OLIVUT RESOURCES LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED JANUARY 31, 2015
(expressed in Canadian dollars)

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at:	January 31, 2015 $	October 31, 2014 $
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	389,172	755,663
Amounts receivable (Note 5)	7,457	3,267
Current portion of prepaid expenses (Note 6)	184,476	181,550
Current portion of loan receivable (Note 9)	17,356	17,356
TOTAL CURRENT ASSETS	598,461	957,836
PREPAID EXPENSES (Note 6)	26,418	66,035
EQUIPMENT (Note 8)	39,338	41,408
LOAN RECEIVABLE (Note 9)	222,247	222,679
TOTAL ASSETS	886,464	1,287,958
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 10 and 12)	80,015	126,640
Convertible security (Notes 11)	-	114,883
Securities Purchase Agreement advance (Note 13(b))	42,500	42,500
TOTAL CURRENT LIABILITIES	122,515	284,023
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 13(b))	17,589,665	17,567,375
EQUITY COMPONENT OF CONVERTIBLE SECURITY (Note 11)	-	66,524
EQUITY RESERVES		
Stock options (Note 14)	3,468,658	3,529,950
DEFICIT	(20,294,374)	(20,159,914)
TOTAL SHAREHOLDERS' EQUITY	763,949	1,003,935
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	886,464	1,287,958

COMMITMENTS AND CONTINGENCIES (Notes 7, 13 and 15)
GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "Leni Keough", Director　　Signed "Craig Reith", Director

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Three months ended January 31, 2015 $	Three months Ended January 31, 2014 $
Exploration expenses (Notes 7 and 12)	87,929	46,091
Administrative and general expenses (Note 12)	118,384	117,078
Stock-option amortization expense (Notes 12 and 14)	17,808	114,734
Other amortization	2,070	2,721
Loss before the under-noted	(226,191)	(280,624)
Interest income from financial assets at fair value through profit or loss	1,563	3,052
Interest income from loans and receivables	4,068	4,304
Loss before income taxes	(220,560)	(273,268)
Deferred income tax recovery	21,000	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(199,560)	(273,268)
NET LOSS PER SHARE - basic and diluted	($0.01)	($0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	38,242,235	36,078,584

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	Three months ended January 31, 2015 $	Three months ended January 31, 2014 $
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the year	(199,560)	(273,268)
Adjustments for charges not involving cash:		
Deferred income tax recovery	(21,000)	-
Stock-option amortization expense	17,808	114,734
Other amortization	2,070	2,721
	(200,682)	(155,813)
Changes in non-cash working capital balances:		
(Increase) decrease in amounts receivable	(4,190)	4,450
(Increase) in prepaid expenses	(2,926)	(3,099)
(Decrease) in accounts payable and accrued liabilities	(25,625)	(33,581)
Cash flows used in operating activities	(233,423)	(188,043)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan receivable	432	195
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) of convertible security (Note 11)	(150,000)	-
Exercise of options	16,500	-
Cost of issue	-	(532)
Cash flows from financing activities	(133,500)	(532)
(Decrease) in cash and cash equivalents	(366,491)	(188,380)
Cash and cash equivalents, beginning of year	755,663	1,077,430
Cash and cash equivalents, end of year (Note 4)	389,172	889,050
SUPPLEMENTARY CASH FLOW INFORMATION		
Common shares issued for SPA advance (Note 13(b))	-	52,000
Prepaid financing expense charged to share issue costs (Note 13(b))	39,617	39,618
Accretion of convertible security included in cost of issue	-	9,451

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves Stock Options	Equity Component of Convertible Security	Deficit	Total
	#	$	$	$	$	$
	(Note 13(b))	(Note 13(b))	(Note 14)	(Note 11)		
Balance, October 31, 2013	36,020,147	17,337,413	3,415,216	133,048	(19,436,079)	1,449,598
Common shares issued	2,134,588	409,000	-	-	-	409,000
Share issue costs	-	(199,764)	-	-	-	(199,764)
Stock-option amortization expense	-	-	114,734	-	-	114,734
Redemption of convertible security		20,726		(66,524)		(45,798)
Net loss for the year	-	-	-	-	(723,835)	(723,835)
Balance, October 31, 2014	**38,154,735**	**17,567,375**	**3,529,950**	**66,524**	**(20,159,914)**	**1,003,935**
Common shares issued	-	-	-	-	-	-
Share issue costs	-	(39,617)	-	-	-	(39,617)
Options exercised	100,000	30,500	(14,000)	-	-	16,500
Options expired		-	(65,100)	-	65,100	-
Stock-option amortization expense	-	-	17,808	-	-	17,808
Redemption of convertible security	-	31,407	-	(66,524)	-	(35,117)
Net loss for the period	-	-	-	-	(199,560)	(199,560)
Balance, January 31, 2015	**38,254,735**	**17,589,665**	**3,468,658**	**-**	**(20,294,374)**	**763,949**

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Olivut Resources Ltd. (the "Company" or "Olivut") is engaged in the acquisition, exploration and evaluation of mineral properties for the purpose of mining diamonds and other precious and base minerals. The Company's shares are listed on the TSX Venture Exchange ("TSXV"). The head office is located at 27010 Hwy 16, 14 Mountain Park Properties, Jasper East, Alberta. These financial statements were reviewed, approved and authorized for issue by the Board of Directors on March 27, 2015.

The Company is in the process of exploring properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation and confirmation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, native land claims and non-compliance with regulatory and environmental requirements. The Company's assets and operations are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company needs equity capital financing in order to explore and evaluate its properties and for working capital requirements (Note 17(b)). Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. There is no assurance that funds will be available on terms acceptable to the Company or at all.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" (IAS 34) using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended October 31, 2014 except as described in Note 3. These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. Accordingly these unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended October 31, 2014.

2. BASIS OF PRESENTATION (Continued)

In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three month period ended January 31, 2015 are not necessarily indicative of the results that may be expected for the year ending October 31, 2015.

3. ACCOUNTING CHANGES

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective November 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The adoption of this standard did not result in any changes to the Company's financial statements.

IFRS 7 — Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation ("IAS 32"). The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of this standard did not result in any significant changes to the Company's financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. The adoption of this standard did not result in any significant changes to the Company's financial statements.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting annual periods beginning after November 1, 2013 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

3. ACCOUNTING CHANGES (Continued)

Recent Accounting Pronouncements (continued)

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.

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4. CASH AND CASH EQUIVALENTS

	January 31, 2015 $	October 31, 2014 $
Cash in accounts at Canadian chartered banks	389,172	755,663

5. AMOUNTS RECEIVABLE

	January 31, 2015 $	October 31, 2014 $
GST input tax credit	7,457	3,267

6. PREPAID EXPENSES

	January 31, 2015 $	October 31, 2014 $
Current portion of prepaid expenses:		
Insurance premiums	22,092	19,166
Deposit for future conference	3,913	3,913
Financing costs (Note 13(b))	158,471	158,471
	184,476	181,550
Long term portion of prepaid expenses:		
Financing costs (Note 13(b))	26,418	66,035

The prepaid financing costs are charged to share issue costs over the term of the SPA (Note 13(b)) on a straight-line basis.

7. MINERAL PROPERTY AND EXPLORATION EXPENDITURES

The Company has a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (the "HOAM Project"). This interest is subject to a 1.5% Net Smelter Return royalty ("NSR"), 50% of which is held by a director and officer of the Company.

On July 6, 2011, the Company announced that it had signed an option agreement with Latin American Minerals Inc. ("LAT") (TSXV:LAT) and certain of its Paraguayan subsidiaries to explore the Itapoty Diamond Project located in central Paraguay, South America. Pursuant to subsequent exploration activities, Olivut determined that additional expenditures on this project were not justified and terminated the option agreement effective September 6, 2013. As a result, the Company has no further interest in this project, but remains responsible for any environmental or other liabilities arising from work performed by the Company. The Company believes there are no such liabilities outstanding.

During the three months ended January 31, 2015, the Company incurred $87,929 (2014 - $46,091) on exploration expenditures. Cumulative exploration expenditures made by the Company as at January 31, 2015 total $15,658,904 (at October 31, 2014 - $15,570,975). This cumulative total represents $14,709,816 spent on the HOAM Project (October 31, 2014 – $14,621,887) and $949,088 spent on other projects where the Company's interests have been terminated (October 31, 2014 - $949,088).

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8. EQUIPMENT

	January 31, 2015			October 31, 2014		
	Cost $	Accumulated Amortization $	Net $	Cost $	Accumulated Amortization $	Net $
Drill rig	91,288	51,950	39,338	91,288	49,880	41,408

9 LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation that is providing services to the Company. The loan bears interest at 7% per annum and is secured by a general security agreement covering all assets of the borrower. Repayment terms include monthly payments of interest and principal of $1,500 with the balance due May 25, 2017.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2015 $	October 31, 2014 $
Corporate payables and accrued liabilities (Note 12)	56,195	122,715
Exploration expense payables	23,820	3,925
	80,015	126,640

11. CONVERTIBLE SECURITY

On March 12, 2013, the Company entered into a Securities Purchase Agreement (the "SPA") that could raise, depending on market conditions and other factors, up to $18 million over approximately the following 36 months in a tranched placement of securities to the Canadian Special Opportunity Fund, L.P., a fund managed by The Lind Partners, a New York-based asset management firm (together "Lind").

On March 13, 2013, the initial investment by Lind of $500,000 consisted of (i) a $300,000 callable, convertible security and (ii) $200,000 to purchase common shares (Note 13(b)).

Lind elected to redeem the convertible security, $150,000 of which was repaid to Lind by the Company on April 29, 2014 and the $150,000 balance was repaid on November 15, 2015.

In accordance with IFRS, the convertible security was bifurcated into a liability component and an equity component. The equity component represented the value of the conversion feature and is the difference between the fair value of the liability component and the proceeds received of $300,000. Management estimated the value of the liability component of the convertible security using the effective interest rate method, using an interest rate of 20%.

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11. CONVERTIBLE SECURITY (Continued)

The rate used in determining the appropriate value of the liability component of the convertible security and to appropriately apply the effective interest rate method to the convertible security was subject to significant management estimation.

Convertible security, October 31, 2014	$150,000
Redemption of security November 15, 2014	(150,000)
Convertible security, January 31, 2015	-

Bifurcated as follows:

Equity component, October 31, 2014	$66,524
Equity component redeemed	(66,524)
Equity component, January 31, 2015	-
Liability component, October 31, 2014	114,883
Liability component redeemed	(114,883)
Liability component, January 31, 2015	-

12. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the period was as follows:

	Three months ended January 31	
	2015	**2014**
	$	$
Salaries	55,000	55,000
Short term benefits	4,500	7,000
Stock-option amortization expense	17,808	103,697
Total remuneration	77,308	165,697

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

No bonuses were paid in the three months ended January 31, 2015 and 2014. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of stock options.

In addition to salaries and benefits, during the three months ended January 31, 2015, a total of $2,400 (2014 - $2,400) for administrative and general expenses included in the statement of operations were accrued or paid to directors and officers of the Company or persons or companies related to or controlled by them. The directors and officers of the Company or persons or companies related to or controlled by them were also reimbursed at cost for expenses incurred on behalf of the Company.

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12. RELATED PARTY TRANSACTIONS (Continued)

In connection with the October 15, 2014 private placement (see Note 13(b)), 220,000 flow-through shares were sold to an officer and director of the Company.

Amounts included in accounts payable and accrued liabilities owed to directors and officers of the Company or persons or companies related to or controlled by them are as follows:

	Amounts owed to related parties, as at	
	January 31, 2015	**October 31, 2014**
	$	$
Officers and directors	21,155	23,955
Other related party	19,950	-
	41,105	23,955

These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

13. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value

b) Issued

38,254,735 common shares

A summary of changes during the three months ended January 31, 2015 is as follows:

	Common Shares #	Amount $
Balance, October 31, 2014	38,154,735	17,567,375
Options exercised	100,000	30,500
Share issue costs		(39,617)
Redemption of convertible security		31,407
Balance, January 31, 2015	38,254,735	17,589,665

13. CAPITAL STOCK (Continued)

b) Issued (Continued)

On March 12, 2013, the Company entered into the SPA which, in addition to the convertible security described in Note 11, provides that over approximately 36 months following the initial investment made on March 13, 2013 Lind could invest up to $17,700,000 in a tranched placement of common shares. The SPA provides that the initial cash advance of $200,000 on March 13, 2013 to purchase common shares is intended to be followed by up to an additional $200,000 approximately every month over the following 35 months. Individual monthly tranches may be increased to a maximum of $500,000 upon mutual agreement between the Company and Lind and may be less than $200,000 after the initial cash advance if any single tranche exceeds 0.55% of the Company's market capitalization (the "Market Capitalization Test").

The number of common shares of the Company to be issued for each tranche will be calculated based on a price per common share equal to 92.5% of the Daily Volume Weighted Average Price ("VWAP") per common share on the TSXV for the 5 days chosen by Lind out of the 20 trading days preceding such issuance date (the "Purchase Price"), provided such price will not be less than the higher of (i) the closing price per common share or (ii) the volume-weighted average price per common share, on the TSXV on the trading day immediately preceding the relevant cash advance date, in either case, less the maximum permitted discount under TSXV regulations (the "Set Floor Price"). The share issuance date for each tranche is 28 days after the funds are received.

Should the Purchase Price be below the Set Floor Price, Lind may elect to not take shares and instead have the tranche amount previously advanced repaid without penalty. The Company may elect to offset the repayment against the next tranche.

If the market price is below $0.325 for two consecutive days Lind may postpone subsequent advances by up to two months.

The SPA includes explicit no-shorting provisions. Lind, its affiliates, associates and insiders will not: sell Olivut shares that it does not hold in its inventory and that it does not own outright; pre-sell shares that it expects to receive or has contracted to receive, where such shares have not yet been issued and delivered to it; borrow shares to be sold or borrow shares to cover a short position. The SPA also includes a floor price which enables Olivut to refuse to issue stock below $0.40 and the option for Olivut to terminate the SPA at any time, subject to compliance with the terms of the SPA.

As part of the financing, Lind received a commitment fee of $200,000 which was paid by issuing Lind 505,944 common shares of the Company.

During the three months ended January 31, 2015 no tranche share issuances were made to Lind under the terms of the SPA.

$42,500 was received by the Company on August 18, 2014 as an advance pursuant to that month's SPA tranche financing. No common shares have been issued in respect of this tranche by January 31, 2015. Please see Note 18(a).

On September 30, 2014 Lind elected to pause additional cash advances and the related tranche securities issuance. Please see Note 18(b).

In the three months ended January 31, 2015, a total of $39,617 (2014 - $39,618) prepaid financing costs were charged to share issue costs (Note 6).

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13. CAPITAL STOCK (Continued)

b) Issued (Continued)

Copies of the qualifying base shelf prospectus dated March 11, 2013, the prospectus supplement dated March 12, 2013 and specific Pricing Supplements for securities issued are available on SEDAR. These documents, as well as any documents incorporated therein by reference may be obtained on request without charge from Olivut, at its offices located at 27010 Highway 16, 14 Mountain Park Properties, Jasper East, Alberta, or by faxing a written request to (780) 866-3713, by mail to P.O. Box 6690 Hinton, Alberta T7V 1X8 or by accessing the disclosure documents available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

On October 15, 2014, the Company issued a total of 1,545,000 common shares through a non-brokered private placement for aggregate gross proceeds of $330,000. The private placement comprised the placements of (i) 420,000 flow-through shares for proceeds of $105,000 at a price of $0.25 per flow-through share and (ii) 1,125,000 common shares for proceeds of $225,000 at a price of $0.20 per common share.

14. EQUITY RESERVES

Stock options	Number of Options #	Weighted Average Exercise Price $	Estimated Grant Date Fair Value of Options Amortized $
October 31, 2014	3,145,000	1.171	3,529,950
Options exercised	(100,000)	0.165	(14,000)
Options expired	(465,000)	0.165	(65,100)
Options granted	1,130,000	0.110	-
Stock-option amortization expense	-	-	17,808
January 31, 2015	3,710,000	1.008	3,468,658

The Company's stock option plan (the "Plan") provides for the granting of stock options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Stock options are granted for a term not to exceed ten years at exercise prices not less than the closing sale price of the Company's shares on the TSXV on the trading day immediately preceding the date the options are granted, and are not transferable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued shares.

The fair value attributed to the options when granted is charged to stock-option amortization expense and added to equity reserves over the period the options vest. $17,808 was charged to stock-option amortization expense during the three months ended January 31, 2015 (three months ended January 31, 2014 - $114,734).

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14. EQUITY RESERVES (Continued)

The following is a summary of stock options outstanding at January 31, 2015:

Expiry Date	Outstanding Stock Options #	Exercisable Stock Options #	Estimated Grant Date Fair Value $	Exercise Price $
April 19, 2015	35,000	35,000	9,100	0.300
September 11, 2015	162,500	162,500	219,375	1.400
March 10, 2016	50,000	50,000	73,500	1.700
June 27, 2022	2,332,500	2,332,500	3,148,875	1.400
December 15, 2024	1,130,000	-	113,000	0.110
Total, January 31, 2015	3,710,000	2,580,000	3,563,850	

The weighted average remaining contractual life of options as of January 31, 2015 is 7.71 years (October 31, 2014 – 6.9 years). The weighted average exercise price of options exercisable as at January 31, 2015 is $1.39 (October 31, 2014 - $1.17).

15. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

b) Management Contracts

The Company is party to a management contract. Minimum contract commitments remaining under the agreement are approximately $660,000, including $220,000 due within one year. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to $1,000,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

c) Flow-Through Shares

Pursuant to the issuance of 420,000 flow-through shares on October 15, 2014 (Note 13(b)), the Company renounced $105,000 of qualified exploration expenditures with an effective date of December 31, 2014. The Company is required to expend this amount on qualified exploration expenditures by December 31, 2015. As of January 31, 2015, the Company has expended all of this amount on qualified exploration expenditures.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment.

(expressed in Canadian dollars) Page 15 of 17

15. COMMITMENTS AND CONTINGENCIES (Continued)

d) Operating Lease

The Company is committed to an operating lease for equipment rental, which expires on July 1, 2017. Minimum lease payments for successive fiscal years ending October 31 are as follows:

Year	Amount $
2015	2,117
2016	2,822
2017	1,411
	6,350

16. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. The capital of the Company consists of capital stock and equity reserves. The Board of Directors does not establish quantitative return on capital criteria for the Company's management, but rather relies on the expertise of management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. Accordingly, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for its administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if reasonably available. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended January 31, 2015 or the year ended October 31, 2014. The Company is not subject to externally imposed capital requirements.

17. FINANCIAL RISK FACTORS

The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and a loan receivable. The Company has no significant credit risk arising from operations. Cash and cash equivalents consist of bank deposits with a Canadian chartered bank and guaranteed investment certificates issued by a Canadian chartered bank. The loan receivable as described in Note 9 is secured by all assets of the borrower. Management believes that the credit risk with respect to these financial instruments is remote.

17. FINANCIAL RISK FACTORS (Continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. As at January 31, 2015, the Company had a cash balance of $389,172 to settle accounts payable and accrued liabilities of $80,015 and the possible repayment of the SPA advance of $42,500 (Note 13(b)). All of the Company's financial liabilities have contractual maturities of less than one year. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. The Company will need to rely on new sources of equity financing, if available, to meet its ongoing working capital requirements. On the basis of the Company's current cash position, management of the Company believes that it has sufficient funds to meet its ongoing administrative and general costs until the fiscal year ended October 31, 2015 and will be soliciting additional financing during the remainder of the year to enable the Company to continue to operate, including exploration on its projects and to consider new opportunities. Failure to obtain additional financing could result in delay or the indefinite postponement of further exploration and the development of the Company's properties, as well as the loss of prospecting permits and mineral claims and even the risk of the Company continuing as a going concern.

c) Market Risk

(i) *Interest Rate Risk*

The Company's current policy is to invest its cash and cash equivalents balances in investment-grade short-term guaranteed investment certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company considers interest rate risk to be minimal as investments are short-term, the loan receivable is at a fixed interest rate and it is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

(ii) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk from currency conversions is negligible.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Although the Company has no influence on commodity prices, it closely monitors commodity prices to determine appropriate courses of action.

17. FINANCIAL RISK FACTORS (Continued)

d) Fair Value

The Company has designated its cash equivalents as held-for-trading, measured at fair value. Amounts receivable and loan receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and the liability related to the securities purchase agreement advance pursuant to the SPA are classified as other financial liabilities, which are measured at amortized cost.

The carrying amounts for amounts receivable, accounts payable and accrued liabilities and the securities purchase agreement advance pursuant to the SPA on the statements of financial position approximate fair value because of the limited terms of these instruments. The fair value of the loan receivable approximates carrying value as the interest rate approximates the current rate for similar instruments.

The Company's financial instruments that are carried at fair value consist of cash equivalents that do not have quoted market prices. They have been classified as Level 2 within the fair value hierarchy.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal as investments in guaranteed investment certificates are short-term; the loan receivable (Note 9) has a fixed interest rate of 7% and the Company does not carry interest bearing debt. It is expected that future financings, if any, would be secured from equity placements rather than debt obligations. Based on cash and cash equivalents held by the Company as at January 31, 2015, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $4,000 annually.

The Company does not hold any balances in foreign currencies to give rise to foreign exchange risk.

Price risk is remote since the Company is not a producing entity.

18. SUBSEQUENT EVENT

(a) On March 17, 2015 341,915 shares were issued to Lind in accordance with the terms of the SPA for the $42,500 tranche received by the Company on August 18, 2014.

(b) The Company and Lind mutually agreed to terminate the SPA effective March 27, 2015.