,213,178
Basic and diluted loss per share					
		(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding - Basic and diluted		66,303,240	51,828,261	61,570,058	50,846,245

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

GEOMEGA RESOURCES INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited, in Canadian Dollars)

Six months ended November 30,		Share Capital	Warrant s	Broker Options	Stock Options	Contributed Surplus	Deficit	Total Equity
	Note	\$	\$	\$	\$	\$	\$	\$
As at May 31, 2014		25,337,856	620,253	110,046	1,556,330	1,464,563	(9,619,741)	19,469,307
Loss and comprehensive loss for the period		-	-	-	-	-	(1,213,178)	(1,213,178)
Share-based compensation		-	-	-	72,787	-	-	72,787
Private placements	7	933,959	181,131	-	-	-	-	1,115,090
Issue costs	7	(64,574)	(8,677)	14,400	-	-	-	(58,851)
Shares issued - Anik	5, 7	15,150	-	-	-	-	-	15,150
Exercise of warrants	7, 8	302,756	(52,756)	-	-	-	-	250,000
Expired warrants	8	-	(35,023)	-	-	35,023	-	-
Expired stock options		-	-	-	(11,765)	11,765	-	-
Expired broker options	9	-	-	(4,536)	-	4,536	-	-
As at November 30, 2014		26,525,148	704,928	119,910	1,617,352	1,515,887	(10,832,919)	19,650,305
As at May 31, 2015		26,525,148	700,225	119,910	1,663,131	1,529,238	(11,927,228)	18,610,424
Loss and comprehensive loss for the period		-	-	-	-	-	(756,782)	(756,782)
Share-based compensation		-	-	-	21,061	-	-	21,061
Shares issued for private placements	6, 7	822,270	88,684	-	-	-	-	910,954
Share issuance costs	6, 7	(22,540)	(3,791)	-	-	-	-	(26,331)
Expired warrants		-	(393,024)	-	-	340,162	-	(52,862)
Expired stock options		-	-	-	(250,020)	250,020	-	-
Expired broker options		-	-	(105,510)	-	91,319	-	(14,191)
As at November 30, 2015		27,324,878	392,094	14,400	1,434,172	2,210,739	(12,684,010)	18,692,273

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

GEOMEGA RESOURCES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited, in Canadian Dollars)

	Six Months ended November 30,	
	2015	2014
Note	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(756,782)	(1,213,178)
Adjustments for:		
Share-based compensation	18,899	62,048
Depreciation of property and equipment	-	3,114
Deferred income tax recovery	(203,707)	(114,018)
Changes in non-cash working capital items:		
Sales tax receivable	(28,262)	28,097
Tax credits receivable	-	29,352
Prepaid expenses and other	4,796	(24,630)
Trade and other payables	179,601	(218,948)
Cash flows used in operating activities	(785,455)	(1,448,163)
INVESTING ACTIVITIES		
Additions of exploration and evaluation assets	(370,486)	(750,632)
Tax credit received	48,813	241,544
Additions of property and equipment	(14,635)	(1,304)
Cash flows from (used) in investing activities	(336,308)	(510,392)
FINANCING ACTIVITIES		
Proceeds from issuance of units and shares, net of issue costs	1,043,571	1,225,994
Proceeds from exercise of warrants	-	250,000
Payments on obligations under finance leases	(29,698)	(26,084)
Cash flows from (used) financing activities	1,013,873	1,449,910
Net change in cash and cash equivalents	(107,890)	(508,645)
Cash and cash equivalents, beginning of the period	454,671	2,399,775
Cash and cash equivalents, end of the period	346,781	1,891,130
Additional information		
Interest received	2,020	6,474
Interest paid	(2,158)	(15,573)
Addition of exploration and evaluation assets included in trade and other payables	21,399	102,088

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

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Geomega Resources Inc. (the “Company”) is incorporated under the Canada Business Corporations Act and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Company’s shares are listed on the TSX Venture Exchange under symbol GMA. The address of the Company’s registered office and principal place of business is 475 Victoria Avenue, Saint-Lambert, Quebec, Canada, J4P 2J1. These unaudited condensed interim financial statements were approved by the Company’s Board of Directors on January 27, 2016.

The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. For the six months ended November 30, 2015, the Company reported a loss of \$756,782 and an accumulated deficit of \$12,684,010 at that date. As at November 30, 2015, the Company had working capital of \$111,827 and cash and cash equivalents of \$346,781 of which \$159,864 is reserved for the Flow-through expenses. Management estimates that the working capital will not be sufficient to meet the Company’s obligations and commitments and budgeted expenditures through November 30, 2016. These circumstances lend a significant doubt as to the ability of the Company to ensure its continuity of operation and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company’s ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”) as issued by the *International Accounting Standards Board* (“IASB”) applicable to the preparation of interim financial statements, including *International Accounting Standard* (“IAS”) 34, *Interim Financial Reporting*. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

Basis of Presentation

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these unaudited condensed interim financial statements are consistent with those of the previous financial year ended May 31, 2015.

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

	November 30, 2015 \$	May 31, 2015 \$
Cash	93,639	74,671
Investments redeemable at any time	253,142	380,000
	346,781	454,671
<u>Less : cash reserved for qualifying exploration expenditures</u>	159,864	-
Cash and cash equivalents	186,917	454,671

4. EXPLORATION AND EVALUATION ASSETS

Montviel property (Rare Earth Elements and Niobium)

The Company owns 100% of the Montviel property, located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi. The Montviel property comprises 163 mining claims totalling 9,053 hectares as at November 30, 2015.

The property is subject to a royalty of 2% of the net proceeds to NioGold Mining Corporation ("NioGold"). On May 27, 2015, the Company entered into an agreement with NioGold under which an option, without charge, was granted to redeem the 2% royalty on Montviel for \$ 2 million.

Anik property (Gold)

The Company owns 100% of the Anik property, located 40 km south of the town of Chapais. The Anik property comprises 151 claims totalling 8,452 hectares as at November 30, 2015.

McDonald property (Gold)

The Company owns 100% of the McDonald property, located 30 km east of the Montviel property. The McDonald property comprises 217 claims totalling 12,026 hectares as at November 30, 2015.

Rivière à l'aigle property (Gold)

The Company owns 100% of the Rivière à l'aigle property, located 60 km south of the town of Chapais. The Rivière à l'aigle property comprises 161 claims totalling 9,026 hectares as at November 30, 2015.

Lac Storm property (Gold)

The Company owns 100% of the Lac Storm property, located 100 km north of the Montviel property. The Lac Storm property comprises 17 claims totalling 923 hectares as at November 30, 2015.

3G property (Gold)

The Company owns 100% of the 3G property, located 40 km east of the Montviel property. The 3G property comprises 11 claims totaling 609 hectares as at November 30, 2015.

Gaspard property (Gold)

During the three and six months ended November 30, 2015, the Company acquired 100% of the Gaspard property, located 40 km east of the Montviel property. The Gaspard property comprises 30 claims totalling 1,679 hectares as at November 30, 2015.

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Buckingham property (Graphite)

The Company owns 100% of the Buckingham property, located in the town of Buckingham. The Buckingham property comprises 13 claims totalling 782 hectares as at November 30, 2015.

MINERAL PROPERTIES

QUÉBEC	Montviel	Anik	McDonald	Rivière à l'aigle	Lac Storm	3G	Gaspard	Buckingham	Total
May 31, 2014	6,933,364	20,237	17,347	-	-	-	-	2,172	6,973,120
Additions	6,498	28,173	4,615	6,036	939	790	-	-	47,051
Impairment	(11,850)	-	-	-	-	-	-	-	(11,850)
May 31, 2015	6,928,012	48,410	21,962	6,036	939	790	-	2,172	7,008,321
Additions	-	-	497	3,481	-	-	1,658	1,437	7,073
Impairment	-	-	-	-	-	-	-	-	-
November 30, 2015	6,928,012	48,410	22,459	9,517	939	790	1,658	3,609	7,015,394

EXPLORATION AND EVALUATION EXPENDITURES CAPITALIZED

QUÉBEC	Montviel
May 31, 2014	9,839,258
Additions	1,052,065
Tax credits, net	(4,536)
May 31, 2015	10,886,787
Additions	353,626
Tax credits, net	-
November 30, 2015	11,240,413

	November 30, 2015	May 31, 2015
Mineral properties	7,015,394	7,008,321
Exploration and evaluation expenditures capitalized	11,240,413	10,886,787
Total exploration and evaluation assets	18,255,807	17,895,108

5. FLOW-THROUGH SHARE LIABILITY

	November 30, 2015	May 31, 2015
	\$	\$
Balance, beginning of year	-	30,480
Addition during the year, net of issue costs ⁽ⁱ⁾	156,480	177,982
Reduction related to qualifying exploration expenditures being incurred	(131,082)	(208,462)
Balance, end of year	25,398	-

(i) The addition for the period represents the excess of the proceeds received from Flow-through shares issued over the fair market value of the shares issued, net of issue costs. For the six months ended November 30, 2015, the Company recorded a liability of \$156,480 (\$177,982 as at May 31, 2015) as a Flow-through share liability, following the issuance of Flow-through shares on June 19, 2015. The Flow-through share liability is reduced as the Company incurs qualifying Flow-through expenses.

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

6. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number of Shares	Carrying Value \$
Balance – May 31, 2014	49,401,283	25,337,856
Private placements	6,528,277	933,959
Share issuance costs	-	(64,573)
Shares issued - Anik	60,000	15,150
Exercise of warrants	1,000,000	302,756
Balance – May 31, 2015	56,989,560	26,525,148
Private placements	5,213,556	822,270
Share issuance costs	-	(22,540)
Balance – November 30, 2015	62,203,116	27,324,878

Three and six months ended November 30, 2015

On June 19, 2015 the Company completed a first tranche of a private placement consisting of 1,311,112 units at a price of \$0.18 per unit and 2,608,000 Flow-through shares at a price of \$0.23 per Flow-Through Share for aggregate gross proceeds of \$835,840. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of \$0.23 per share for a period of 24 months from June 19, 2015.

On July 3, 2015, the Company completed the final tranche of a private placement consisting of 1,294,444 units at a price of \$0.18 per Unit for aggregate gross proceeds of \$233,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of \$0.23 per share for a period of 24 months from July 3, 2015.

The Company has the right to force the exercise of the warrants if, after the restricted period on resale of four months and one day, the volume weighted average market price of the common shares exceeds \$ 0.50 for 10 consecutive days. Warrants holders will have 30 days to exercise the warrants following the receipt of notice of the Company, failing which the warrants will expire automatically.

7. WARRANTS

The following tables summarize the warrants outstanding as at November 30, 2015. Each warrant entitles the holder to subscribe to one common share.

	Number of warrants	Carrying Value \$	Weighted Average Exercise Price \$
Balance - May 31, 2014	7,767,389	620,253	0.57
Issued	2,264,138	181,131	0.25
Issue costs	-	(8,677)	-
Exercised	(1,000,000)	(52,756)	0.25
Expired	(2,074,223)	(39,726)	0.96
Balance - May 31, 2015	6,957,304	700,225	0.40
Issued	1,302,778	88,684	0.23
Issue costs	-	(3,791)	-
Expired	(1,866,666)	(393,025)	0.90
Balance - November 30, 2015	6,393,416	392,093	0.37

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

7. WARRANTS (continued)

Expiration date	Number of warrants	Weighted Average Exercise Price \$
November 2016	1,662,500	0.21
November 2016	2,264,138	0.25
December 2016	164,000	0.21
June 2017	1,302,778	0.23
July 2019	1,000,000	0.15
	<u>6,393,416</u>	

On August 26, 2015, the Company agreed, subject to the approval of the TSX Venture Exchange, to extend to July 1, 2019 the term of the 1,000,000 share purchase warrants held by Dr. Pouya Hajiani, PhD., an employee, and issued in consideration for all rights, title and interest in two patents related to the Company's rare earth elements physical separation process. In addition, the intrinsic fair value of the warrants shall no longer be capped at \$5 million at the time they become exercisable. All other terms and conditions of the warrants remain unchanged.

8. BROKER OPTIONS

The number of outstanding broker options as at November 30, 2015 which could be exercised for an equivalent number of units or shares is as follows:

	Number of broker options for common shares	Carrying Value \$	Weighted Average Exercise Price \$
Balance - May 31, 2015	424,167	119,910	0.47
Expired	(264,167)	(105,510)	0.60
Balance – November 30, 2015	160,000	14,400	0.25

Expiration date	Number of broker options for common shares	Weighted Average Exercise Price \$
November 2016	<u>160,000</u>	0.25
	160,000	

There was no issue or exercise of broker options during the three and six months ended November 30, 2015.

9. STOCK OPTIONS

The Company has a stock option plan ("the Plan") whereby the Board of Directors (the "Board") may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board in accordance with the terms of the Plan.

The Plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the Plan is limited to a maximum of 10% of the common shares outstanding and the maximum number of common shares which may be reserved for issuance to any one may not exceed 5% of the common shares outstanding at the date of grant. These options may be exercised for a period of 5 years after the grant date and they vest gradually over a period of 24 months from the day of grant, at a rate of one-quarter per six-month period.

The stock option exercise price is established by the Board and may not be lower than the market price of the common shares at the time of grant. The exercise price is the closing price of the Company's common shares the day before the stock options are granted.

On September 14, 2015, the Company granted to an officer a total of 300,000 stock options at an exercise price of \$0.085 per share for a period of 5 years.

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

9. STOCK OPTIONS (continued)

On November 23, 2015, the Company granted to directors, officers and employees a total of 790,000 stock options at an exercise price of \$0.07 per share for a period of 5 years.

All share-based compensation will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the stock options. The Company's stock options are as follows at November 30, 2015:

	Number of Options	Weighted Average Exercise Price \$
Outstanding - May 31, 2014	2,782,500	0.81
Granted	810,000	0.25
Expired	(146,875)	0.40
Forfeited	(125,625)	0.27
Outstanding- May 31, 2015	3,320,000	0.60
Granted	1,090,000	0.07
Expired	(1,122,500)	0.68
Forfeited	(142,500)	0.26
Outstanding- November 30, 2015	3,145,000	0.40

Range of Exercise Price	Options Outstanding			Options Exercisable	
(\$)	Number of Options	Weighted Average Exercise Price \$	Remaining Life (years)	Number of Options	Weighted Average Exercise Price \$
0.10 to 1.00	2,670,000	0.18	3.74	1,282,500	0.25
1.01 to 2.00	325,000	1.50	0.83	325,000	1.50
2.01 to 3.00	150,000	2.08	0.75	150,000	2.08
	<u>3,145,000</u>			<u>1,757,500</u>	

In total, \$21,061 of share-based compensation was recognized during the six months ended November 30, 2015 with \$18,899 included in the statement of loss and comprehensive loss and \$2,162 capitalized in exploration and evaluation assets (\$62,048 and \$10,739 respectively for 2014).

10. EXPLORATION AND EVALUATION EXPENSES

	Three Months ended November 30		Six Months ended November 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Salaries, geology and prospecting	99,171	156,804	209,205	294,243
Lodging and travel expenses	27,137	67,668	62,790	114,137
Geophysics	14,320	64,174	23,437	64,174
Analysis	30,190	63,143	49,502	104,593
Drilling	-	88,508	9,900	88,508
Supplies and equipment	2,562	28,968	13,378	54,180
Taxes, permits and insurance	2,123	1,186	2,176	2,101
Mineral properties cost	-	525	-	525
Exploration and evaluation expenses before tax credits	175,503	470,976	370,388	722,461
Tax credits, net	-	(108,553)	-	(108,553)
Exploration and evaluation expenses	175,503	362,423	370,388	613,908

GEOMEGA RESOURCES INC.
Notes to Consolidated interim Financial Statements
November 30, 2015
(Unaudited, in Canadian Dollars)

11. FINANCIAL ASSETS AND LIABILITIES

During the three and six months ended November 30, 2015, a claim concerning the departure of a senior executive has been filed against the Company. In the opinion of management, this claim is unfounded and, accordingly, no provision has been recorded in these consolidated financial statements.

12. SUBSEQUENT EVENTS

- a) On December 30, 2015, the Company announced the first closing of a non-brokered private placement offering in the amount of \$309,075, consisting of a total of 3,434,167 common Flow-through shares at a price of \$0.09 per Flow-Through Share. The Company anticipates to close the final tranche of the offering consisting of units at a price of \$0.07 per Unit on or about February 22, 2016. Each Unit consists of one common share and one-half of one share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional common share at a price of \$0.09 per share for a period of 24 months from the closing date. Certain directors of the Company have participated in this Private Placement for a total of 330,000 Flow-Through Shares distributed pursuant to the private placement. The Insiders' Participation is exempt from the formal valuation and shareholder approval requirements provided under Regulation 61-101 respecting Protection of Minority Holders in Special Transactions in accordance with sections 5.5(a) and 5.7(a) of said Regulation 61-101. The exemption is based on the fact that the market value of the Insiders' Participation or the consideration paid by such insiders does not exceed 25% of the market value of the Company. The Company did not file a material change report at least 21 days prior to the completion of the private placement since the Insiders' Participation was not determined at that moment. The Company will use the proceeds of the aggregate of the Private Placement of Flow-Through Shares and Units for work on its exploration portfolio and working capital purposes. The Flow-Through shares acquired by the subscribers are subject to a hold period of four months plus one day from the closing date, ending on May 2, 2016, except as permitted by applicable securities legislation and the rules of TSX Venture Exchange. In connection with this Private Placement, the Company has paid a cash finder's fee in an amount of \$20,689 and issued 229,875 non-transferable finder's options to acquire such number of common shares at a price of \$0.09, exercisable for a period of 18 months and subject to a hold period of four months plus one day from the closing date.
- b) In November, 2015, the Company entered into an agreement to issue shares for debt with the directors of the Company. In consideration for settlement of a total combined debt of \$177,500 owing to the directors by the Company, the Company proposed to issue each of the five independent directors of the Company 75,000 common shares of the Company for a total of 375,000 common shares at a deemed price of \$0.07 per share, representing a total value of \$26,250. This proposed settlement with the directors of the Company was subject to the approval of the TSX Venture Exchange. The shares were issued December 10, 2015 after receiving TSX Venture Exchange approval.