Interim Consolidated Financial Statements of

ALPHA EXPLORATION INC.

For the nine months ended January 31, 2015 and 2014

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Notice of No Auditor Review of
Interim Consolidated Financial Statements

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ALPHA EXPLORATION INC.
Interim consolidated statements of financial position
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

	January 31, 2015 $	October 31, 2014 $
Assets		
Current assets		
Cash	1,885,261	2,404,811
Marketable securities (Note 4)	42,171	41,671
Amounts receivable (Note 8)	26,183	70,399
Prepaid expenses and deposits	281,525	227,438
Total current assets	2,235,140	2,744,319
Non-current assets		
Restricted cash (Note 5)	92,000	92,000
Reclamation deposit	10,000	10,000
Property and equipment (Note 6)	47,216	48,300
Exploration and evaluation assets (schedule)	6,338,997	6,169,607
Total non-current assets	6,488,213	6,319,907
Total assets	8,723,353	9,064,226
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	127,650	169,392
Flow-through share premium (Note 9)	140,147	194,692
Total current liabilities	267,797	364,084
Non-current liabilities		
Deferred income tax liability	841,168	889,685
Total liabilities	1,108,965	1,253,769
Shareholders’ equity		
Share capital	34,880,075	34,853,075
Share-based payment reserve	916,756	886,704
Accumulated other comprehensive loss	(6,210)	(6,710)
Deficit	(28,176,233)	(27,922,612)
Total shareholders’ equity	7,614,388	7,810,457
Total liabilities and shareholders’ equity	8,723,353	9,064,226

Nature of operations (Note 1)
Commitment (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on March 25, 2015:

/s/ “Dr. Michael H. Gunning” | */s/ “Warren Stanyer”*

Dr. Michael H. Gunning, Director | Warren Stanyer, Director

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

ALPHA EXPLORATION INC.

Interim consolidated statement of operations and comprehensive loss
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

	Three months ended January 31, 2015 $	Three months ended January 31, 2014 $
Revenue	–	–
Expenses		
Depreciation (Note 6)	2,758	3,160
Exploration costs (recoveries)	57,907	(884)
Foreign exchange (gain) loss	(2,083)	692
Impairment of exploration and evaluation assets	–	3,843
Investor relations	33,699	67,789
Management and consulting fees (Note 8)	21,000	120,623
Office and miscellaneous	36,078	32,954
Professional fees	14,784	62,137
Rent and telephone (Note 8)	29,925	18,959
Salaries and benefits	119,744	51,248
Stock-based compensation (Notes 8 and 12)	30,052	347,501
Transfer agent and regulatory fees	12,819	58,037
Total expenses	356,683	766,059
Loss before other income (expense)	(356,683)	(766,059)
Other income (expense)		
Settlement of flow-through share premium liability (Note 9)	54,545	–
Total other income (expense)	54,545	–
Net loss before income taxes	(302,138)	(766,059)
Deferred income tax recovery	48,517	–
Net loss for the period	(253,621)	(766,059)
Comprehensive income (loss)		
Unrealized gain on marketable securities	500	50,068
Comprehensive loss	(253,121)	(715,991)
Net loss per share, basic and diluted	(0.01)	(0.04)
Weighted average number of shares outstanding	31,468,183	18,166,436

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

ALPHA EXPLORATION INC.

Interim consolidated statements of changes in equity
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

	Share capital		Other capital reserves	Share-based payment reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	Shares	Amount $	$	$	$	$	$
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	12,083,333	3,000,000	–	–	–	–	3,000,000
Share issuance costs	–	(106,691)	–	–	–	–	(106,691)
Issued pursuant to mineral property option agreement	100,000	62,000	–	–	–	–	62,000
Stock-based compensation	–	–	–	347,501	–	–	347,501
Unrealized gain on marketable securities	–	–	–	–	50,068	–	50,068
Net loss for the period	–	–	–	–	–	(766,059)	(766,059)
Balance, January 31, 2014	26,146,971	34,879,639	–	347,501	55,793	(27,090,902)	8,192,031
Balance, October 31, 2014	31,187,748	34,853,075	–	886,704	(6,710)	(27,922,612)	7,810,457
Issued pursuant to mineral property option agreement	300,000	27,000	–	–	–	–	27,000
Stock-based compensation	–	–	–	30,052	–	–	30,052
Unrealized gain on marketable securities	–	–	–	–	500	–	500
Net loss for the period	–	–	–	–	–	(253,621)	(253,621)
Balance, January 31, 2015	31,487,748	34,880,075	–	916,756	(6,210)	(28,176,233)	7,614,388

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

ALPHA EXPLORATION INC.

Interim consolidated statements of cash flows
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

	Three months ended January 31, 2015 $	Three months ended January 31, 2014 $
Operating activities		
Net loss for the period	(253,621)	(766,059)
Items not involving cash:		
Deferred income tax recovery	(48,517)	–
Depreciation	2,758	3,160
Impairment of exploration and evaluation assets	–	3,843
Settlement of flow-through share premium liability	(54,545)	–
Stock-based compensation	30,052	347,501
Changes in non-cash operating working capital:		
Accounts receivable	44,216	(34,464)
Prepaid expenses and deposits	(54,087)	(462,763)
Accounts payable and accrued liabilities	(41,742)	143,171
Net cash used in operating activities	(375,486)	(765,611)
Investing activities		
Mineral property expenditures	(142,390)	(105,682)
Property and equipment purchases	(1,674)	–
Restricted cash	–	(92,000)
Net cash used in investing activities	(144,064)	(197,682)
Financing activities		
Proceeds from issuance of shares	–	3,000,000
Share issuance costs	–	(106,691)
Funding received from Alpha Minerals Inc. for operations	–	156,137
Cash received pursuant to the Alpha Plan of Arrangement	–	3,000,000
Net cash provided by financing activities	–	6,049,446
(Decrease) increase in cash	(519,550)	5,086,153
Cash, beginning of period	2,404,811	–
Cash, end of period	1,885,261	5,086,153
Non-cash investing and financing activities:		
Shares issued pursuant to mineral property option agreements	27,000	62,000
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these interim 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 January 31, 2015, the Company has not generated any revenues from operations and has an accumulated deficit of $28,176,233. 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 interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements including International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

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.

These interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended October 31, 2014 and 2013, which have been prepared under the continuity of interest accounting as described below. Certain prior year amounts have been reclassified to conform with current year presentation.

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.

2. Significant Accounting Policies (continued)

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

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.

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.

(c) Accounting Standards Issued But Not Yet Effective

The following new standards, and amendments to standards and interpretations, are effective for the annual periods beginning after January 1, 2015, 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) Annual Improvements to IFRSs 2012 – 2014 Cycle, including IFRS 7, *Financial Instruments: Disclosures* and IAS 34, *Interim Financial Reporting*

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.

(Expressed in Canadian dollars)

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.

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.

(Expressed in Canadian dollars)

4. Marketable Securities

(a) As at January 31, 2014, the Company held 7,022 (October 31, 2014 – 7,022) common shares of Canyon Copper Corp. ("Canyon") with an original cost of $106,000 and a fair value of $351 (October 31, 2014 - $351). 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 January 31, 2015, the Company held 794,000 (October 31, 2014 – 794,000) common shares of Uravan Minerals Inc. ("Uravan") with an original cost of $106,268 and a fair value of $23,820 (October 31, 2014 – $23,820). 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 January 31, 2015, the Company held 100,000 (October 31, 2014 –100,000) common shares of Interconnect Ventures Corporation ("Interconnect") with an original cost of $17,500 and a fair value of $18,000 (October 31, 2014 – $17,500). Management estimated the fair value of the shares using the quoted market price on the TSX Venture Exchange.

5. Restricted Cash

The Company has Guaranteed Investment Certificates ("GIC's") totaling $92,000 (October 31, 2014 – $92,000) 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, 2014	41,267	79,296	68,557	189,120
Additions	–	1,675	–	1,675
Balance, January 31, 2015	41,267	80,971	68,557	190,795
Accumulated depreciation:				
Balance, October 31, 2014	32,665	60,797	47,358	140,820
Additions	689	1,009	1,061	2,759
Balance, January 31, 2015	33,354	61,806	48,419	143,579
Carrying amounts:				
Balance, October 31, 2014	8,602	18,499	21,199	48,300
Balance, January 31, 2015	7,913	19,165	20,138	47,216

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
- 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.

7. Exploration and Evaluation Assets (continued)

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).

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).

As of November 10, 2014, the Company completed the option and a joint venture was 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.

7. Exploration and Evaluation Assets (continued)

Kelic Lake Project – Saskatchewan *(continued)*

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; and
- 250,000 shares on or before September 11, 2016.

Incur exploration expenditures totalling $750,000 on the Property as follows:

- $250,000 on or before December 14, 2014 (extended to May 29, 2015);
- $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.

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; 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; 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.

(Expressed in Canadian dollars)

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 three months ended January 31, 2015, the Company was involved in the following related party transactions:

(a) The amount of $23,750 (2014 – $nil) was paid to the President and Chief of the Company for management fees.

(b) The amount of $nil (2014 – $14,710) was paid to a company controlled by the former President of the Company for management fees.

(c) The amount of $21,000 (2014 – $12,871) was paid to a company controlled by the Chief Financial Officer of the Company for management fees.

(d) The amount of $4,167 (2014 – $nil) was paid to the Vice President of Exploration of the Company for management fees. At January 31, 2015, the Company is indebted to the Vice President of Exploration of the Company for $6,120 (October 31, 2014 – $nil), which has been included in accounts payable and accrued liabilities.

(e) The amount of $nil (2014 – $13,327) was paid to the former Vice President of Exploration of the Company for management fees.

(f) The amount of $28,883 (2014 – $nil) was paid to Directors of the Company for directors fees and management fees.

(g) The amount of $24,712 (2014 - $263,785) was recognized as stock based compensation for stock options granted to officers and directors of the Company.

(h) The amount of $10,500 (2014 - $nil) was charged to Canyon for rent, which has been recorded against rent paid. At January 31, 2015, amounts receivable includes $10,500 (October 31, 2014 – $17,500), net of an allowance for doubtful accounts of $nil (October 31, 2014 – $56,000) owing from Canyon.

9. Flow-through Share Premium

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

	$
Balance, October 31, 2014	194,692
Settlement of flow-through share liability on incurring expenditures	(54,545)
Balance, January 31, 2015	140,147

10. Share Capital

Authorized: Unlimited number of common shares without par value

Share transactions for the three months ended January 31, 2015:

On November 6, 2014, the Company issued 300,000 common shares with a fair value of $27,000 pursuant to the Carpenter Lake mineral property option agreement.

(Expressed in Canadian dollars)

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 and January 31, 2015	11,392,054	0.33

As at January 31, 2015, 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, 2014	2,525,000	0.35
Granted	500,000	0.10
Outstanding, January 31, 2015	3,025,000	0.31

(Expressed in Canadian dollars)

12. Stock Options (continued)

Additional information regarding stock options outstanding as at January 31, 2015, 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 $
0.10	500,000	5.0	0.10	500,000	0.10
0.16	800,000	4.6	0.16	762,500	0.16
0.42	1,200,000	3.9	0.42	1,200,000	0.42
0.49	525,000	3.9	0.49	525,000	0.49
	3,025,000	4.3	0.31	2,987,500	0.31

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:

	2015	2014
Risk-free interest rate	0.87 %	1.86%
Expected life (in years)	4.89	4.99
Expected volatility	145%	166%

The fair value of stock options vested during the three months ended January 31, 2015, was $30,052 (2014 - $347,501) which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of stock options granted during the three months ended January 31, 2015, was $0.06 (2014 - $0.23) per stock option.

Share-based compensation for the three months ended January 31, 2014, includes allocated Alpha Minerals share-based compensation of $33,038 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	62,512
2016	83,349
2017	34,729
	180,590

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 year ended October 31, 2014.

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 January 31, 2015, 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, January 31, 2015 $
Cash	1,885,261	–	–	1,885,261
Marketable securities	42,171	–	–	42,171
Restricted cash	92,000	–	–	92,000
	2,019,432	–	–	2,019,432

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.

ALPHA EXPLORATION INC.
Interim consolidated schedule of exploration and evaluation assets
January 31, 2015
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

	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 period	110,000	150,000	150,000	150,000	233,964	78,500	135,000	100,900	1,108,364
Addition	–	–	–	–	–	64,500	–	–	64,500
Balance, end of period	110,000	150,000	150,000	150,000	233,964	143,000	135,000	100,900	1,172,864
Deferred exploration costs:									
Balance, beginning of period	1,071,355	12,292	1,669,862	50,653	194,800	1,400,587	124,242	537,452	5,061,243
Assays and testing	–	–	500	–	–	–	–	–	500
Camp supplies	–	–	18,175	–	–	–	–	–	18,175
Communications	–	–	1,343	–	17	59	17	–	1,436
Equipment rental	–	–	500	–	–	–	–	–	500
Geological and geophysical	–	–	28,206	–	–	13,259	–	–	41,465
Labour and field expenses	100	–	4,498	–	567	338	513	226	6,242
Surveys	–	–	15,380	–	–	–	–	–	15,380
Transportation	–	–	21,096	–	–	96	–	–	21,192
	100	–	89,698	–	584	13,752	530	226	104,890
Balance, end of period	1,071,455	12,292	1,759,560	50,653	195,384	1,414,339	124,772	537,678	5,166,133
Balance, January 31, 2015	1,181,455	162,292	1,909,560	200,653	429,348	1,557,339	259,772	638,578	6,338,997