Khalkos Exploration Inc.

Management Interim Report for the nine-month period ended November 30, 2014

TSX-V : KAS

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Khalkos
EXPLORATION

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KHALKOS EXPLORATION INC.
MANAGEMENT INTERIM REPORT
FOR THE NINE-MONTH PERIOD
ENDED NOVEMBER 30, 2014

This management discussion and analysis is dated January 22, 2014 and provides an analysis of financial results for the quarter ended November 30, 2014. This discussion and analysis of the financial position and results of operation should be read in conjunction with the unaudited interim financial statements for the nine-month period ended November 33, 2014 and the audited financial statements for the years ended February 28, 2014 and 2013. The unaudited interim financial statements for the nine-month period ended November 30, 2014 were not reviewed by the external auditors.

This report contains "forward-looking statements" not based on historical facts. Forward-looking statements express as of the date of this report, estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events could differ materially from current expectations expressed or implied by the forward-looking statements include risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

CORPORATE PROFILE AND MISSION

The exploration activities of Khalkos Exploration Inc ("Khalkos" or "the Company") are focused mainly on the research and development of high grade narrow-vein gold deposits in Abitibi.

Common shares of Khalkos, a Tier 2 company, are trading on the TSX Venture Exchange under the symbol "KAS". As of November 30, 2014, there are 32,486,041 ordinary shares issued. They include escrowed shares that are not outstanding. Sirios Resources Inc. ("Sirios"), a related mining company, previously the parent company, holds 8,019,369 common shares, consisting of 24.69% of the share capital on November 30, 2014.

Khalkos holds four projects in Quebec:

- VILLEBON (100%): main property of the Company, host of many gold veins;
- MURDOCH (100%): zinc project in the Quebec-Labrador Trough;
- TILLY (100%): host of an Mo (Cu-Au) polymetallic porphyry system in James Bay;
- NANUQ (100%): copper-gold project in Nunavik.

SUMMARY OF THE ACTIVITIES FOR THE PERIOD

- Appointment of Mr. Mackenzie Watson as a Technical Advisor;
- Villebon :
  - Acquisition of nine new claims on the Villebon property;
  - Result of 4.98 g/t Au recovered by gravimetric method on a 13-ton rock bulk sample;
  - Up to 51.2 g/t Au obtained on the newly acquired claims of Villebon.

RESULTS OF OPERATION

Summary of exploration activities

The following table consists of the main exploration and evaluation expenses by the Company on the Villebon property:

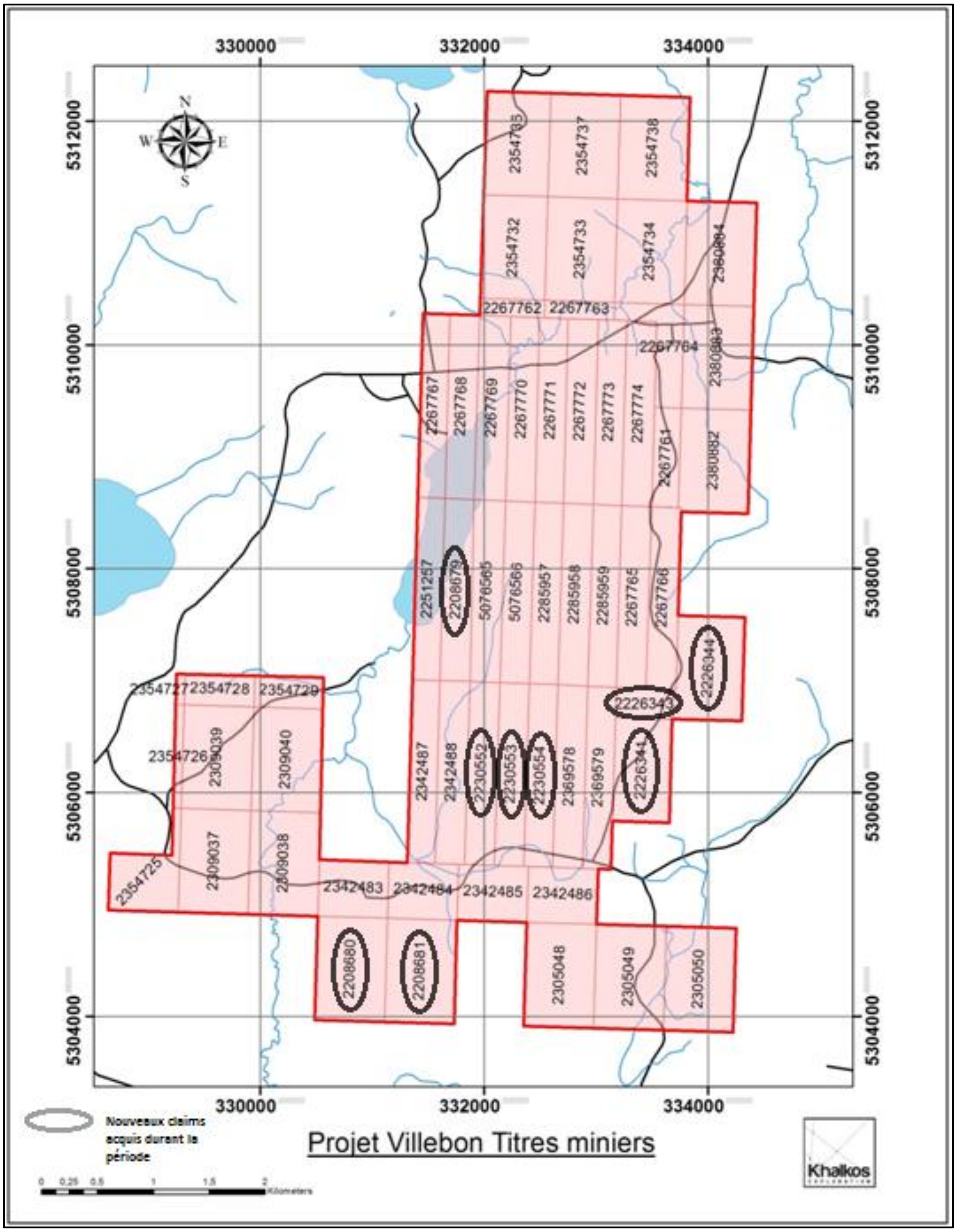
Property	Geology-prospecting $	Geochemistry, analysis $	Geophysics, line-cutting $	Transport, helicopter, lodging $	Drilling $	General expenses, drafting $	Total $
Villebon	-	6,535	-	-	-	-	6,535

Other properties have not been subject of exploration work during the period.

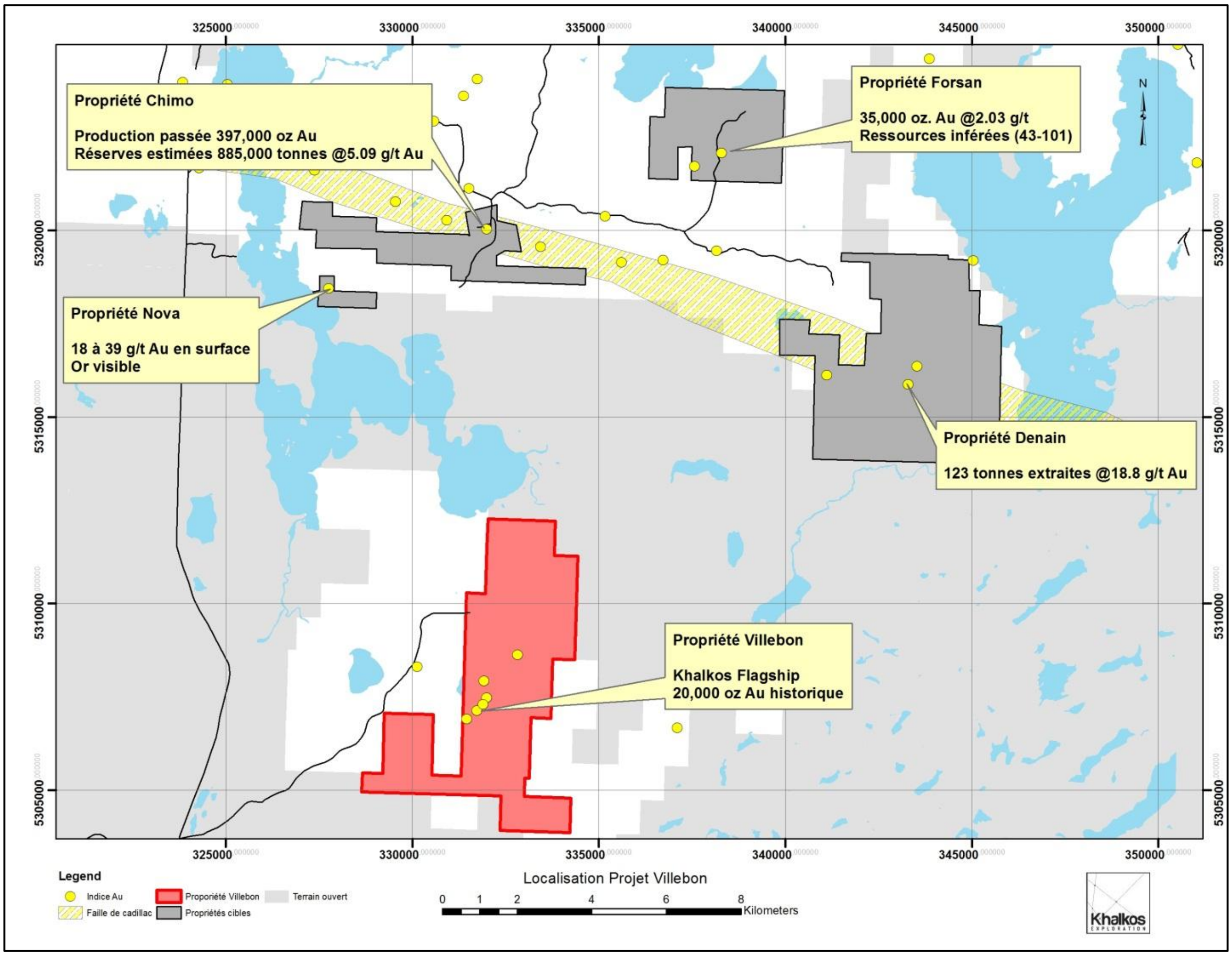
VILLEBON PROPERTY

The technical data included in the following text have been revised by Robert Gagnon, Geologist and President of the Company. M. Gagnon is a Qualified person, as defined by National Instrument 43-101. This text describes only the property that has been subject to exploration activities during the period.

The Villebon property is located at around 75 km south-east of the city of Val-d'Or. It is easily accessible by forest roads, connected to the regional paved road 117. The property consists of 56 adjacent claims for a total of 2,442 hectares.

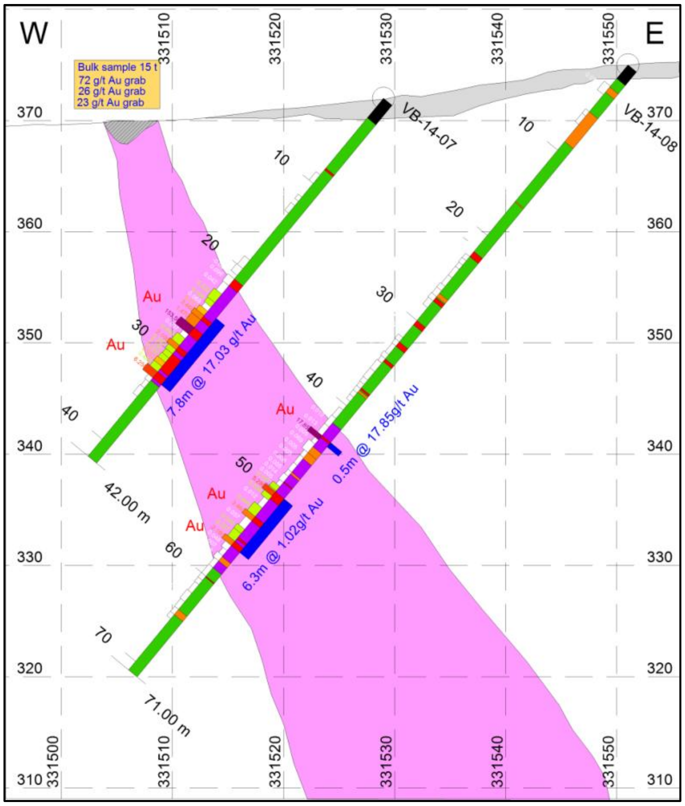


The property is strategically positioned in the extension of the Cadillac Fault, east of Louvicourt. The property is located at around 12 km south of the former Chimo mine (380,000 oz of gold) and less than 20 km from the Forsan (35,000 oz of inferred gold) and Denain properties, where a 123-ton lot has been collected and processed, yielding a grade of 18.8 g/t of gold.



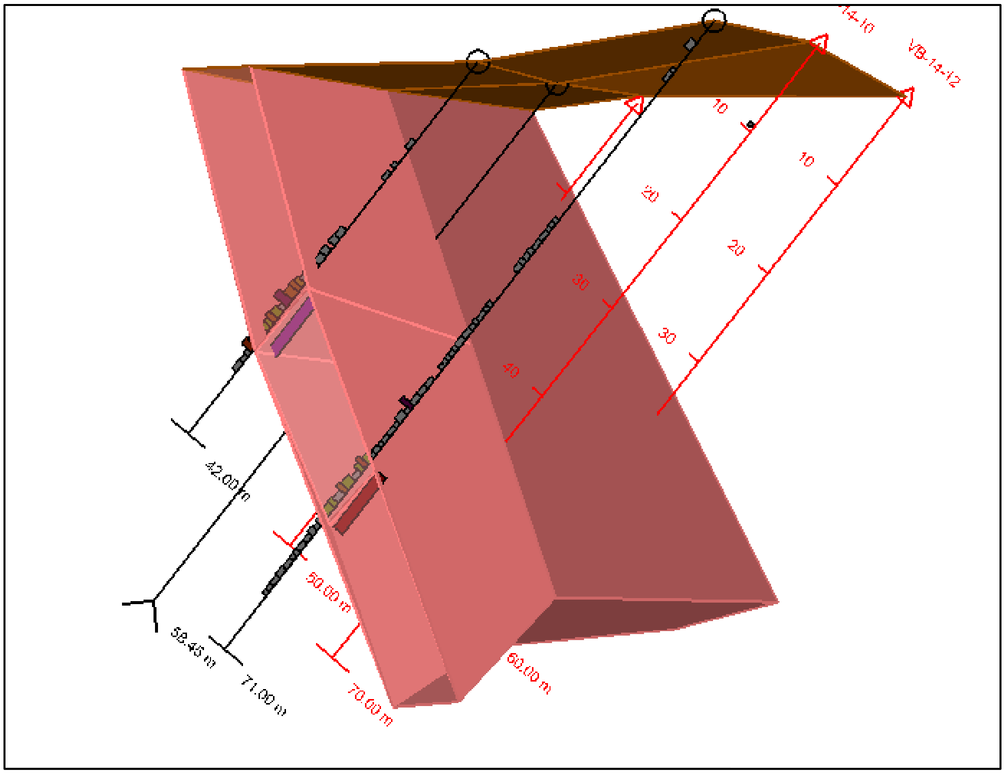
The Villebon property is host to a vein-type gold system over several kilometres. The quartz vein hosted shear zone is recognized over 1 km on a NE-SW axis. About ten quartz veins with metric thickness were discovered between 1940 and 1990. Historical drilling took place during 50s and 80s, thereafter no drilling has been performed on the project. Compilation and integration of all the drill holes in a computer database clearly demonstrate that there is a possibility to connect each of these main veins. The vein system has been investigated to a maximum vertical depth of 100 metres and remains open at depth. Historically, we saw that the results of surface sampling on veins never exceed 30 g/t. However, a short stripping campaign, executed by Khalkos, yielded results of over 70 g/t Au (Céré area).

In June 2014, the Company completed two drill holes directly in the Céré area, where a 15-ton bulk sample was taken. Drill holes VB-14-07 (42 metres) and VB-14-08 (71 metres) directly intersected the mineralized shear zone. Results yielded gold values up to 17.1 g/t Au over 7.8 metres (VB-14-07), 17.5 g/t Au over 0.5 metres and 1.02 g/t Au over 6.1 metres (VB-14-08). The shear zone intersected in drilling VB-14-07 and -08 turned out to be more or less north-south in direction with a sub-vertical dip, which is significantly different from the previously recognized orientation. The excavation of the trench, required for the extraction of the bulk sample of 13 ton, helped expose a thickness of the deep shear zone. The orientations of the shear zone (or the gold corridor) north-south and of the gold veins themselves northeast-southwest have also been observed in the trench.



Section VB-14-07 and 14-08 polls

Four additional diamond drill holes of NQ calibre (VB-14-09 to VB-14-12, total of 262 metres) were performed in the northeast extension of the Céré area, at 25 and 50 metres of VB-14-07 and -08 holes. The mineralized structure has been intersected in all holes. However, test results were low. The best gold grade obtained was 0.53 g/t Au over 3.4 metres.

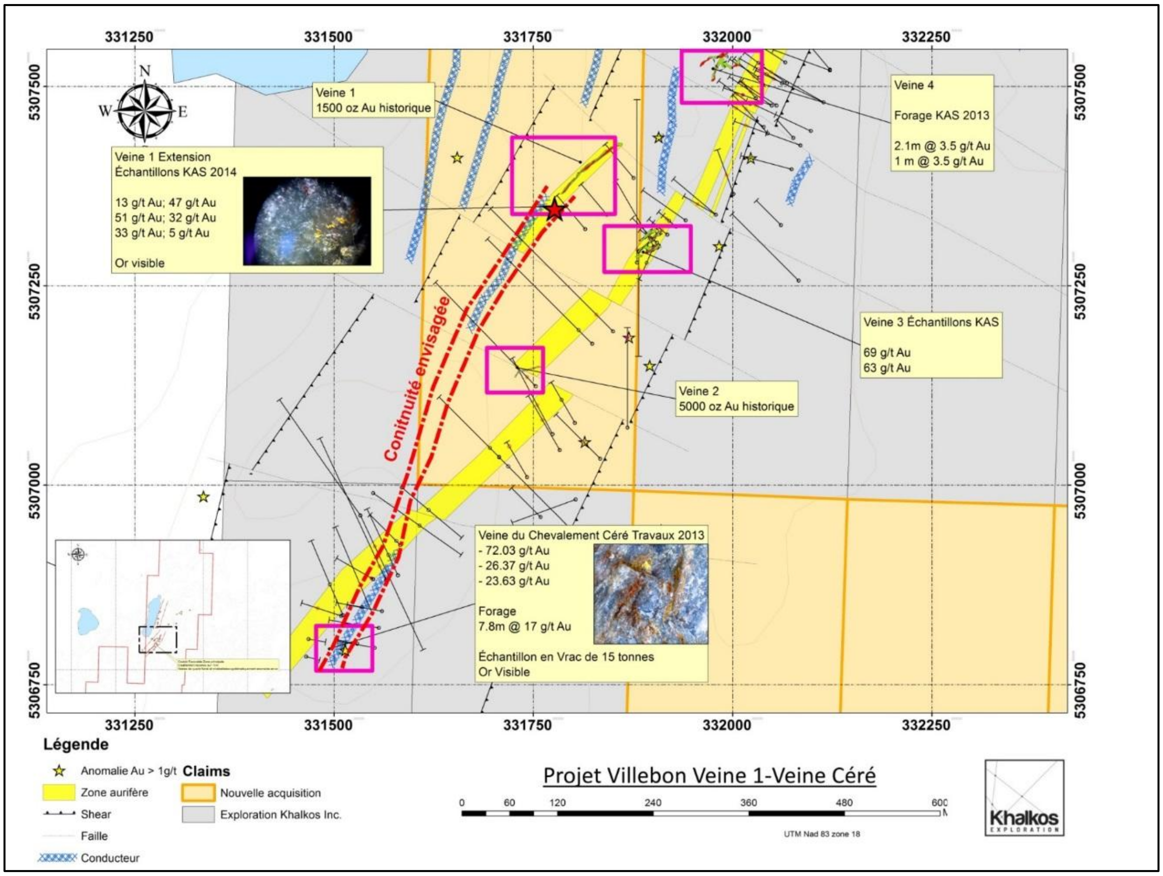


Mineralized envelope of the Céré area

Metallurgical tests on the bulk sample taken from Céré area allowed Khalkos to get a gold recovery rate of 82.5% by gravimetric method only. Sixty four grams of gold grading 83% Au, which is more than 2 ounces, were produced from the processing of the 13 tons with a calculated head grade of 4.89g Au/t. (URSTM October 2014).

64 grams of gold recovered by gravimetric method

In September 2014, the Company acquired nine new claims in the Cooper Lake area (Villebon east property). The Company acquired these claims by transferring its option to acquire the Poissons Blancs nickel-copper-cobalt property and issuing 200,000 shares of its share capital. Note that this acquisition now allows Khalkos to control all of the gold structure of the Villebon project. Exploration and blasting works were realized subsequently in October 2014 on these new claims. This work helped to update the extension of Vein #1. Selected samples yielded one ounce of gold per ton up to a maximum of 51 g/t Au. Following the positive results, blasting was done on the vein that measures approximately 1.5 metres wide. Several samples containing visible gold were recovered after blasting and a maximum gold grade of 35.8 g/t Au was obtained.



The property is well-positioned within a gold deformation corridor of more than 1 km length containing more than ten historical gold showings. In 1999, Geologica Inc. completed a pre-NI 43-101 estimate which yielded 20,000 oz Au at 5.71 g/t Au for veins #1 to #10 on the property. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and Khalkos is not treating the historical estimate as current mineral resources

SUMMARY OF FINANCIAL ACTIVITIES

During the nine-month period, the Company completed the closing of a private placement for a total amount of $210,200 including $77,200 raised through the issuance of common shares units, at a price of $0.06 per unit and $133,000 from flow-through shares at a price of $0.08 per share. An officer and two directors of the Company participated in the placement for an amount of $55,000. Following the placement, the Company issued 1,662,500 flow-through common shares and 1,286,664 common shares units, comprising of one common share and half a warrant, at an exercise price of $0.10. In total, 2,949,164 shares and 643,333 warrants were issued.

The net loss of the Company is $277,952 for the nine-month period ended November 30, 2014 ($82,455 for the three-month period) in comparison with a net loss of $166,085 for the nine-month period ended November 30, 2013 ($38,036 for the three-month period). The increase of the net loss can be explained by the variation of salaries, publicity and investors' relations. This increase is due to the establishment of a management team and the efforts undertaken by management and staff to promote the Company.

General and administrative expenses analysis

General and administrative expenses increase from 156,862 for the 2013-2014 period to $249,310 for the 2014-2015 period.

	2014-2015	2013-2014
General and administrative expenses	**Nine-month period ended November 30, 2014 $**	**Nine-month period ended November 30, 2013 $**
Salaries and employee benefits expense	102,173	59,837
Professional fees	63,799	41,686
Trustees, registration fees and shareholder relations	35,988	22,015
Publicity, travel and promotion	20,183	35
Interests charges	11,034	15,653
Rent expenses	9,609	10,582
Insurances	4,144	4,714
Office expenses	2,236	2,199
Bank charges	73	2,199
Income taxes of section XII.6	71	-
Total	**249,310**	**156,862**

Comparing the general and administrative expenses for the nine-month period ended November 30, 2014 and 2013, we observe an increase in *Salaries and employee benefits expenses*. This increase can be explained by the grant of options during the 2014-2015 period, increasing the share-based payment (please note that this does <u>not</u> consist of an output of money for the Company).

The increase in *Publicity, travel and promotion* can be explained by the effort of management to promote the Company, during the 2014-2015 period.

SUMMARY OF QUARTERLY RESULTS

	2015			2014				2013
	Q3 $	**Q2 $**	**Q1 $**	**Q4 $**	**Q3 $**	**Q2 $**	**Q1 $**	**Q4 $**
Other revenues and expenses	(319)	38,573	(34,289)	(60,005)	-	-	50	6
Net loss	82,455	43,092	99,896	205,211	38,036	76,194	51,589	1,226,785
Net loss per share	0.003	0.001	0.004	0.07	0.002	0.004	0.003	0.065

Other revenues and expenses consist mainly of changes in value of listed shares, interest income on cash of the Company as well as the interest paid on unpaid invoices.

In the last eight quarters, the quarterly net loss varies from $38,036 to $1,226,785.

The net loss of $1,226,785, for the last quarter of 2013, can be explained by the write-offs of Pontax-Lithium, Tilly and other properties, which totaled $1,150,426.

In the last quarter of 2014, the Company completed the sale of the Pontax-Lithium property to Stria Capital Inc. (TSX-V: SRA). Stria wholly acquired the Pontax-Lithium property in consideration of a cash payment of $100,000 and the issuance of 833,333 common shares at the price of $0.30 per share for a total value of $350,000. This transaction increased the net loss for an amount of $129,167.

Also, since the last quarter of 2014, the Company owns listed shares. The change in fair value of those shares increased the net loss, in Q4-2014 and Q1-2015, for $37,500 and $16,667 respectively, and decreased the net loss, in Q2-2015, for an amount of $41,667.

Also, during Q2-2015, the Company reimbursed a debt by issuing shares, creating a loss on the settlement of a debt, thus increasing the net loss for the period, for an amount of $52,508.

CASH FLOW SITUATION

The working capital, including cash held for exploration expenses, varies from an amount of $(123,190) on February 28, 2014 to an amount of $(33,961) on November 30, 2014. During the period, cash was used for exploration and administrative activities.

Management of Khalkos evaluates that the amount of liquidity is low and continually controls very strictly its general and administrative expenses. The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing. Moreover, the current economic climate requires larger efforts than before to obtain funds from investors.

On November 30, 2014:

- 32,486,041 common shares were issued.
- 3,200,000 options were granted and 2,015,000 of which can be exercised, at prices between $0.10 to $0.22 and between 2016 and 2019. Each option can be exchanged by its holder thereof for one common share of the Company.
- 5,415,256 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.
- 297,860 brokers' warrants were issued. Each broker warrant can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variation in share capital as at January 22, 2015:

Description	Number of shares	Amount ($)
As at February 28, 2014	26,658,499	4,012,519
Private placement	2,949,164	210,200
Reimbursement of a debt	2,625,438	236,289
Exercise of brokers' warrants	52,940	2,647
Acquisition of mining rights	200,000	20,000
As at November 30, 2014	**32,486,041**	**4,481,655**
Private placement	3,666,660	366,666
As at January 22, 2015	**36,152,701**	**4,848,331**

On May 28, 2014, the Company completed the closing of a private placement for a total amount of $210,200. In total, 2,949,164 shares were issued (1,286,664 common shares and 1,662,500 flow-through shares) as well as 643,333 warrants.

On July 2, 2014, the Company issued 2,625,438 common shares at $0.07 per share to Sirios, to settle a debt of $183,781.

On August 20, 2014, 52,940 warrants were exercised, at a price of $0.05 per share.

On November 7, 2014, the Company issued 200,000 common shares, with a market value of $20,000, as part of the transaction to acquire the East portion of the Villebon property.

On December 23, 2014, the Company completed the closing of a private placement for a total amount of $500,000. In total, 3,666,660 shares were issued (1,662,662 common shares at $0.12 per share and 1,999,998 flow-through shares at $0.15 per share) as well as 913,131 warrants.

Options

Variation in outstanding options as at January 22, 2015:

Description	Number of options	Average exercise price ($)
As at February 28, 2014	1,800,000	0.16
Granted	1,700,000	0.10
Cancelled	(300,000)	(0.18)
As at January 22, 2015	**3,200,000**	**0.13**

The Board of Directors granted, on April 7, 2014, 800,000 stock options under its Stock Option Incentive Plan to employees, directors and officers at an exercise price of $0.10 per share.

The Board of Directors granted, on August 26, 2014, 700,000 stock options under its Stock Option Incentive Plan to directors and a consultant at an exercise price of $0.10 per share.

The Board of Directors granted, on October 28, 2014, 200,000 stock options under its Stock Option Incentive Plan to a consultant at an exercise price of $0.12 per share.

The options expire five (5) years from the date of grant and are vested quarterly over an 18-month period.

Options granted to employees, directors, officers and consultants, exercisable as at January 22, 2015:

Expiry date	Options granted	Options exercisable	Exercise price ($)
December 29, 2016	500,000	500,000	0.22
March 20, 2017	200,000	200,000	0.22
October 24, 2017	600,000	600,000	0.10
April 18, 2018	200,000	200,000	0.10
April 7, 2019	800,000	320,000	0.10
August 26, 2019	700,000	175,000	0.10
October 28, 2019	200,000	20,000	0.12
	3,200,000	**2,015,000**	**0.13**

Warrants

Variation of warrants as at January 22, 2015:

Description	Number of warrants	Average exercise price ($)
As at February 28, 2014	5,122,723	0.10
Issued	643,333	0.10
Expired	(52,940)	(0.05)
As at November 30, 2014	**5,713,116**	**0.10**
Issued	913,131	015
As at January 22, 2015	**6,626,247**	**0.11**

On May 28, 2014, the Company completed the closing of a private placement. For this placement, 643,333 warrants were issued.

On August 20, 2014, 52,940 warrants were exercised.

On December 23, 2014, the Company completed the closing of a private placement. For this placement, 833,331 warrants as well as 79,800 brokers' warrants were issued.

Outstanding warrants as at January 22, 2015:

Expiry date	Number of warrants	Exercise price ($)
May 28, 2015	643,333	0.10
October 18, 2015	3,674,000	0.10
October 18, 2015	297,860	0.05
December 13, 2015	1,097,923	0.10
December 23, 2015	79,800	0.15
June 23, 2016	833,331	0.15
	6,626,247	**0.11**

RELATED PARTY TRANSACTIONS

Key management personnel

The remuneration paid or payable to key management personnel, CFO and some members of the Board of Directors, is as follows:

	Nine-month period ended	
	November 30, 2014	November 30, 2013
Salaries and employee benefits expense	5,698	16,322
Share-based payments	54,713	22,826
	60,411	**39,148**

Associated companies

As at November 30, 2014 Sirios, a related mining company with a significant influence, holds 8,019,369 common shares (5,393,931 on February 28, 2014) of the Company, corresponding to 24.69% (20.23% on February 28, 2014) of the share capital. As at November 30, 2014, trade and other payables include an amount of $41,651 ($160,478 on February 28, 2014) with this company. This amount bears a 1.5% monthly interest on the unpaid balance.

Also, during the period, a company whose main shareholder is a director of the Company carried out work on behalf of Khalkos on a property, for a total of $59,100 ($39,400 on February 28, 2014). These transactions occurred in the normal business course of operations and were billed at cost, which is the consideration established and agreed to by the parties.

SUBSEQUENT EVENTS

On December 23, 2014, the Company completed the closing of a private placement. A total amount of $500,000 was subscribed and was composed of 1,666,662 units at $0.12 each including one common share and one-half warrant for a total amount of $200,000. In addition, 1,999,998 flow-through shares were issued at $0.15 for a total amount of $300,000. In total, 3,666,660 shares were issued as well as 833,331 warrants. Each warrant entitled its holder to subscribe to one common share at $0.15 per share for a period of eighteen months after the closing date. There is a hold period of four months and one day on all securities issued under this financing. Directors of the Company participated in the placement for an amount of $73,030.

Also, the Company paid a finder's fee in cash of $22,510 for this placement and issued 79,800 finders' warrants entitling the holder to purchase one common share at a price of $0.15 per share for a period of 12 months following the issuance of the warrant.

SUSTAINABLE DEVELOPMENT PRINCIPALES

The Prospectors and Developers Association of Canada (PDAC) established a framework for responsible exploration called E3 Plus. The E3 Plus serves as a framework for exploration companies to continue their activities while improving their environmental, social and health and safety performance as well as integrating these three aspects in all their exploration work. Khalkos adopted the eight principals of E3 Plus and ask its consultants and suppliers to also respect them. Here are the main principals that apply to the Company:

- Apply ethical business practices: Khalkos continues to abide by management procedures that promote honesty, integrity, transparency and accountability.
- Engage host communities and other affected and interested parties: During exploration activities, Khalkos makes sure to interact with local and native communities, notably trappers, organizations, groups and individuals on the basis of respect, inclusion and meaningful participation.
- Protect the environment: Khalkos conducts its exploration activities in ways that create minimal disturbance to the environment and applies, in all of its operations, the principals of sustainable development.

Moreover, on February 7, 2012, the Company's Board of Directors signed a resolution with the following commitments about sustainable governance:

- Concerning governance and responsible management, the Company must ensure:
  - → That employees, of all levels, understand their social and environmental responsibilities and that they work towards improving their workplace environmental.
  - → To plan, evaluate and manage all its projects with rigor in order to minimize the negative effects on the environmental and local communities.

- Maintaining an open dialogue is key to responsible management of projects on lands used by others. The Company must ensure:
  - → To develop a proactive, open and transparent communication with local authorities (including Native communities), municipal authorities, as well as governmental organizations.
  - → To develop a proactive communication with other parties involved from the region.

- Concerning health and safety, the Company must ensure:
  - → To diligently apply the regulations, in terms of health and safety in all of its exploration activities.

- Concerning the environmental, the Company must ensure:
  - → To apply with diligence the environmental regulations in all of its exploration activities.

- Concerning socio-economic implications, the Company must ensure:
  - → Whenever possible, to generate benefits on a local level and to contribute to the local development by constructively partnering with native and non-native communities in order to respectively consider the interest of all parties involved.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Significant management judgment

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likehood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, the assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses are a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditures is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the nine-month period ended November 30, 2014, no impairment loss of exploration and evaluation assets have been recognized ($8,168 as at November 30, 2013). No reversal of impairment losses has been recognized for the reporting periods.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditures incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets and income tax expense in future periods.

Off-balance sheet arrangements

The Company did not set up any off-balance sheet arrangement, as at November 30, 2014.

RISKS AND UNCERTAINTIES

Risk inherent to the industry

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing need.

Financial risk

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Mining claims and title risks

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do no guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Tax

No assurance can be made that Canada Revenue Agency or Quebec Minister or Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employees.

Conflict of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have any project or opportunity of the Company. If a conflict arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

OTHER INFORMATION

This discussion and analysis of financial position and operating results as at November 30, 2014 should be read in conjunction with the unaudited interim financial statements for the nine-month period ended November 30, 2014 and 2013 and the audited financial statements for the years ended February 28, 2014 and 2013 of Khalkos where necessary. The unaudited quarterly statements have not been reviewed by external auditors. More information can be found at the website www.sedar.com under Khalkos' section in "Sedar filing" or on the Khalkos website www.khalkos.com under section "Investors".

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards (IFRS). The financial statements include certain amounts based on the use of estimated and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Montreal. January 22, 2015.

(signed) Robert Gagnon, President
(signed) Frederic Sahyouni, Chief Financial Officer