Carlisle Goldfields Limited

Financial Statements

August 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards ("IFRS"). This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Board of Directors exercises its responsibilities for financial controls and is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

KPMG LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.



Abraham Drost
President & CEO, Director



Julio DiGirolamo CPA, CA
Chief Financial Officer

November 26, 2014

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To the Shareholders of Carlisle Goldfields Limited:

We have audited the accompanying financial statements of Carlisle Goldfields Limited, which comprise the statement of financial position as at August 31, 2014 and August 31, 2013, the statements of comprehensive loss, changes in equity and cash flows for the years ended August 31, 2014 and August 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 financial statements based on our audit. We conducted our audit 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 our 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, we consider 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 includes evaluating the appropriateness of 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 audit is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Carlisle Goldfields Limited as at August 31, 2014 and August 31, 2013, and its financial performance and its cash flows for the years ended August 31, 2014 and August 31, 2013 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 26, 2014
Toronto, Canada

Carlisle Goldfields Limited
Statements of Financial Position
Expressed in thousands of Canadian dollars

	August 31, 2014	August 31, 2013
ASSETS		
Current assets		
Cash	**$ 50**	$ 778
Amounts receivable	**48**	40
Prepaids	**79**	114
	177	932
Exploration and evaluation assets *(Note 6)*	**29,334**	27,485
Property and equipment	**23**	26
Other assets *(Note 6)*	**11**	---
	$ 29,545	$ 28,443
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 665**	$ 416
Accrued shareholders claim	**---**	660
	665	1,076
Deferred income tax liability *(Note 8)*	**620**	916
	1,285	1,992
Shareholders' equity		
Share capital *(Note 7b)*	**30,978**	29,134
Warrants *(Note 7c)*	**2,318**	2,755
Contributed surplus *(Note 7d)*	**8,127**	6,633
Deficit	**(13,163)**	(12,071)
	28,260	26,451
	$ 29,545	$ 28,443

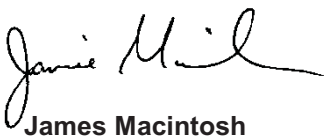
Nature of operations*(Note 1)*
Contingencies *(Note 12)*
Subsequent events (*Note 14)*

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

On behalf of the Board:



Bruce Reid
Director



James Macintosh
Director

Carlisle Goldfields Limited

Statements of Comprehensive Loss
For the years ended August 31, 2014 and 2013

Expressed in thousands of Canadian dollars, except per share amounts

	2014	2013
Expenditures		
General and administration	**$ 2,039**	$ 2,356
	2,039	2,356
Interest income	**3**	4
Other income *(Note 8)*	**674**	---
Loss before income taxes	**1,362**	2,352
Income tax recovery	**(270)**	(261)
Loss and comprehensive loss for the period	**$ 1,092**	$ 2,091
Basic and diluted loss per share	**$ (0.00)**	$ (0.01)
Weighted average number of shares outstanding during the period – basic and diluted	**263,428,334**	203,808,175

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

Carlisle Goldfields Limited

Statements of Changes in Equity

For the years ended August 31, 2014 and 2013

Expressed in thousands of Canadian dollars

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance at August 31, 2012	**$22,908**	**$ 5,008**	**$ 2,278**	**$ (9,980)**	**$20,214**
Total comprehensive loss for the period	**---**	**---**	**---**	**(2,091)**	**(2,352)**
Stock-based payments *(Note 7e)*	**---**	**---**	**621**	**---**	**621**
Issue of share capital – private placement net of share issue costs*(Note 7b)*	**3,692**	**1,478**	**---**	**---**	**5,170**
Issue of share capital – Last Hope option extension *(Note 7)*	**8**	**---**	**---**	**---**	**8**
Issuance of Broker Warrants on exercise of Ryan option	**---**	**41**	**---**	**---**	**41**
Exercise of options – cash	**120**				**120**
Exercise of options – book value	**38**	**---**	**(38)**	**---**	**---**
Put Right issued to Ryan Gold *(Note 7b)*	**---**	**---**	**368**		**368**
Exercise of Ryan Gold Put Right *(Note 7b)*	**2,368**	**---**	**(368)**	**---**	**2,000**
Expiration of warrants and finder's options *(Note 7c)*	**---**	**(3,772)**	**3,772**	**---**	**---**
Balance at August 31, 2013	**$29,134**	**$ 2,755**	**$ 6,633**	**$(12,071)**	**$26,451**
Total comprehensive loss for the period	**---**	**---**	**---**	**(1,092)**	**(1,092)**
Expiration of warrants	**---**	**(1,237)**	**1,237**	**---**	**---**
Stock-based payments *(Note 7e)*	**---**	**---**	**257**	**---**	**257**
Issue of share capital – private placement net of share issue costs *(Note 7b)*	**1,044**	**800**	**---**	**---**	**1,844**
Exercise of Put Right *(Note 7b)*	**800**	**---**	**---**	**---**	**800**
Balance at August 31, 2014	**$30,978**	**$ 2,318**	**$ 8,127**	**$(13,163)**	**$28,260**

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

Carlisle Goldfields Limited

Statements of Cash Flows
For the years ended August 31, 2014 and 2013

Expressed in thousands of Canadian dollars

	2014	2013
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	**$ (1,092)**	**$** (2,091)
Other items:		
Accrued shareholders claim	**(659)**	---
Stock-based compensation	**257**	621
Depreciation	**15**	17
Provision for income taxes	**(270)**	(261)
Other income	**(15)**	---
Write-down of Goodfish Claims	**35**	---
	(1,729)	(1,909)
Net change in non-cash working capital items:		
Amounts receivable	**(8)**	175
Prepaids	**35**	(346)
Accounts payable and accrued liabilities	**249**	(1,797)
Accrued shareholders claim	**(1)**	(195)
	(1,454)	(3,185)
FINANCING ACTIVITIES		
Issue of common shares and warrants, net	**1,833**	5,141
	1,833	5,141
INVESTING ACTIVITIES		
Exploration and evaluation costs	**(1,095)**	(2,367)
Equipment	**(12)**	(8)
	(1,107)	(2,375)
Net decrease in cash	**(728)**	(419)
Cash, beginning of year	**778**	1,197
Cash, end of year	**$ 50**	$ 778

Supplementary information *(Note 13)*

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

1. NATURE OF OPERATIONS

Carlisle Goldfields Limited ("Carlisle" or the "Company") was incorporated under the laws of the Province of Ontario on March 15, 2005 under the name AMPX Corporation. On May 19, 2006, AMPX Corporation filed Articles of Amendment changing its name to Carlisle Goldfields Limited. Substantially all of the Company's efforts are devoted to financing and developing mineral exploration properties in Manitoba. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

The address of the registered office is Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although Carlisle 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 and non-compliance with regulatory requirements, as well as claims from Aboriginal people.

The financial statements of the Company for the year ended August 31, 2014 were approved by the Board of Directors on November 26, 2014.

2. BASIS OF PRESENTATION

These audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Company are summarized as follows:

(a) Cash

Cash comprises cash balances and deposits with original maturities of 90 days or less.

(b) Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares to investors whereby the deduction for tax purposes relating to qualifying resource exploration expenditures is claimed by the investors rather than the company.

Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are issued. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A deferred gain is recognized for the premium paid by the investors, which deferred gain is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Exploration and evaluation assets

The cost of acquiring mineral properties and related exploration and evaluation costs are deferred on an individual area of interest basis until the properties are placed into production, sold or abandoned. Once a licence to explore an area has been secured, directly attributable expenditures on exploration and evaluation activities are capitalized to mineral properties. Costs incurred to acquire an interest in a mineral property are capitalized as mineral property acquisition costs. Costs incurred prior to obtaining the right to explore are expensed as incurred.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property and equipment.

Subsequent recovery of the resulting carrying value depends on the successful development or sale of the undeveloped project. If a project does not prove viable, all unrecoverable costs associated with the project are written off.

As the Company's assets are not yet operational, no amortization or depletion has yet been recorded.

(d) Property and equipment

Property and equipment are accounted for at cost. Amortization is based on the following rates and methods, commencing in the month of acquisition:

Automobiles	3 – 5 years straight line
Computer Software	3 years straight line

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment, and are recognized net within other income in the statement of comprehensive loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property and equipment (cont'd)

(e) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its costs is objective evidence of impairment.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal.

(f) Share-based payments

Share-based payments are based on the estimated fair value of options granted at the time of the grant using the Black-Scholes option pricing model. The fair value is recognized in current earnings as stock-based compensation expense with a corresponding increase to contributed surplus over the vesting period of the options. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital. In the event that vested options expire, previously recognized compensation expense associated with such stock options is not reversed. In the event that unvested options are forfeited, previously recognized compensation expense associated with such stock options is reversed.

(g) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of comprehensive loss except to the extent that the tax relates to a business combination or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax liabilities and assets and they relate to income taxes levied by the same tax authority.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise share options granted to employees and share purchase warrants.

(i) Foreign currency translation

Monetary assets and liabilities are translated to Canadian dollars at the rates in effect at the date of the statement of financial position. Other assets and liabilities are translated at the rates prevailing at the transaction dates. Revenue and expenses are translated at average rates prevailing during the year, except for depreciation which is translated at exchange rates prevailing when the related assets were acquired. Gains and losses arising from fluctuations in exchange rates are reflected in the statements of comprehensive loss for the year.

(j) Basis of measurement

The financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(k) Financial instruments

(i) Financial assets

The Company initially recognizes receivables and deposits on the date that they originated.

All other financial assets are recognized 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 risks and rewards of ownership of the financial asset are transferred.

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.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially 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 rate method, less any impairment losses. Financial assets included in this category are amounts receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial instruments (cont'd)

(ii) Non-derivative financial liabilities

All financial liabilities 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 liability when its contractual obligations are discharged or cancelled, or they 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, as well as accrued shareholders claim.

Such financial liabilities are recognized at fair value. The Company will continue to monitor the fair value of these liabilities and make adjustments as necessary.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the observability of the inputs employed in the measurement:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

All of the Company's financial instruments are considered to be Level 1 (see Note 10, "Fair value").

At each statement of financial position date, the Company will assess financial assets for impairment with any impairment recorded in the statement of comprehensive loss. The Company expenses all transaction costs as incurred in relation to the acquisition of a financial asset or liability.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas requiring the use of management estimates relate to assumptions used in determining share-based payments. Actual results may differ from these estimates.

(a) Significant Judgements in Applying Accounting Policies

Exploration and evaluation assets

In evaluating the carrying value of its exploration and evaluation assets, the Company makes judgements about whether or not indicators of impairment, or indicators of a reversal of impairment, exist at each reporting period. This determination impacts whether or not a detailed impairment assessment is performed.

Accrued Shareholder Claim

The likelihood of claims arising from previous subscribers is difficult to predict. Based on historical facts and in consultation with legal counsel, on August 31, 2014, it was judged that: (a) it was unlikely that Carlisle would receive another claim; and (b) that the statute of limitations had run out with respect to the ability of any individual to make a claim. The remaining accrued liability was reversed to other income on the Statement of Comprehensive Loss.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(b) Significant Accounting Estimates and Assumptions

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments

The amount expensed for share-based payments is based on the application of the Black-Scholes option pricing model which is highly dependent on the expected volatility of the Company's shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past share trading data. Actual volatility may be significantly different. While the estimate of share-based payments can have a material impact on the operating results reported by the Company, it is a non-cash charge and, as such, has no impact on the Company's cash position or future cash flows.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

5. FUTURE CHANGES IN ACCOUNTING STANDARDS

New Accounting Standards Adopted During The Year

The Company has adopted the following new standards, along with any consequential amendments, effective September 1, 2013. These changes were made in accordance with the appropriate transitional provision. None of these new standards had a material impact on the Company's financial statements upon adoption on September 1, 2013.

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces Standing Interpretations Committee ("SIC")-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operations. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operations. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities – Non-monetary Contributions by Venturers.

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance-sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard 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. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IFRIC 20 (an update provided by the IFRS Interpretations Committee ("IFRIC") provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual periods beginning on or after January 1, 2013 and early application is permitted.

5. FUTURE CHANGES IN ACCOUNTING STANDARDS (CONT'D)

Standards Issued But Not Yet Effective

The IASB has issued IFRS 9 Financial Instruments ("IFRS 9") which proposes to replace IAS 39 Financial Instruments Recognition and Measurement. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets — amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available-for-sale and loans and receivable categories. The effective date is January 1, 2018, with earlier application permitted. The Company has not adopted IFRS 9 in its financial statements for the current period, but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements based on the characteristics of its financial instruments at the date of adoption.

On May 21, 2013, the IASB issued IFRIC 21, Levies, an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, Provisions, contingent liabilities and contingent assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company is assessing the impact on its consolidated financial statements from the adoption of IFRIC 21.

6. EXPLORATION AND EVALUATION ASSETS

The following is a summary of the Company's mining assets:

	Lynn Lake	Last Hope/ Johnson & Johnson	Goodfish	Total
Balance, August 31, 2012	**$ 19,503**	**$ 3,127**	**$ 71**	**$ 22,701**
Acquisition costs	**---**	**258**	**---**	**258**
Option proceeds received	**---**	**---**	**(25)**	**(25)**
Deferred exploration costs	**2,056**	**86**	**---**	**2,142**
Put Right issued to Ryan Gold	**368**	**---**	**---**	**368**
Ryan Gold Exploration	**2,000**	**---**	**---**	**2,000**
Broker warrants	**41**	**---**	**---**	**41**
Balance, August 31, 2013	**$ 23,968**	**$ 3,471**	**$ 46**	**$ 27,485**
Acquisition costs	**---**	**100**	**---**	**100**
Deferred exploration costs	**995**	**---**	**---**	**995**
Sale of mining claims	**---**	**---**	**(46)**	**(46)**
Exercise of Put Right issued to Canadian Orebodies	**800**	**---**	**---**	**800**
Balance, August 31, 2014	**$ 25,763**	**$ 3,571**	**$ ---**	**$ 29,334**

Lynn Lake Properties

The Lynn Lake properties are comprised of a diverse group of gold exploration claims and mining leases in the Lynn Lake Greenstone Belt of Northern Manitoba. The Company holds a 100% interest in various groups of properties comprised of mining leases and claims. In addition, the Company holds a 78.03% interest in the Nail-Franklin group of properties comprised of mining leases and claims and a 50.31% interest in the Shoe-Lace group of properties comprised of mining claims. Various parts of these properties are subject to unrecorded royalties and interests.

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Lynn Lake Properties (cont'd)

On November 1, 2012, the Company announced the closing of an option transaction and $1,000,000 unit purchase (see Note 7(b)) whereby Carlisle granted Ryan Gold Corp. ("Ryan") an option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake property located near the town of Lynn Lake, Manitoba, in which Carlisle holds a 100% interest (the "Transaction").

In order to acquire its interest in the property, Ryan was required to incur aggregate exploration expenditures on the property of $2,000,000 by December 31, 2012 on programs for which the Company is the operator. This requirement was met by Ryan and the option was exercised, with an effective date of January 31, 2013.

At any time prior to December 31, 2014, Ryan was entitled to transfer such interest back to Carlisle upon 15 days prior written notice (the "Put Right") in exchange for the issuance to Ryan of 10,000,000 Carlisle Shares, provided that the exercise of the Put Right did not result in Ryan holding 20% or more of all of the issued and outstanding Carlisle Shares at the time of exercise. Further, at any time after December 31, 2013 and on or prior to December 31, 2016, Carlisle had the right (the "Back-In Right") to require that Ryan transfer such interest back to Carlisle upon 30 days prior written notice to Ryan, in exchange for a cash payment by Carlisle to Ryan equal to the aggregate number of Carlisle Shares that would have been issuable upon exercise of the Put Right, multiplied by a deemed price of $0.20 per Carlisle Share.

On July 3, 2013, Carlisle received written notice from Ryan that it had exercised its Put Right and Carlisle issued 10,000,000 Common Shares to Ryan in exchange for the 10% interest in the Farley Lake Mine Project earned by Ryan Gold.

The $368,000 estimated fair value of this Put Right was accounted for as an addition to exploration and evaluation assets and as a corresponding increase to contributed surplus. The estimated fair value of this Put Right was determined using the Modified Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free rate	1.0%
Dividend yield	0%
Volatility factor of expected market price of the Company's shares (1)	100%
Expected option life (in years)	0.9
Forfeiture rate	0
Grant date price	$0.14

(1) Based upon the Company's historical volatility.

On November 13, 2013, the Company announced that it had entered into an agreement pursuant to which Canadian Orebodies Inc. ("Canadian Orebodies") had been granted the option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake Mine Project (the "Project") in which Carlisle owns a 100% interest. In order to acquire its interest in the Project, Canadian Orebodies was required to incur aggregate exploration expenditures on the property of $800,000 by December 31, 2013. Canadian Orebodies met this spending requirement and exercised its option, acquiring a 10% interest in the Project.

In April 2014, Canadian Orebodies exercised its right to transfer such interest back to Carlisle (the "Put Right") in exchange for the issuance to Canadian Orebodies of $800,000 in Carlisle common shares (the "Carlisle Shares"). According to the terms of the agreement, these Carlisle Shares were to be valued at the greater of $0.10 per Carlisle Share and the twenty (20) day weighted average price for Carlisle Shares traded on the TSX. As the Company's stock price was trading below $0.10, this resulted in Carlisle issuing 8,000,000 Carlisle Shares to Canadian Orebodies. The $800,000 investment by Canadian Orebodies was accounted for as an addition to exploration and evaluation assets and as a corresponding increase to share capital.

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Last Hope and Johnson & Johnson Properties

On March 3, 2011, the Company completed the acquisition of an option on the Last Hope property near Lynn Lake, Manitoba. Carlisle acquired all of the shares of a private Manitoba company that held the option. Carlisle paid $150,000 in cash and issued 2,500,000 common shares at a value of $625,000 as well as 2,500,000 share purchase warrants valued at $392,500. Each whole warrant entitled the holder to purchase one common share for $0.25 for a period of 3 years. In August 2011, the Manitoba company was continued under the *Business Corporations Act* (Ontario) as 1845684 Ontario Inc. and was a wholly-owned subsidiary of Carlisle as at August 31, 2011. On September 1, 2011, Carlisle effected an amalgamation with 1845684 Ontario Inc.

In order to exercise the option in the Last Hope Property, Carlisle was required to spend $1,000,000 on the property by October 2012 and make a $2,000,000 payment to earn a 100% interest subject to a 2.5% net smelter return royalty, one half of which may be purchased for $1,250,000. Carlisle's Management explored and drill-tested this property during fiscal 2012 with the goal of proving and expanding the resource through added drilling along strike as well as at depth. The requirement to spend $1,000,000 on the property was completed. The Company renegotiated the Last Hope option agreement as it related to the deadline for the $2,000,000 payment. In return for a $50,000 payment made in October 2012 and issuing 50,000 common shares (at a value of $8,000) in October 2012, the deadline for the $2,000,000 payment was deferred to December 31, 2012. The final payment was not made by December 31, 2012 and a further extension was negotiated. Under the terms of the extension to the option agreement, to earn a 100% interest in the property, Carlisle must incur an aggregate of $2,000,000 of exploration expenditures on or before December 31, 2015 (of which more than $1,000,000 was already incurred), make three interim cash payments of $100,000 each on or before January 31, 2013, December 31, 2013 and December 31, 2014 and make a final cash payment of $2,000,000 on or before December 31, 2015. The first $100,000 payment was made as required but the December 2013 payment was deferred. Carlisle and the optionor renegotiated the timing of payments under this option agreement and Carlisle made a $100,000 payment in early April 2014.

In June 2013, the Company reached an agreement entitling it to an option to acquire the Johnson & Johnson Property (the "J&J Property") near Lynn Lake, Manitoba. The J&J Property, located along the Johnson Shear due west of Carlisle's Linkwood Project, completes Carlisle's Dunvegan Zone land package. Under the terms of the option agreement, Carlisle has an option to acquire a 100% interest in the J&J Property by incurring an aggregate of $1,000,000 of exploration expenditures on or before June 1, 2016, making three annual cash payments of $100,000 each, with the first payment due upon signing and the next two $100,000 payments due on or before June 1, 2014 and June 1, 2015, and making a final cash payment of $2,000,000 on or before June 1, 2016. The first payment was made as required. Carlisle and the optionor renegotiated the terms of this option agreement such that the June 2014 payment was deferred to December 31, 2014. The vendor has reserved a net smelter return royalty of 2.5% of which one half may be purchased for $1,250,000 to reduce the royalty to 1.25%.

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Goodfish Property

The Company held a 100% interest in a gold exploration property consisting of various patented mining claims in Morrisette Township, Larder Lake Mining Division, near the town of Kirkland Lake, Ontario. On December 15, 2011, Carlisle signed an agreement (the "Option Agreement") with a third party exploration company (the "Optionee") whereby Carlisle granted the Optionee an option to earn a 100% interest in the Goodfish Property. This Option Agreement provided for payments to Carlisle totaling $500,000 to be paid in three equal installments on each of the first three anniversary dates of the Option Agreement. Furthermore, the Optionee agreed to grant Carlisle a 3% net smelter return royalty on smeltable minerals or metals extracted from this property, subject to the Optionee's right to purchase one-half of the royalty for $1,000,000.

In December 2012, a $25,000 payment was received by Carlisle and it was agreed that the $141,667 installment balance would be added to the payment at the end of the Option Agreement. In March 2013, the Option Agreement was amended such that in order to earn a 100% interest in the Goodfish Property the Optionee must make a $25,000 payment (received in December 2012) and deliver a share certificate representing 250,000 common shares of the Optionee. These shares were delivered in October 2013 and the 100% interest was earned at that time. Furthermore, the 3% net smelter return royalty on smeltable minerals or metals extracted from this property was reduced to 1% subject to the Optionee's right to purchase 100% of the royalty for $1,000,000.

As a result of this transaction, Carlisle now holds 250,000 shares in a private company. The total amount of this investment has been written down to $11,000 and reclassified to other assets.

7. SHARE CAPITAL

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares and an unlimited number of special shares issued in series. Each common share and, unless otherwise provided on the creation of a particular series, each special share is entitled to one vote. Carlisle has not issued any special shares.

(b) Common shares issued:

	Number of Shares	Stated Capital
Balance, August 31, 2012	**175,036,197**	**$ 22,908**
Issued on private placements	**51,274,663**	**5,576**
Value of associated warrants	**---**	**(1,272)**
Share issue costs – cash, net of tax benefit	**---**	**(406)**
Share issue costs – finder's warrants	**---**	**(206)**
Extension of Last Hope property option	**50,000**	**8**
Exercise of stock options – cash	**1,200,000**	**120**
Exercise of stock options – book value	**---**	**38**
Issued to Ryan upon exercise of Put Right	**10,000,000**	**2,368**
Balance, August 31, 2013	**237,560,860**	**$ 29,134**
Issued on private placements	**38,611,000**	**1,931**
Value of associated warrants	**---**	**(758)**
Share issue costs – cash, net of tax benefit	**---**	**(72)**
Share issue costs – finder's warrants	**---**	**(42)**
Flow-through premium	**---**	**(15)**
Issued to Canadian Orebodies upon exercise of Put Right	**8,000,000**	**800**
Balance, August 31, 2014	**284,171,860**	**$ 30,978**

7. SHARE CAPITAL (CONT'D)

(b) Common shares issued: (cont'd)

In October 2012, the Company renegotiated the Last Hope option agreement as it related to the deadline for the $2,000,000 payment (see Note 6). On October 30, 2012, 50,000 common shares were issued as part of the compensation paid by Carlisle to extend the payment date of the next option payment to December 31, 2012. Based on the closing share price of Carlisle's common shares on October 30, 2012, these shares had a value of $8,000.

On November 1, 2012, the Company announced the closing of an option transaction and $1,000,000 unit purchase (the "Ryan Unit Purchase") whereby Carlisle granted Ryan an option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake property located near the town of Lynn Lake, Manitoba, in which Carlisle holds a 100% interest (the "Transaction"). In order to acquire its interest in the property, Ryan was required to incur aggregate exploration expenditures on the property of $2,000,000 by December 31, 2012 on programs for which the Company is the operator. This requirement was met by Ryan and the option was exercised (see Note 6).

Pursuant to the terms of the Ryan Unit Purchase, Ryan purchased 6.25 million units of Carlisle ("Units") at a price of $0.16 per Unit for aggregate gross proceeds of $1,000,000. Each Unit consisted of one common share and one half of one share purchase warrant (each whole share purchase warrant, a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one additional common share for a period of 24 months from the date of issuance at an exercise price of $0.22 per share.

As part of the Transaction, Carlisle agreed to pay a finder's fee as follows: (i) a cash fee equal to 7% of the aggregate gross proceeds realized by Carlisle from the Unit Purchase and the exercise of the option which cash fee, if the option was exercised, would be $210,000; and (ii) non-transferable finder's warrants (each a "Finder's Warrant") equal in number to 7% of the sum of (a) the number of Units purchased by Ryan pursuant to the Unit Purchase; and (b) the number of Carlisle Shares issuable upon the exercise of the Put Right, which would equate to 1,137,500 Finder's Warrants, with each Finder's Warrant entitling the holder to purchase one common share of the Company for $0.22 at any time within twenty-four (24) months from the date of issuance. In connection with the Unit Purchase, Carlisle has paid finder's fees as follows: (i) a cash fee of $70,000; and (ii) 437,500 non-transferable Finder's Warrants. Ryan exercised its option effective January 31, 2013 resulting in the issuance of the remaining 700,000 Finders Warrants and $140,000 becoming payable. On July 3, 2013, Carlisle received written notice from Ryan that it had exercised its Put Right. Pursuant to the terms of the Put Right, Carlisle issued 10,000,000 common shares to Ryan Gold in exchange for the 10% interest in the Farley Lake Mine Project earned by Ryan Gold. The $2,368,000 book value of these shares is made up of the $2,000,000 expended by Ryan Gold on the property along with the $368,000 value of the Put Right previously allocated to Contributed Surplus (see Note 7(d) below).

On November 23, 2012, Carlisle completed a non-brokered private placement of units. The Company issued 20,833,667 units at a price of $0.15 per unit for gross proceeds of $3,125,050. Each unit consisted of one common share of the Company and one half of one share purchase warrant exercisable for a period of 24 months from the date of closing. Each whole warrant is exercisable to purchase one common share at a price of $0.22. In total, the Company issued 20,833,667 common shares and 12,500,199 warrants, inclusive of compensation paid to finders in connection with the private placement.

In June 2013, Carlisle completed a non-brokered private placement of units (each, a "Unit"). The Company issued 24,190,996 Units at a price of $0.06 per Unit for gross proceeds of $1,451,460. Each Unit consisted of one common share of the Company and one common share purchase warrant of the Company ("Warrant") exercisable for a period of 48 months from the date of closing. Each Warrant is exercisable to purchase one Common Share of the Company at a price of $0.10 per share. On closing of this private placement, the Company issued 24,190,996 common shares and 25,669,262 Warrants, inclusive of compensation paid to finders.

7. SHARE CAPITAL (CONT'D)

(b) Common shares issued: (cont'd)

On November 13, 2013 the Company announced that it had entered into an agreement pursuant to which Canadian Orebodies Inc. ("Canadian Orebodies") had been granted the option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake Mine Project (the "Project") in which Carlisle owns a 100% interest. In order to acquire its interest in the Project, Canadian Orebodies was required to incur aggregate exploration expenditures on the property of $800,000 by December 31, 2013. Canadian Orebodies met this spending requirement and exercised its option, acquiring a 10% interest in the Project (see Note 6).

On December 18 and 23, 2013, Carlisle completed, in two tranches, a non-brokered private placement of flow-through units (each, a "Flow-Through Unit"), issuing 10,350,000 Flow-Through Units at a price of $0.05 per Flow-Through Unit for gross proceeds of $517,500. Each flow-through Unit consisted of one common share of the Company (each, a "Common Share") and one Common Share purchase warrant of the Company (each a "Warrant") exercisable for a period of 48 months from the date of closing of the financing to purchase one Common Share at a price of $0.075 per share. In addition, a total of 228,000 warrants were issued as compensation warrants paid to finders in connection with this financing, each having the same terms as the Warrants associated with this financing.

On February 5 and 14, 2014, Carlisle completed, in two tranches, a non-brokered private placement of share units (each, a "Unit"), issuing 28,261,000 Units at a price of $0.05 per Unit for gross proceeds of $1,413,050. Each Unit consisted of one Common Share and one warrant exercisable for a period of 48 months from the date of closing of the financing to purchase one Common Share at a price of $0.06 per share. In addition, a total of 1,142,400 warrants were issued as compensation warrants paid to finders in connection with this financing, each having the same terms as the warrants associated with this financing.

On April 23, 2014, Carlisle received written notice from Canadian Orebodies that it had exercised its Put Right and Carlisle issued 8,000,000 Common Shares to Canadian Orebodies in exchange for the 10% interest in the Farley Lake Mine Project earned by Canadian Orebodies.

(c) Warrants

On March 1, 2014, 2,500,000 warrants with an exercise price of $0.25 expired unexercised. On July 18, 2014, 10,753,125 warrants with an exercise price of $0.22 expired unexercised. Carlisle had 1,966,250 broker warrants outstanding, with each broker warrant exercisable to purchase one unit at $0.16 and each unit comprised of one share and one half warrant. Each whole warrant would have been exercisable at $0.22 to acquire one share. These broker warrants expired unexercised on July 18, 2014.

At August 31, 2014, Carlisle had 82,413,360 warrants outstanding, each warrant entitling the holder to purchase one common share at the price noted below. On November 1 and November 23, 2014, 3,562,500 and 12,500,198 warrants, respectively, with an exercise price of $0.22 expired unexercised.

Expiry Date	Number	Exercise Price
November 1, 2014	3,562,500	$ 0.22
November 23, 2014	12,500,198	$ 0.22
January 31, 2015	700,000	$ 0.22
June 7, 2017	7,158,333	$ 0.10
June 10, 2017	8,387,600	$ 0.10
June 19, 2017	7,599,999	$ 0.10
June 25, 2017	2,523,330	$ 0.10
December 18, 2017	6,060,000	$ 0.075
December 23, 2017	4,518,000	$ 0.075
February 5, 2018	22,717,000	$ 0.06
February 14, 2018	6,686,400	$ 0.06

7. SHARE CAPITAL (CONT'D)

(c) Warrants (cont'd)

The following table summarizes the warrant roll-forward for the fiscal years ended August 31, 2014 and 2013:

	2014		2013	
	Number of Warrants	Amount	Number of Warrants	Amount
Balance, beginning of year	**57,651,335**	**$ 2,755**	46,955,589	$ 5,008
Issued on private placements	**38,611,000**	**758**	37,732,828	1,272
Exercised	**---**	**---**	---	---
Finders' fees	**1,370,400**	**42**	4,699,132	247
Expired	**(15,219,375)**	**(1,237)**	(31,736,214)	(3,772)
Balance, end of year	**82,413,360**	**$ 2,318**	57,651,335	$ 2,755

The estimated fair value of the warrants granted during fiscal 2014 and 2013 was determined using the Modified Black-Scholes option-pricing model with the following weighted average assumptions:

	2014	2013
Risk-free rate	**1.38% – 2.00%**	1.6%
Dividend yield	**0%**	0%
Volatility factor of expected market price of the Company's shares [(1)]	**100%**	100%
Expected life (in years)	**4**	4
Forfeiture rate	**---**	---
Weighted-average grant date price	**$0.05**	$0.05

[(1)] Based upon the Company's historical volatility.

During the year ended August 31, 2014, a total of 15,219,375 warrants with exercise prices ranging from $0.22 to $0.25 expired unexercised, resulting in $1,237,000 being reclassified to Contributed Surplus.

(d) Contributed surplus

	Amount
Balance, August 31, 2013	**$ 6,633**
Stock-based compensation (see Note 7 (e))	**257**
Book value of expired warrants	**1,237**
Balance, August 31, 2014	**$ 8,127**

(e) Share-based payments

The Company's Stock Option Plan (the "Plan") provides for the granting of options to employees, officers, directors and consultants of a maximum of 10% of the issued and outstanding common shares at an exercise price equal to or greater than the market price of the Company's common shares on the date of the grant. Options granted under the Plan may have a life of up to 10 years. At the discretion of the Board of Directors, these options may vest immediately or vest over time or based on achieving certain performance targets. Each stock option is exercisable to purchase one common share of the Company at the price specified in the terms of the option.

7. SHARE CAPITAL (CONT'D)

(e) Share-based payments (cont'd)

On September 28, 2012, 2,600,000 stock options were granted to directors, officers, employees and consultants. These options vested immediately and each option allows the holder to purchase one common share at $0.25 until September 28, 2017.

On May 9, 2013, 4,550,000 stock options were granted to directors, officers, employees and consultants. These options vested immediately and 4,350,000 of these options allow the holders to purchase one common share at $0.10 until May 9, 2018 and the remaining 200,000 options allow the holders to purchase one common share at $0.25 until May 9, 2018.

On December 19, 2013, 3,150,000 stock options were granted to directors, officers, employees and consultants. These options vested immediately and each option allows the holder to purchase one common share at $0.05 until December 19, 2018.

On March 5, 2014, 3,100,000 stock options were granted to directors and officers of the Corporation. Of this total, 1,600,000 of these options vested immediately with 1,000,000 vesting on September 5, 2014 and 500,000 vesting on March 5, 2015. Each option allows the holder to purchase one Common Share at $0.065 until March 5, 2019.

On March 18, 2014, 100,000 stock options were granted to a consultant. Of this total, 50,000 of these options vested immediately with 50,000 vesting on March 18, 2015. Each option allows the holder to purchase one common share at $0.08 until March 18, 2017.

The estimated fair value of the options granted during fiscal 2014 and 2013 was determined using the Modified Black-Scholes option-pricing model with the following weighted average assumptions:

	2014	2013
Risk-free rate	1.63 – 1.86%	1.75 – 2.5%
Dividend yield	0%	0%
Volatility factor of expected market price of the Company's shares [(1)]	100%	100%
Expected option life (in years)	3 - 5	5
Forfeiture rate	0	0
Weighted-average grant date price	$0.045 - $0.075	$0.08 - $0.20

[(1)] Based upon the Company's historical volatility.

7. SHARE CAPITAL (CONT'D)

(e) Share-based payments (cont'd)

In December 2012, 1,200,000 stock options were exercised for proceeds of $120,000 and a further 1,450,000 expired unexercised. The stock price on the date of exercise was $0.14 for 600,000 of these stock options and $0.12 for the remaining 600,000 stock options. No options were cancelled or expired during the twelve months ended August 31, 2014. At August 31, 2014, Carlisle had 25,700,000 stock options outstanding with exercise prices ranging from $0.05 to $0.42 per share and expiry dates ranging from January 29, 2015 to March 4, 2019. The following summarizes the options transactions during the years ended August 31, 2014 and 2013:

	2014		2013	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning	**19,350,000**	**$ 0.20**	14,850,000	$ 0.21
Granted	**6,350,000**	**0.06**	7,150,000	0.15
Exercised	**---**	**---**	(1,200,000)	0.22
Expired	**---**	---	(1,450,000)	0.26
Balance, ending	**25,700,000**	**$ 0.16**	19,350,000	$ 0.20

The following table summarizes information relating to the stock options outstanding at August 31, 2014 and 2013.

	Outstanding and exercisable					
	2014			2013		
Exercise prices	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price
$0.05	**3,150,000**	**4.3**	**$ 0.05**	---	---	---
$0.065	**3,100,000**	**4.5**	**0.065**	---	---	---
$0.08	**100,000**	**4.6**	**0.08**	---	---	---
$0.10	**8,000,000**	**2.2**	**0.10**	8,000,000	3.2	$ 0.10
$0.15	**1,100,000**	**1.0**	**0.15**	1,100,000	2.0	0.15
$0.25	**6,700,000**	**2.4**	**0.25**	6,700,000	3.4	0.25
$0.30	**350,000**	**1.8**	**0.30**	350,000	2.8	0.30
$0.31	**2,800,000**	**1.5**	**0.31**	2,800,000	2.5	0.31
$0.42	**400,000**	**1.7**	**0.42**	400,000	2.7	0.42
$0.05 to $0.42	**25,700,000**	**2.7**	**$ 0.16**	19,350,000	3.1	$ 0.20

8. INCOME TAX

Income tax provision

The provision for income taxes differs from that which would be expected by applying the combined federal and provincial statutory income tax rate to income before taxes. A reconciliation of the difference is as follows:

	2014	2013
Loss before income taxes	**$ (1,362)**	$ (2,352)
Income tax rate	**26.68%**	26.83%
Income tax recovery using statutory income tax rates	**(363)**	(631)
Statutory permanent differences	**(40)**	159
Tax rate differential on deferred tax	**(5)**	6
Impact of attributes renounced to shareholders	**138**	205
Income tax recovery	**$ (270)**	$ (261)

Deferred income taxes

Details of the Company's deferred income tax liabilities and assets are as follows:

	2014	2013
Non-capital losses	**$ 3,697**	$ 3,151
Exploration and evaluation assets	**(4,698)**	(4,539)
Share issuance costs	**295**	457
Intangible and other assets	**67**	---
Property and equipment	**19**	15
Deferred tax liability	**$ (620)**	$ (916)

The Company has available against future taxable income, non-capital losses of $13,858,658. The losses expire as follows:

Year	Amount
2026	$ 200
2027	900
2028	1,121
2029	1,026
2030	749
2031	2,292
2032	3,147
2033	2,415
2034	2,008
	$13,858

Deferred tax assets have not been recognized in respect of $512,747 of investment tax credits due to the unpredictability of future earnings. These credits will expire between 2031 and 2034.

Movement in deferred tax liabilities

	2014	2013
Balance at the beginning of year	**$(916)**	$(1,326)
Recognized in loss	**270**	261
Recognized in equity	**26**	149
Deferred tax liability	**$(620)**	$ (916)

8. INCOME TAX (CONT'D)

Flow-through shares

During 2006, the Company raised gross proceeds of approximately $4.7 million of flow-through share financing from investors. The gross proceeds of the financing were renounced to the investors as at December 31, 2006 and were to be used by the Company to incur qualifying Canadian exploration expenses by December 31, 2007. However, based on the Company's records, approximately $1,200,000 of the gross proceeds renounced did not appear to have been used to incur qualifying Canadian exploration expenses by that date. As a consequence, the Company accrued $252,000 for Part XII.6 taxes, interest and penalties on the $1,200,000 shortfall.

During 2007, the Company raised gross proceeds of approximately $2.1 million of flow-through share financing from investors. The gross proceeds of the financing were renounced to investors as at December 31, 2007 and were to be used by the Company to incur qualifying Canadian exploration expenses by December 31, 2008. However, based on the Company's records, it appears that an insufficient amount was spent by the Company on qualifying Canadian exploration expenses by that date. Accordingly, an additional $70,000 was accrued to account for Part XII.6 taxes, interest and penalties related to the shortfall.

The Company also accrued $200,000 in 2009 and $30,000 in 2010 on account of additional, tax, penalties and interest on past tax claims arising from the 2006 and 2007 flow-through financings for additional interest. This brought the total accrued liability to $552,000. Based on negotiations with the Canada Revenue Agency, Carlisle reduced the accrued liability to $417,000 at August 31, 2011, which amount, plus additional interest, was paid in full in November 2011.

At August 31, 2013, $660,000 had been accrued for potential claims which may arise as a result of possible reassessments denying personal tax deductions to the investors. In September 2013, $1,000 was paid in settlement of a shareholder claim. Since then, no other parties have come forward with a claim. Based on this fact and based on the opinions of legal counsel, on August 31, 2014, Carlisle reversed the remaining $659,000 to other income on the Statement of Comprehensive Loss.

9. RELATED PARTY TRANSACTIONS

These financial statements include expenditures (either expensed or included with deferred exploration costs) incurred with shareholders, officers, directors and/or companies controlled by them. These transactions have been measured at their exchange amounts, being the amounts agreed upon between the Company and the related parties, and are summarized as follows:

	August 31, 2014	August 31, 2013
Balances:		
Due to a director and officer [1]	**$ 93**	$ 15
Due to companies owned by directors and officers [2]	**55**	107
	$ 148	$ 122
Transactions:		
Management fees [3]	**$ 663**	$ 720
Legal fees [2]	**154**	306
	$ 817	$1,026

(1) These amounts represent fees payable to certain of the Company's Management.
(2) These amounts represent legal fees paid or payable to a firm owned by a Company director.
(3) Included in management fees are salaries/fees paid to the Company's Executive Chairman, CEO, CFO and other key Management.

10. 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 mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 year ended August 31, 2014. The Company is not subject to externally-imposed capital requirements.

11. FINANCIAL RISK FACTORS

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

Credit risk

The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with or purchased from reputable financial institutions, from which Management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company is making a concerted effort to reduce costs and will raise capital, as needed, to finance exploration activities and for general working capital purposes. During fiscal 2014, Carlisle completed financings, raising sufficient funds to satisfy its obligations and provide needed working capital. At year end, Carlisle did not have sufficient funds to meet current or projected obligations. There is no guarantee that the Company will be able to raise needed capital in the future.

Market risk

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not currently have any significant interest rate risk associated with any cash balances or investments.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in US dollars on a cash-call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of developing the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a revenue producing entity at this time.

11. FINANCIAL RISK FACTORS (CONT'D)

Fair value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the date of the statement of financial position, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash, amounts receivable, accounts payable and accruals approximates fair value due to the relatively short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

Sensitivity analysis

The Company has designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

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

12. CONTINGENCIES

The Company leased premises with a term ending in January 31, 2013. During fiscal 2009, the Company had difficulties meeting all of the conditions within the lease agreement and the landlord refused further access. Under the terms of the lease, the landlord has a potential claim against the Company. No amount has been accrued.

13. SUPPLEMENTARY INFORMATION

Supplementary information of non-cash activities that have been excluded from the statement of cash flows is as follows:

	2014	2013
Money expended by Canadian Orebodies on Farley Lake project *(Note 6)*	**$ 800**	$ ---
Money expended by Ryan on Farley Lake project *(Note 6)*	**---**	2,000
Book value of Ryan Put Right *(Note 6)*	**---**	368
Shares issued to extend Last Hope option *(Note 6)*	**---**	8

14. SUBSEQUENT EVENTS

In November, 2014, Carlisle closed a private placement of common shares and a Joint Venture/Earn-In Agreement, both with AuRico Gold Inc. ("AuRico").

The private placement resulted in the issuance to AuRico of 70.6 million common shares of Carlisle at a price of $0.08 per share for gross proceeds of $5,648,000 which resulted in AuRico holding approximately 19.9% of the issued and outstanding share capital in Carlisle.

AuRico also purchased from Carlisle a direct 25% interest in the Lynn Lake gold camp for $5.0 million and agreed to form a Joint Venture with Carlisle in which AuRico will become the Operator. Carlisle has also granted to AuRico an option to earn an additional 26% of the Lynn Lake gold camp by spending a minimum of $20 million towards the advancement of a feasibility study within a 3-year earn-in period. If earned, it would increase AuRico's interest in the project to total of 51%. AuRico may also earn an additional 9%, to increase its total holding to 60%, by delivering a feasibility study which meets all regulatory requirements within the 3 year Earn-In Period.