Consolidated Financial Statements of

ALPHA EXPLORATION INC.

For the years ended October 31, 2014 and 2013

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Alpha Exploration Inc.

We have audited the accompanying consolidated financial statements of Alpha Exploration Inc., which comprise the consolidated statements of financial position as at October 31, 2014 and 2013, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Alpha Exploration Inc. as at October 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to the fact that, as described in Note 2(a) to the consolidated financial statements, Alpha Exploration Inc. did not operate as a separate entity prior to the reorganization on December 6, 2013. The carve-out financial statements for the period up to December 6, 2013 are, therefore, not necessarily indicative of results that would have occurred if Alpha Exploration Inc. had been a separate stand-alone entity during the years presented or of future results of Alpha Exploration Inc.

Saturna Group LLP

Saturna Group Chartered Accountants LLP

Vancouver, Canada

February 26, 2015

ALPHA EXPLORATION INC.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	October 31, 2014 $	October 31, 2013 $
Assets		
Current assets		
Cash	2,404,811	–
Marketable securities (Note 4)	41,671	43,298
Amounts receivable (Note 8)	70,399	21,125
Prepaid expenses and deposits	227,438	3,492
Total current assets	2,744,319	67,915
Non-current assets		
Restricted cash (Note 5)	92,000	–
Reclamation deposit	10,000	10,000
Property and equipment (Note 6)	48,300	55,299
Exploration and evaluation assets (schedule)	6,169,607	3,087,883
Total non-current assets	6,319,907	3,153,182
Total assets	9,064,226	3,221,097
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	169,392	176,523
Flow-through share premium (Note 9)	194,692	–
Total current liabilities	364,084	176,523
Non-current liabilities		
Deferred income tax liability (Note 16)	889,685	779,269
Total liabilities	1,253,769	955,792
Shareholders' equity		
Share capital	34,853,075	–
Other capital reserves	–	28,584,423
Share-based payment reserve	886,704	–
Accumulated other comprehensive income (loss)	(6,710)	5,725
Deficit	(27,922,612)	(26,324,843)
Total shareholders' equity	7,810,457	2,265,305
Total liabilities and shareholders' equity	9,064,226	3,221,097

Nature of operations (Note 1)
Commitment (Note 13)
Subsequent events (Note 17)

Approved and authorized for issuance on behalf of the Board of Directors on February 26, 2015:

/s/ "Benjamin Ainsworth"
Benjamin Ainsworth, Director

/s/ "Warren Stanyer"
Warren Stanyer, Director

(The accompanying notes are an integral part of these consolidated financial statements)

ALPHA EXPLORATION INC.

Consolidated statement of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended October 31, 2014 $	Year ended October 31, 2013 $
Revenue	–	–
Expenses		
Bad debts (Note 8)	56,000	–
Depreciation (Note 6)	19,457	13,475
Exploration costs	–	3,569
Foreign exchange loss (gain)	2,427	(124)
Impairment of exploration and evaluation assets	–	164,535
Investor relations	182,618	78,705
Management and consulting fees (Note 8)	219,763	63,584
Office and miscellaneous	144,142	16,292
Professional fees	252,366	70,924
Rent and telephone (Note 8)	97,817	14,692
Salaries and benefits	254,900	123,209
Stock-based compensation (Notes 8 and 12)	886,704	451,035
Transfer agent and regulatory fees	81,705	8,425
Total expenses	2,197,899	1,008,321
Loss before other income (expense)	(2,197,899)	(1,008,321)
Other income (expense)		
Gain on sale of marketable securities	558	–
Loss on sale of property and equipment	–	(5,293)
Settlement of flow-through share premium liability (Note 9)	709,988	–
Total other income (expense)	710,546	(5,293)
Net loss before income taxes	(1,487,353)	(1,013,614)
Deferred income tax expense (Note 16)	(110,416)	(204,252)
Net loss for the year	(1,597,769)	(1,217,866)
Comprehensive income (loss)		
Unrealized gain (loss) on marketable securities	(12,435)	5,725
Comprehensive loss	(1,610,204)	(1,212,141)
Net loss per share, basic and diluted	(0.07)	(0.09)
Weighted average number of shares outstanding	24,538,291	13,963,638

(The accompanying notes are an integral part of these consolidated financial statements)

ALPHA EXPLORATION INC.
Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital		Other capital reserves	Share-based payment reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	Shares	Amount $	$	$	$	$	$
Balance, October 31, 2012	–	–	26,826,500	–	–	(25,106,977)	1,719,523
Funding and expenses paid by Alpha Minerals Inc.	–	–	1,757,923	–	–	–	1,757,923
Unrealized gain on marketable securities	–	–	–	–	5,725	–	5,725
Net loss for the year	–	–	–	–	–	(1,217,866)	(1,217,866)
Balance, October 31, 2013	–	–	28,584,423	–	5,725	(26,324,843)	2,265,305
Net contributions and advances from Alpha Minerals Inc.	–	–	3,340,032	–	–	–	3,340,032
Net assets from Alpha Exploration Inc.	–	–	(125)	–	–	–	(125)
Shares issued pursuant to Alpha Plan of Arrangement (Note 3)	13,963,638	31,924,330	(31,924,330)	–	–	–	–
Issued pursuant to private placements	16,594,110	3,811,940	–	–	–	–	3,811,940
Share issuance costs	–	(140,015)	–	–	–	–	(140,015)
Flow-through premium on issuance of flow-through shares	–	(904,680)	–	–	–	–	(904,680)
Issued pursuant to exercise of warrants	30,000	10,500	–	–	–	–	10,500
Issued pursuant to mineral property option agreements	600,000	151,000	–	–	–	–	151,000
Stock-based compensation	–	–	–	886,704	–	–	886,704
Unrealized loss on marketable securities	–	–	–	–	(12,435)	–	(12,435)
Net loss for the year	–	–	–	–	–	(1,597,769)	(1,597,769)
Balance, October 31, 2014	31,187,748	34,853,075	–	886,704	(6,710)	(27,922,612)	7,810,457

(The accompanying notes are an integral part of these consolidated financial statements)

ALPHA EXPLORATION INC.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended October 31, 2014 $	Year ended October 31, 2013 $
Operating activities		
Net loss for the year	(1,597,769)	(1,217,866)
Items not involving cash:		
Bad debts	56,000	–
Deferred income tax expense	110,416	204,252
Depreciation	19,457	13,475
Gain on sale of marketable securities	(558)	–
Impairment of exploration and evaluation assets	–	164,535
Loss on sale of property and equipment	–	5,293
Settlement of flow-through share premium liability	(709,988)	–
Stock-based compensation	886,704	–
Changes in non-cash operating working capital:		
Accounts receivable	(105,399)	(21,125)
Prepaid expenses and deposits	(223,946)	10,097
Accounts payable and accrued liabilities	(124,749)	79,014
Net cash used in operating activities	(1,689,832)	(762,325)
Investing activities		
Mineral property expenditures	(2,830,606)	(967,620)
Proceeds from sale of marketable securities	7,250	–
Property and equipment purchases	(12,458)	(27,977)
Restricted cash	(92,000)	–
Net cash used in investing activities	(2,927,814)	(995,597)
Financing activities		
Proceeds from issuance of shares	3,822,440	–
Share issuance costs	(140,015)	–
Funding received from Alpha Minerals Inc. for operations	340,032	1,757,922
Cash received pursuant to the Alpha Plan of Arrangement	3,000,000	–
Net cash provided by financing activities	7,022,457	1,757,922
Increase in cash	2,404,811	–
Cash, beginning of year	–	–
Cash, end of year	2,404,811	–
Non-cash investing and financing activities:		
Shares issued pursuant to mineral property option agreements	151,000	–
Shares received pursuant to mineral property option agreement	17,500	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations

Alpha Exploration Inc. (the "Company") was incorporated under the laws of the province of British Columbia on September 27, 2013, as a wholly owned subsidiary of Alpha Minerals Inc. ("Alpha Minerals") and as part of an Arrangement Agreement between Alpha Minerals and Fission Uranium Corp. which was completed on December 6, 2013. Refer to Note 3. Its principal business activity is the acquisition, exploration and development of mineral properties in Canada. The Company's registered office is Suite 408, 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2014, the Company has not generated any revenues from operations and has an accumulated deficit of $27,922,612. Although existing cash resources are currently expected to provide sufficient funds through the upcoming fiscal year, the capital expenditures required to achieve planned principal operations may be substantial. The continuation of the Company as a going concern for a period longer than the upcoming fiscal year is dependent upon the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ESO Uranium (USA) Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

As the shareholders of Alpha Minerals continued to hold their respective interests in the Company; there was no resultant change of control in either the Company, or the assets and business acquired. The Alpha Plan of Arrangement has thus been determined to be a common control transaction (capital reorganization), and is excluded from the scope of IFRS 3 (R), Business Combinations.

Prior to the date of the spin out, these consolidated financial statements reflect the assets, liabilities, operations and cash flows of the Company on a 'carve-out' basis from the financial statements and accounting records of Alpha Minerals.

Under the continuity of interest accounting, the assets and liabilities transferred are recorded at their pre-combination carrying values adjusted for any tax elections. The statements of operations and comprehensive loss include the allocated income and expenses from the acquired business. The income and expenses, where possible, have been allocated directly from Alpha Minerals and all remaining income and expenses have been allocated on a pro-rata basis based on the level of exploration and evaluation activities for the period up to December 6, 2013. The carve-out entity did not operate as a separate legal entity and as such, the financial statements may not be indicative of the financial performance of the carved-out entity on a standalone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve-out entity operated as an independent entity during the periods presented.

2. Significant Accounting Policies (continued)

(a) Statement of Compliance and Basis of Presentation (continued)

The cash balance of Alpha Minerals prior to the Alpha Plan of Arrangement has not been allocated to the historical carved-out financial statements of the Company as this amount was managed centrally by Alpha Minerals. Accordingly it was not practicable to allocate this amount between the property spun out to the Company and the assets retained by Alpha Minerals until the date of the Alpha Plan of Arrangement.

At the date of the spin out, assets and liabilities transferred are recorded at their carrying values without fair value uplift.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to 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) impairment of marketable securities;
ii) recovery of amounts receivable;
iii) the useful life and recoverability of property and equipment;
iv) the recoverability of exploration and evaluation assets;
v) rehabilitation provisions;
vi) fair value of share-based payments; and
vii) deferred income tax asset valuation allowances.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Property and Equipment

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates using the declining balance method:

Computer equipment	30%
Field equipment	20%
Office equipment	20%

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repair and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the statement of operations.

2. Significant Accounting Policies (continued)

(f) Exploration and Evaluation Assets

(i) Pre-Exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

(ii) Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, all costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to the statement of operations.

When a project has been established as commercially viable and technically feasible, related development costs are capitalized into development costs on the statement of financial position. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(g) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

2. Significant Accounting Policies (continued)

(h) Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of exploration and evaluation assets. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in exploration and evaluation assets. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(i) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

2. Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company's cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. Available-for-sale financial assets are comprised of marketable securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

2. Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(j) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Monetary assets and liabilities of integrated operations and other monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Revenue and expenses are translated at average rates for the periods. Foreign exchange gains and losses are included in the statement of operations.

2. Significant Accounting Policies (continued)

(k) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(l) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

(m) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

2. Significant Accounting Policies (continued)

(m) Share-based Payments (continued)

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(n) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at October 31, 2014, the Company had 13,917,054 (2013 – nil) potential dilutive shares outstanding.

(o) Comprehensive Loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. For the years ended October 31, 2014 and 2013, the Company’s only component of comprehensive loss is unrealized gains and losses on available-for-sale marketable securities.

(p) Accounting Standards Issued But Not Yet Effective

The following new standards, and amendments to standards and interpretations, are effective for the year ended October 31, 2014, and have not been applied in preparing these financial statements:

(i) IFRS 9, *Financial Instruments* (New)
(ii) IFRS 11, *Joint Arrangements* (New)
(iii) IAS 27, *Separate Financial Statements* (Amended)
(iv) IAS 32, *Financial Instruments: Presentation* (Amended)

The Company has not early adopted these new and revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

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

3. Arrangement Agreement

On December 6, 2013, Alpha Minerals completed the Plan of Arrangement (the "Alpha Plan of Arrangement") pursuant to which certain assets of Alpha Minerals were spun-out to the Company. Under the Alpha Plan of Arrangement, shareholders of Alpha Minerals received all of the common shares of the Company which holds all of the exploration and evaluation assets of Alpha Minerals (other than the interest in the PLS Joint Venture). Under the terms of the Alpha Plan of Arrangement, the Company also received $3,000,000 in cash to fund future operations.

These consolidated financial statements have been prepared on a continuity of interest basis after the spin-out. Prior to the spin-out, these consolidated financial statements have been prepared on a carve-out basis in accordance with a financial reporting framework specified in subsection 3.11(6) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for carve-out financial statements.

(Expressed in Canadian dollars)

3. Arrangement Agreement (continued)

The carrying value of the net assets contributed pursuant to the Alpha Plan of Arrangement consists of the following:

	$
Assets	
Cash	3,039,345
Marketable securities	43,298
Amounts receivable	21,000
Restricted cash	10,000
Property and equipment	57,864
Exploration and evaluation assets	3,212,974
Total Assets	6,384,481
Liabilities	
Deferred income tax liability	779,269
Net Carrying Value	5,605,212
Accumulated losses	26,324,843
Accumulated other comprehensive income	(5,725)
Subtotal	31,924,330
Shares issued pursuant to the Alpha Plan of Arrangement	(31,924,330)
Total	–

The consolidated statement of changes in equity includes an amount of $3,340,032 which represents the assets contributed on December 6, 2013 by Alpha Minerals pursuant to the Alpha Plan of Arrangement. The amount primarily includes the cash transferred to the Company as part of the spin-out. Other assets have been reflected in these financial statements at earlier dates in accordance with the continuity of interest basis of accounting.

4. Marketable Securities

(a) As at October 31, 2014, the Company held 7,022 (2013 – 7,022) common shares of Canyon Copper Corp. (“Canyon”) with an original cost of $106,000 and a fair value of $351 (2013 - $1,098). During the year ended October 31, 2009, the Company recorded an impairment charge of $88,690. During the year ended October 31, 2012, the Company recorded an impairment charge of $10,997. Management estimated the fair value of the shares using the quoted market price on the TSX Venture Exchange. Canyon is a company with common directors and officers.

(b) As at October 31, 2014, the Company held 794,000 (2013 – 844,000) common shares of Uravan Minerals Inc. (“Uravan”) with an original cost of $106,268 and a fair value of $23,820 (2013 – $42,200). During the year ended October 31, 2012, the Company recorded an impairment charge of $81,700. Management estimated the fair value of the shares using the quoted market price on the TSX Venture Exchange. During the year ended October 31, 2014, the Company sold 50,000 shares of Uravan for proceeds of $7,250 resulting in a gain on sale of marketable securities of $558.

(c) As at October 31, 2014, the Company held 100,000 (2013 –nil) common shares of Interconnect Ventures Corporation (“Interconnect”) with an original cost of $17,500 and a fair value of $17,500 (2013 – $nil). Management estimated the fair value of the shares using the quoted market price on the TSX Venture Exchange.

(Expressed in Canadian dollars)

5. Restricted Cash

The Company has Guaranteed Investment Certificates (“GIC’s”) totaling $92,000 (2013 – $nil) which are being held to secure the Company’s credit cards. The GIC’s bear interest at the Bank of Canada prime rate less 1.95%, and mature on December 9, 2015.

6. Property and Equipment

	Computer equipment $	Field equipment $	Office equipment $	Total $
Cost:				
Balance, October 31, 2012	56,108	85,699	52,853	194,660
Additions	12,757	–	15,220	27,977
Disposals	(33,816)	(10,659)	(1,500)	(45,975)
Balance, October 31, 2013	35,049	75,040	66,573	176,662
Additions	6,218	4,256	1,984	12,458
Balance, October 31, 2014	41,267	79,296	68,557	189,120
Accumulated depreciation:				
Balance, October 31, 2012	49,774	59,883	38,913	148,570
Additions	3,495	5,163	4,817	13,475
Disposals	(30,977)	(8,316)	(1,389)	(40,682)
Balance, October 31, 2013	22,292	56,730	42,341	121,363
Additions	10,373	4,067	5,017	19,457
Balance, October 31, 2014	32,665	60,797	47,358	140,820
Carrying amounts:				
Balance, October 31, 2013	12,757	18,310	24,232	55,299
Balance, October 31, 2014	8,602	18,499	21,199	48,300

7. Exploration and Evaluation Assets

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

Mikwam Project - Ontario

The Mikwam gold property is 100% owned, subject to royalties, consisting of nine contiguous claims covering 944 hectares located in the Noseworthy Township, Ontario, along the western extension of the Casa Berardi Deformation, an area of historical gold mineralization and production.

The following encumbrances were included in the original agreement and remain in effect:

- 0.804% Net Smelter Royalty (“NSR”) payable to Newmont Canada Limited (“Newmont”) and Freewest Resources Canada Inc. (“Freewest”);
- 15% net profits royalty that may become payable to Newmont (or a successor) in respect of its share of net profits from certain mining claims;
- 15% net profits interest that may become payable to Golden Shield Resources Limited in respect of certain mining claims; and

7. Exploration and Evaluation Assets (continued)

Mikwam Project – Ontario (continued)

- security granted against the Claims in respect of an additional cash payment due to Newmont and Freewest in the event of a decision to develop a commercial mining operation on or with respect to the Claims, pursuant to conditional payment notes and collateral security agreements issued in favor of each of Newmont and Freewest.

Rio Tinto Project – Joint Exploration – Saskatchewan

This property is owned 50% by the Company and 50% by Rio Tinto Ltd. The Cluff Lake (Rio Tinto) project is located adjacent to the north of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The Cluff Lake (Rio Tinto) project comprises two mineral dispositions.

Middle Lake Project (formerly known as the Cluff Lake (ACME) Project) – Saskatchewan

The Middle Lake project is owned 80% by the Company and 20% by Acme Resources ("Acme"). The Middle Lake project is located adjacent to the east of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The property comprises one mineral disposition totaling 2,416 hectares and is about 630 kilometres north-northwest from Prince Albert, Saskatchewan. The Company shall produce a bankable feasibility study, with Acme having a carried interest until the feasibility study is delivered, at which time Acme will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in the claim to Acme upon a decision by the Company to terminate work thereon.

Gorilla Lake Project (formerly known as the Cluff Lake (Logan) Project) – Saskatchewan

The Gorilla Lake project comprises two mineral dispositions totaling approximately 7,552 hectares and is held 80% by the Company and 20% by Logan Resources Ltd. ("Logan"). The Company shall produce a bankable feasibility study with Logan having a carried interest until the feasibility study is delivered, at which time Logan will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in any of the claims to Logan upon a decision by the Company to terminate work thereon.

Hook Lake Project - Saskatchewan

The Hook Lake property is 100% owned by the Company, subject to royalties. It is located in the southwestern portion of the Athabasca Basin in northern Saskatchewan about 15 kilometres northeast from Fission Uranium's Patterson Lake South mineralized zones and about 55 kilometres south to southeast from the Shea Creek uranium deposits. The Hook Lake property consists of three mineral dispositions totaling 13,210 hectares.

There is a 2.5% gross overriding royalty. The Company has a right to purchase 1% of the royalty for $1,000,000 prior to the commencement of commercial production.

Carpenter Lake Project – Saskatchewan

On January 13, 2014, the Company entered into an option agreement with Noka Resources Inc. ("Noka") to acquire a 60% interest in the Carpenter Lake property located in Northern Saskatchewan. To earn this interest, the Company has agreed on the following:

Cash consideration of $50,000 to be paid:
- $12,500 upon the date of receipt of final acceptance by the Exchange, which was January 17, 2014 (paid);
- $12,500 on or before January 17, 2015 (paid);
- $12,500 on or before January 17, 2016 (paid); and
- $12,500 on or before January 17, 2017(paid).

7. Exploration and Evaluation Assets (continued)

Carpenter Lake Project – Saskatchewan (continued)

Issuance of 400,000 common shares as follows:
- 100,000 shares within 10 days of January 17, 2014; (issued);
- 100,000 shares on or before January 17, 2015 (issued);
- 100,000 shares on or before January 17, 2016 (issued); and
- 100,000 shares on or before January 17, 2017 (issued).

Incur exploration expenditures totalling $1,250,000 on the Property as follows:
- $250,000 on or before January 17, 2015 (completed);
- $250,000 on or before January 17, 2016 (completed); and
- $750,000 on or before January 17, 2017 (completed).

Upon completion of the option, a joint venture will be formed between the Company (60%) and Noka (40%) for the further development of the property, with the Company serving as the operator. The property is subject to a royalty equal to 5% of gross revenues, which is owned by the original vendors ("Underlying Royalty"). The Underlying Royalty rate can be reduced from 5% to 2% by Noka through the issuance of shares. On October 28, 2014, the Company was notified that Noka exercised its right to reduce the Underlying Royalty rate from 5% to 2% by issuing 3,000,000 shares to the original property vendors.

Kelic Lake Project – Saskatchewan

On August 29, 2014, the Company entered into an option agreement with Jody Dahrouge and 877384 Alberta Ltd. to acquire a 100% interest in the Kelic Lake property located in southern margin of the Athabasca Basin. To earn this interest, the Company has agreed on the following:

Cash consideration of $80,000 to be paid:
- $10,000 upon the date of the agreement (paid);
- $40,000 within five days of the date of receipt of final acceptance by the Exchange, which was September 11, 2014 (paid); and
- $30,000 on or before September 11, 2015.

Issuance of 1,000,000 common shares as follows:
- 500,000 shares within five days of September 11, 2014; (issued);
- 250,000 shares on or before September 11, 2015 (issued); and
- 250,000 shares on or before September 11, 2016 (issued.

Incur exploration expenditures totalling $750,000 on the Property as follows:
- $250,000 on or before December 14, 2014;
- $250,000 on or before December 14, 2015; and
- $250,000 on or before December 14, 2016.

The optionors shall retain a 2.5% royalty on production from the property, which can be reduced to a 1.5% royalty by payment of $1,500,000 to the optionor at any time prior to commencement of commercial production.

Donna Project – British Columbia

The Donna Property is located in the Vernon Mining Division in south-central British Columbia, and is approximately 60 km east to southeast of Vernon, British Columbia. The Donna Property consists of seven mineral tenures and total approximately 2,299 hectares.

The Company acquired a 100% interest in the claims comprising the Donna Property in April 2013, purchasing them from the vendor for $50,000 by amendment of the original option agreement leaving the original owners with a 2% NSR on minerals extracted from the Donna Property.

7. Exploration and Evaluation Assets (continued)

Donna Project – British Columbia (continued)

On September 8, 2013, the Company entered into an agreement to grant Interconnect Ventures Corporation ("Interconnect") an option to acquire a 70% interest in the Donna Project. To earn this interest, Interconnect has agreed on the following:

Cash consideration of $100,000 to be paid:

- $25,000 upon the date of receipt of final acceptance by the Exchange, which was October 31, 2013 (received);
- $25,000 on or before October 31, 2014 (received);
- $25,000 on or before October 31, 2015 (received); and
- $25,000 on or before October 31, 2016.

Issuance of 400,000 common shares as follows:

- 100,000 shares within 10 days of October 31, 2013; (received);
- 100,000 shares on or before October 31, 2014 (received);
- 100,000 shares on or before October 31, 2015 (received); and
- 100,000 shares on or before October 31, 2016

Incur exploration expenditures totalling $600,000 on the Property as follows:

- $200,000 on or before October 31, 2014 (completed);
- $200,000 on or before October 31, 2015; and
- $200,000 on or before October 31, 2016.

Upon completion of the option agreement, a joint venture will be formed between the Company (30%) and Interconnect (70%) for the further development of the property, with Interconnect serving as the operator.

East Athabasca Project – Saskatchewan

During the year ended October 31, 2013, Uravan Minerals Inc. completed all of its option payments and earned a 100% interest in the property. As a result, the Company impaired $164,535 at the year ended October 31, 2013.

8. Related Party Transactions

Due to the fact that the Company was not incorporated until September 27, 2013, and the Alpha Plan of Arrangement was not completed until December 6, 2013, there were no officers or directors included in key management personnel prior to that date. The compensation costs reported for key management personnel therefore only reflects compensation costs after December 6, 2013.

During the year ended October 31, 2014, the Company was involved in the following related party transactions:

(a) The amount of $75,871 (2013 – $nil) was paid to a company controlled by the Chief Financial Officer of the Company for management fees.

(b) The amount of $70,710 (2013 – $nil) was paid to a company controlled by the President of the Company for management fees.

(c) The amount of $621,152 (2013 - $nil) was recognized as stock based compensation for stock options granted to officers and directors of the Company.

(d) The amount of $52,500 (2013 - $31,500) was charged to Canyon for rent, which has been recorded against rent paid. At October 31, 2014, amounts receivable includes $73,500 (2013 – $21,000) owing from Canyon. On October 31, 2014, the Company recorded an allowance for doubtful accounts of $56,000 to reflect the amounts owing from Canyon that are unlikely to be collected.

(Expressed in Canadian dollars)

9. Flow-through Share Premium

The following is a continuity schedule of the liability portion of the flow-through share issuances.

	$
Balance, October 31, 2013	–
Liability incurred on flow-through shares issued	904,680
Settlement of flow-through share liability on incurring expenditures	(709,988)
Balance, October 31, 2014	194,692

10. Share Capital

Authorized: Unlimited number of common shares without par value

Share transactions for the year ended October 31, 2013:

(a) On September 27, 2013, the Company issued 100 common shares at $0.01 per share for proceeds of $1 to Alpha Minerals.

Share transactions for the year ended October 31, 2014:

(b) On December 6, 2014, pursuant to the Alpha Plan of Arrangement, (refer to Note 3), the Company issued 13,963,638 shares in exchange for the net assets received from Alpha Minerals. The balance of share capital immediately following the close of the Fission Uranium Arrangement was $31,875,271. This amount was determined to be the fair market value attributed to the net assets received from Alpha Minerals as per the Alpha Plan of Arrangement. In connection with the closing of the Alpha Plan of Arrangement, the Company cancelled the original 100 shares held by Alpha Minerals.

Loss per share information in these consolidated financial statements has been presented as if the common shares issued in connection with the closing of the Alpha Plan of Arrangement had been issued and outstanding from the start of all periods presented.

(c) On December 30, 2013, the Company completed a private placement of 5,833,333 flow-through units at $0.30 per unit and 6,250,000 non flow-through units at $0.20 per unit for gross proceeds of $3,000,000. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each non flow-through unit consists of one common share and one share purchase warrant. Each whole share purchase warrant is exercisable at $0.35 until December 30, 2015. In connection with the private placement, the Company incurred share issuance costs of $106,691. A share flow-through premium of $583,334 was recognized as a reduction against the proceeds received.

(d) On January 17, 2014, the Company issued 100,000 common shares with a fair value of $66,000 pursuant to the Carpenter Lake mineral property option agreement.

(e) On September 16, 2014, the Company issued 500,000 common shares with a fair value of $85,000 pursuant to the Kelic Lake mineral property option agreement.

(f) On October 3, 2014, the Company completed a private placement of 2,820,777 flow-through units at $0.18 per unit for gross proceeds of $507,740. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at $0.25 until April 3, 2016. A share flow-through premium of $169,247 was recognized as a reduction against the proceeds received.

(g) On October 8, 2014, the Company completed a private placement of 1,690,000 flow-through units at $0.18 per unit for gross proceeds of $304,200. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at $0.25 until April 8, 2016. In connection with the private placement, the Company incurred share issuance costs of $33,324. A share flow-through premium of $152,100 was recognized as a reduction against the proceeds received.

(Expressed in Canadian dollars)

10. Share Capital (continued)

(h) During the year ended October 31, 2014, the Company issued 30,000 common shares for proceeds of $10,500 pursuant to the exercise of share purchase warrants.

11. Share Purchase Warrants

The following table summarizes the continuity of common share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, October 31, 2013	–	–
Issued	11,422,054	0.33
Exercised	(30,000)	0.35
Balance, October 31, 2014	11,392,054	0.33

As at October 31, 2014, the following common share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
9,136,667	0.35	December 30, 2015
1,410,387	0.25	April 3, 2016
845,000	0.25	April 8, 2016
11,392,054		

12. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the market price (less permissible discounts) on the TSX Venture Exchange. Options can have a maximum term of five years if the Company’s shares are trading on Tier 1 of the TSX Venture Exchange or a maximum of ten years if trading on Tier 2 of the TSX Venture Exchange and typically terminate ninety days following the termination of the optionee’s employment or engagement (thirty days for options granted for investor relations services), except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

The following table summarizes the continuity of the Company’s stock options:

	Number of stock options	Weighted average exercise price $
Outstanding, October 31, 2013	–	–
Granted	2,800,000	0.36
Cancelled	(275,000)	0.44
Outstanding, October 31, 2014	2,525,000	0.35

(Expressed in Canadian dollars)

12. Stock Options (continued)

Additional information regarding stock options outstanding as at October 31, 2014, is as follows:

	Outstanding			Exercisable	
Exercise price $	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price $	Number of stock options	Weighted average exercise price $
0.16	800,000	4.8	0.16	750,000	0.16
0.42	1,200,000	4.2	0.42	1,165,000	0.42
0.49	525,000	4.2	0.49	510,000	0.49
	2,525,000	4.4	0.35	2,425,000	0.35

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2014	2013
Risk-free interest rate	1.83%	–
Expected life (in years)	4.96	–
Expected volatility	130%	–

The fair value of stock options vested during the year ended October 31, 2014, was $886,074 (2013 - $nil) which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of stock options granted during the year ended October 31, 2014, was $0.33 (2013 - $nil) per stock option.

Share-based compensation for the year ended October 31, 2013, includes allocated Alpha Minerals share-based compensation of $451,035 recognized in the statement of operations pursuant to the continuity of interest accounting.

13. Commitment

The Company entered into a premises lease agreement for a term expiring April 1, 2017, whereby it is required to pay $83,349 per annum.

The Company's minimum payments over the next three fiscal years are as follows:

	$
2015	83,349
2016	83,349
2017	34,729
	201,427

14. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended October 31, 2013.

15. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2014, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, October 31, 2014 $
Cash	2,404,811	–	–	2,404,811
Marketable securities	41,671	–	–	41,671
Restricted cash	92,000	–	–	92,000
	2,538,482	–	–	2, 538,482

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of expense recoveries receivable and GST receivable. Management monitors the amount of credit extended to the parties for expense recoveries. GST receivable is due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company operates in Canada and United States, but has the majority of its cash held in Canada in Canadian dollars. Future exploration programs and option payments may be denominated in US dollars. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(Expressed in Canadian dollars)

16. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2014 $	2013 $
Canadian statutory income tax rate	26.00%	25.52%
Income tax recovery at statutory rate	(386,628)	(258,624)
Tax effect of:		
Permanent differences and other	463,407	157,914
Change in enacted tax rates	–	3,810
Benefit of tax items not attributable	–	98,533
Exploration expenditures and property and equipment capitalized for accounting	33,637	202,619
Deferred income tax provision	110,416	204,252

The significant components of deferred income tax assets and liabilities are as follows:

	2014 $	2013 $
Deferred income tax assets		
Marketable securities	23,580	23,580
Non-capital losses carried forward	343,419	–
Property and equipment	4,566	–
Share issuance costs	29,123	–
Total deferred income tax assets	400,688	23,580
Resource properties	(1,290,373)	(802,849)
Net deferred income tax liability	(889,685)	(779,269)

The deferred income tax liability relating to the exploration and evaluation assets arose due to the fact that these assets were deemed to have a lower tax basis as a result of tax elections when transferred on completion of the Alpha Plan of Arrangement.

The Company has non-capital losses carried forward of $1,320,842 which begin to expire in 2032, available to reduce income otherwise taxable in future years. These losses were incurred subsequent to the Alpha Plan of Arrangement. The tax benefits of any losses related to the periods prior to the Alpha Plan of Arrangement have not been recognized as these were not transferred to the Company.

17. Subsequent Events

(a) Subsequent to year end, the Company paid $37,500, issued 300,000 shares and completed its exploration expenditure requirement of $1,250,000 pursuant to the Carpenter Lake mineral property option agreement. As a result, the Company earned its 60% interest in the Carpenter Lake mineral property. Refer to Note 7.

(b) On January 22, 2015, the Company granted 500,000 incentive stock options to various directors, officers, and employees exercisable at a price of $0.10 per share expiring on January 22, 2020.

ALPHA EXPLORATION INC.

Consolidated schedule of exploration and evaluation assets
October 31, 2014
(Expressed in Canadian dollars)

	Mikwam Project Ontario $	Rio Tinto Project Saskatchewan $	Middle Lake Project Saskatchewan $	Gorilla Lake Project Saskatchewan $	Hook Lake Project Saskatchewan $	Carpenter Lake Project Saskatchewan $	Kelic Lake Project Saskatchewan $	Donna Project BC $	Total $
Acquisition costs:									
Balance, beginning of year	110,000	150,000	150,000	150,000	233,964	–	–	143,400	937,364
Addition	–	–	–	–	–	78,500	135,000	–	213,500
Option payment received in cash	–	–	–	–	–	–	–	(25,000)	(25,000)
Option payment received in shares	–	–	–	–	–	–	–	(17,500)	(17,500)
Balance, end of year	110,000	150,000	150,000	150,000	233,964	78,500	135,000	100,900	1,108,364
Deferred exploration costs:									
Balance, beginning of year	1,068,096	2,691	494,618	35,545	–	–	–	549,569	2,150,519
Assays and testing	–	–	71,200	–	–	4,517	–	–	75,717
Camp supplies	–	–	116,274	–	–	139,834	–	–	256,108
Claim maintenance	–	–	–	–	33,254	–	–	–	33,254
Communications	–	–	2,426	–	39	825	17	–	3,307
Drilling	659	–	409,056	–	–	–	–	–	409,715
Equipment rental	–	–	55,104	–	–	17,827	–	–	72,931
Geological and geophysical	700	9,324	261,268	14,824	160,863	638,970	124,185	–	1,210,134
Labour and field expenses	1,900	277	64,471	284	644	7,890	40	896	76,402
Reports and maps	–	–	–	–		8,908	–	–	8,908
Surveys	–	–	87,950	–	–	234,231	–	–	322,181
Transportation	–	–	107,495	–	–	347,585	–	–	455,080
Mining tax credits received	–	–	–	–	–	–	–	(13,013)	(13,013)
	3,259	9,601	1,175,244	15,108	194,800	1,400,587	124,242	(12,117)	2,910,724
Balance, end of year	1,071,355	12,292	1,669,862	50,653	194,800	1,400,587	124,242	537,452	5,061,243
Balance, October 31, 2014	1,181,355	162,292	1,819,862	200,653	428,764	1,479,087	259,242	638,352	6,169,607

ALPHA EXPLORATION INC.
Consolidated schedule of exploration and evaluation assets
October 31, 2013
(Expressed in Canadian dollars)

	Mikwam Project Ontario $	Rio Tinto Project Saskatchewan $	Middle Lake Project Saskatchewan $	Gorilla Lake Project Saskatchewan $	Hook Lake Project Saskatchewan $	East Athabasca Project Saskatchewan $	Donna Project BC $	Total $
Acquisition costs:								
Balance, beginning of year	110,000	150,000	150,000	150,000	233,964	135,265	118,400	1,047,629
Addition	–	–	–	–	–	–	50,000	50,000
Option payment received in shares	–	–	–	–	–	(17,500)	–	(17,500)
Option payment received in cash	–	–	–	–	–	–	(25,000)	(25,000)
Impairment	–	–	–	–	–	(117,765)	–	(117,765)
Balance, end of year	110,000	150,000	150,000	150,000	233,964	–	143,400	937,364
Deferred exploration costs:								
Balance, beginning of year	600,965	–	69,826	14,902	–	35,536	533,440	1,254,669
Assays and testing	60,319	–	45,846	–	–	–	–	106,165
Camp supplies	83,851	–	30,300	–	–	–	–	114,151
Communications	–	–	1,000	34	–	34	–	1,068
Drilling	230,352	–	–	–	–	–	–	230,352
Equipment rental	13,450	–	5,350	167	–	167	150	19,284
Geological and geophysical	68,338	2,691	266,929	18,302	–	8,900	10,264	375,424
Labour and field expenses	5,490	–	9,225	452	–	445	4,501	20,113
Reports and maps	–	–	14,424	–	–	–	–	14,424
Staking and lease costs	–	–	7,400	–	–	–	–	7,400
Surveys	–	–	20,434	–	–	–	–	20,434
Transportation	5,331	–	23,884	1,688	–	1,688	1,214	33,805
Impairment	–	–	–	–	–	(46,770)	–	(46,770)
	467,131	2,691	424,792	20,643	–	(35,536)	16,129	895,850
Balance, end of year	1,068,096	2,691	494,618	35,545	–	–	549,569	2,150,519
Balance, October 31, 2013	1,178,096	152,691	644,618	185,545	233,964	–	692,969	3,087,883