VISCOUNT MINING CORP.

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2014
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Viscount Mining Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review on condensed interim consolidated financial statements by an entity's auditor.

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at November 30, 2014 $	As at August 31, 2014 (Audited) $
ASSETS			
Current assets			
Cash and cash equivalents	3	44,084	65,319
Amounts receivable and prepaid expenses	4	75,737	64,753
		119,821	130,072
Exploration and evaluation properties	5	1,312,135	990,183
Total Assets		1,431,956	1,120,255
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	482,781	93,801
Promissory notes and amounts due to related parties	7	194,840	166,592
Total Liabilities		677,621	260,393
SHAREHOLDERS' EQUITY			
Share capital	8	3,281,201	3,155,800
Subscriptions received in advance		-	20,000
Reserves	8	387,532	387,532
Accumulated deficit		(2,914,398)	(2,703,470)
Total shareholders' equity		754,335	859,862
Total Shareholders' Equity and Liabilities		1,431,956	1,120,255

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments and Contingency (Note 10)
Events Occurring After the Reporting Date (Note 13)

These condensed interim consolidated financial statements are authorized for issuance by the Board of Directors on January 22, 2015

On behalf of the Board:

"Jim MacKenzie" Director *"William Macdonald"* Director

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the Quarter Ended November 30, 2014 $	For the Quarter Ended November 30, 2013 $
Expenses			
Bank charges and interest	7	1,197	4,436
Consulting	7	137,263	95,641
Insurance		1,688	945
Legal and accounting	7	21,518	25,147
Office and miscellaneous		2,962	6,747
Promotion		28,425	26,102
Share-based payment	8	-	129,844
Transfer agent and filing fees		10,623	7,067
Travel		5,572	12,380
Net loss before other items		(209,248)	(308,309)
Other items			
Foreign exchange loss		(1,680)	(73)
Interest expense		-	(3,077)
Net loss and comprehensive loss for the period		(210,928)	(311,459)
Loss and comprehensive loss per share, basic and diluted		(0.01)	(0.02)
Weighted average number of common shares outstanding		16,418,604	19,573,913

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	For the Quarter Ended November 30, 2014 $	For the Quarter Ended November 30, 2013 $
Cash flows used in operating activities		
Net loss for the period	(210,928)	(311,459)
Adjustments for non-cash items		
Share-based payment	-	129,844
Changes in operating assets and liabilities:		
(Increase) Decrease in amounts receivable and prepaid expenses	(10,984)	(15,528)
Increase (decrease) in trade payables and accrued liabilities	89,755	49,095
	(132,157)	(148,048)
Cash flows used in investing activities		
Exploration and evaluation properties expenditures	(22,727)	(19,213)
Cash flows from financing activities		
Issuance of common shares	125,401	10,000
Subscriptions received in advance	(20,000)	-
Due to related parties	28,248	6,149
	133,649	16,149
Increase (decrease) in cash and cash equivalents	(21,235)	(151,112)
Cash and cash equivalents, beginning of period	65,319	281,801
Cash and cash equivalents, end of period	44,084	130,689

Supplemental Cash Flow Information (Note 9)

VISCOUNT MINING CORP.
(FORMERLY FAITH SPRING VENTURE INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014
(Expressed in Canadian dollars)
(Unaudited)

		Common Shares		Reserves				
	Notes	Number of Shares	Share Capital	Option Reserve	Warrants Reserve	Share Subscriptions Received in Advance	Deficit	Total
			$	$	$	$	$	$
Balance - August 31, 2013		19,525,000	2,705,800	53,092	20,000	-	(1,582,012)	1,196,880
Common shares issued for cash	8	50,000	10,000		-	-	-	10,000
Share based payment	8	-	-	129,844	-	-	-	129,844
Net loss for the year		-	-		-	-	(311,459)	(311,459)
Balance – November 30, 2013		19,575,000	2,715,800	182,936	20,000	-	(1,893,471)	1,025,265
Common shares issued for cash	8	2,200,000	440,000	-	-	-	-	440,000
Share subscription received in advance	8	-	-	-	-	20,000	-	20,000
Share-based payment	8	-	-	184,596	-	-	-	184,596
Net loss for the year		-	-	-	-	-	(809,999)	(809,999)
Balance - August 31, 2014		21,775,000	3,155,800	367,532	20,000	20,000	(2,703,470)	859,862
Common shares issued	8	6,728,339	1,009,251	-		(20,000)	-	989,251
Payments outstanding on issued shares	8	(5,868,335)	(880,250)	-	-	-	-	(880,250)
Share issue costs		-	(3,600)	-	-	-	-	(3,600)
Net loss for the three month period		-	-	-	-	-	(210,928)	(210,928)
Balance - Novrmber 30, 2014		22,635,004	3,281,201	367,532	20,000	-	(2,914,398)	754,335

1. Nature and Continuance of Operations and Ability to Continue as a Going Concern

Viscount Mining Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 26, 2011 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSXV").

On July 23, 2013, the Company completed a share exchange (the "Share Exchange") with Viscount Mining Resources Ltd. (formerly Viscount Mining Ltd.) ("Viscount") and all of the shareholders of Viscount, whereby the Company acquired all of the issued and outstanding common shares of Viscount and former Viscount's shareholders received equal number of common shares of the Company.

Concurrent with the Share Exchange, the Company changed its name to Viscount Mining Corp. and completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares, as approved by TSXV. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation. For accounting purposes, the Share Exchange has been treated as a reverse takeover ("RTO"), whereby Viscount is considered the acquirer and the Company is considered the acquiree. The consolidated financial statements are a continuation of the financial statements of Viscount and references of the Company will mean the combined entity subsequent to the Share Exchange on July 23, 2013 and to Viscount prior to July 23, 2013 (Notes 8 and 11).

The Company had cash and cash equivalents of $44,084 at November 30, 2014 (August 31, 2014 - $65,319) and working capital deficit of $362,960 (August 31, 2014 - $36,271), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the three month period ended November 30, 2014, the Company had no source of operating revenues, incurred an operating loss of $210,928 (2013 - $311,459) and, as at that date, had an accumulated deficit of $2,914,398 (August 31, 2014 - $2,703,470). If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is an exploration stage company and its principal business activity is natural resource exploration, focusing on resources located in the state of Nevada and Colorado in the USA. Mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

The recoverability of the Company's investment in and expenditures on resource properties is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

The Company's registered office is located at Suite 400 – 570 Granville Street, Vancouver, BC, V6C 3P1.

2. Significant Accounting Policies

Statement of Compliance

The condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the three months ended November 30, 2014.

Basis of Preparation

The unaudited condensed interim consolidated financial statements were authorized for issue on January 22, 2015 by the directors of the Company.

Statement of Compliance and conversion to International Financial Reporting Standards

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standard 34 "*Interim Financial Reporting*" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended August 31, 2014, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended August 31, 2014.

Principles of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Viscount Mining Resources Ltd, Viscount Nevada Holdings Ltd and Viscount Colorado Holding Ltd. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the condensed interim consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, the recoverability of the carrying value of the properties, the recognition and valuation of provisions for decommissioning liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3. Cash and Cash Equivalents

	As at November 30, 2014 $	As at August 31, 2014 (Audited) $
Denominated in Canadian dollars	43,688	64,654
Denominated in US dollars	396	665
	44,084	65,319

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	As at November 30, 2014 $	As at August 31, 2014 (Audited) $
Goods and Services Tax / Harmonized Sales Tax receivable	9,594	16,221
Prepaid insurance	66,143	48,532
	75,737	64,753

Amounts receivable are non-interest bearing, unsecured and have settlement dates within one year.

5. Exploration and Evaluation Properties

A summary of the changes in the Company's exploration and evaluation properties for the three months ended November 30, 2014 and August 31, 2014 are as follows:

	As at November 30, 2014 $	As at August 31, 2014 (Audited) $
Balance beginning of year	990,183	828,757
Property acquisition	242,478	30,867
Staking new claims and claim maintenance	69,474	63,059
Consulting (Note 6)	10,000	67,500
Balance	1,312,135	990,183

a) On March 31, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims located in White Pine Country, Nevada (the "Cherry Creek 1 Property"). On March 13, 2013, April 19, 2013, May 21, 2013, and June 2014 the agreement was amended. Under the terms of the amended agreement, the Company is to make lease payments totaling US$551,500 as follows (Note 10):

i. US$10,000 within 15 days of signing of the agreement (paid);
ii. US$10,000 on or before March 31, 2012 (paid);
iii. US$75,000 and issue 375,000 common shares at a deemed price per share of $0.20 for a total value of $75,000 on or before March 31, 2013 (paid and issued) (Notes 8 and 9);
iv. US$181,500 on or before October 1, 2014 (paid on December 2, 2014) (Note 13); and
v. US$200,000 on or before March 31, 2015.

Upon payment of cumulative lease payments of US$551,500, the owner will transfer title to the Cherry Creek 1 Property to the Company. The Company will pay the owner a Net Smelter Royalty ("NSR") of 1.5% of net smelter proceeds.

On March 31, 2011, the Company granted a NSR of 1% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 1 Property.

b) On June 27, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims and two mill sites located in White Pine Country, Nevada (the "Cherry Creek 2 Property"). On May 21, 2013 and June 23, 2014, the agreement was amended. The terms of the amended agreement call for the Company to make lease payments totaling US$450,000 as follows (Note 10):

i. US$30,000 within 15 days of signing the agreement (paid);
ii. US$20,000 on or before June 27, 2012 (paid);
iii. US$30,000 on or before October 1, 2014 (paid on December 2, 2014) (Note 13); and
iv. US$370,000 on or before May 1, 2015.

Upon payment of cumulative lease payments of US$450,000, the owner will transfer title to the Cherry Creek 2 Property to the Company. The Company will pay the owner a NSR of 1% of net smelter proceeds.

On June 27, 2011, the Company granted a NSR of 1.5% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 2 Property.

In August 2014, the Company acquired 139 claims from Nevada Tungsten Holdings Ltd. for US$5,000 (CDN$5,500) the HENW claims and staked an additional 155 lode claims for $18,101 the MATS claims in the Cherry Creek area.

c) On January 29, 2013, the Company entered into a Mining Lease and Agreement to Purchase for certain unpatented mining claims located in White Pine Country, Nevada (the "Ticup Property"). The terms of the agreement call for the Company to make lease payments totaling US$32,500 as follows (Note 10):

i. US$5,000 within 5 days of signing of the agreement (paid);
ii. US$5,000 on or before January 29, 2014 (paid);
iii. US$5,000 on or before January 29, 2015;
iv. US$7,500 on or before January 29, 2016; and
v. US$10,000 on or before January 29, 2017.

Upon payment of lease payments of US$5,000 within 5 days of signing of the agreement, the owner will transfer title of the Ticup Property to the Company by Quitclaim Deed.

During 2013, ownership of the title for the Ticup Property transferred to the Company.

d) On January 31, 2013, the Company entered into an Option Agreement (the "Option Agreement") with Nevada Tungsten Holdings Ltd. (the "Optionee"), as amended on February 28, 2013, whereby the Company granted the Optionee the sole and exclusive right and option to acquire up to an undivided 100% right, title and interest in and to all tungsten located on certain of the Company's mining claims in the State of Nevada (the "Property").

On April 15, 2013 the Company received US$150,000 (CDN$154,275) but the Optionee was unable to meet the remaining commitments under the agreement and on August 19, 2014, the Company and the Optionee have mutually agreed to terminate the Option Agreement and all of the parties' respective rights and obligations thereunder.

e) On August 13, 2014, the Company entered into an Option Agreement (the "Silver Cliff Agreement") with David C. and Debra J. Knight Living Trust (the "Owner"), whereby the Owner has agreed to grant an option to the Company to acquire an undivided 100% interest in the Silver Cliff project (the "Silver Cliff Property"), effective on the date of TSXV approval (the "Effective Date"). On September 15, 2014, the Company received approval from the TSXV. Pursuant to the Agreement, the Company agreed to the following:

1) Issuing to the Owner 200,000 shares and 200,000 warrants on the Effective Date, which shall vest and be released as follows:

i. 50,000 shares and warrants on the first anniversary, September 15, 2015;
ii. 50,000 shares and warrants on the second anniversary, September 15, 2016;
iii. 50,000 shares and warrants on the third anniversary, September 15, 2017;
iv. 50,000 shares and warrants on the fourth anniversary, September 15, 2018;

2) Making payments on behalf of the Owner of the claim rental fees due to the U.S. Bureau of Land Management:

i. For the assessment year beginning September 1, 2014;
ii. For 2016, prior to May 1, 2015;

3) Making payments to the Owner in the aggregate amount of US$3,000,000 as follows:

i. $15,000 on the second anniversary, September 15, 2016;
ii. $20,000 on the third anniversary, September 15, 2017;
iii. $30,000 on the fourth anniversary, September 15, 2018;
iv. $50,000 on the fifth anniversary, September 15, 2019;
v. $75,000 on the sixth anniversary, September 15, 2020;
vi. $100,000 on the seventh anniversary, September 15, 2021;
vii. $100,000 on the eight anniversary, September 15, 2022;
viii. $100,000 on the ninth anniversary, September 15, 2023;
ix. $100,000 on the tenth anniversary, September 15, 2024;
x. $150,000 on the eleventh anniversary, September 15, 2025;
xi. $200,000 on the twelfth anniversary, September 15, 2026; and
xii. Paying the remaining outstanding balance of the required $3,000,000 plus Cost of Living Increase adjustment on the thirteenth anniversary, September 15, 2027.

4) Royalty payment to the Owner of 2% of the NSR and issuance of an additional 550,000 shares and 550,000 warrants upon the commencement of commercial production.

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

I Included in trade payables and accrued liabilities at November 30, 2014 is $337,469 (August 31, 2014 - $38,244) incurred on exploration and evaluation property expenditures (Note 9).

7. Related Party Transaction

As at November 30, 2014, the balance due to related parties, who are officers, directors and/or shareholders, consists of $194,840 (August 31, 2014 - $166,592). Amounts owing relate to consulting services provide by the related parties or by companies controlled by the related parties and for expense reimbursements. On February 28, 2013, the Company entered into promissory note agreements with various related parties, whereby each balance payable is unsecured, bears interest of 8% per annum and matures on January 1, 2015 (Note 10).

During the three months ended November 30, 2014, the Company accrued interest of $Nil (November 30, 2013 - $2,310) related to the promissory notes (Note 9).

Related Parties	**November 30, 2014**	**August 31, 2014 (Audited)**
	$	**$**
Chairman	30,000	15,000
Chief Executive Officer / Director	10,000	860
Chief Financial Officer	11,419	5,250
Chief Geologist	-	5,000
Director for consulting services	8,688	5,749
Director for legal services	73,014	73,014
	133,121	104,873

The key management personnel compensation is summarized as follows:

	November 30, 2014	**November 30, 2013**
	$	**$**
Accounting fees	15,000	15,000
Consulting fees	67,500	73,500
Legal fees	2,485	9,759
	84,985	98,259

During the three months ended November 30, 2014, $15,000 (three months ending November 30, 2013 - $21,000) related to consulting fees are capitalized in exploration and evaluation properties (Note 5).

On February 28, 2013, the Company entered into promissory note agreements with various related parties as follows:

	November 30, 2014 $	August 31, 2014 $
The Chief Financial Officer granted a promissory note in the amount of $7,360. The loan is unsecured and bears interest at 8% per annum. The principal amount of the loan and interest is repayable in full on January 1, 2015. As at November 30, 2014, interest payable was $919 (August 31, 2014 - $919) (Note 10).	7,360	7,360
The Chief Geologist granted a promissory note in the amount of $5,000. The loan is unsecured and bears interest at 8% per annum. The principal amount of the loan and interest are repayable in full on January 1, 2015. As at November 30, 2014, interest payable was $621 (August 31, 2014 - $621) (Note 10).	5,000	5,000
The Director for consulting services granted a promissory note in the amount of $34,335. The loan is unsecured and bears interest at 8% per annum. The principal amount of the loan and interest is repayable in full on January 1, 2015. During the year ended November 30, 2014, the Company repaid $Nil (August 31, 2014 - $Nil) related to the principal amount of the loan. As at November 30, 2014, interest payable was $2,939 (August 31, 2014 - $2,939) (Note 10).	19,335	19,335
The Director for legal services granted a promissory note in the amount of $48,456. The loan is unsecured and bears interest at 8% per annum. The principal amount of the loan and interest are repayable in full on January 1, 2015. During the year ended November 30, 2014, the Company repaid $Nil (August 31, 2014 - $25,000) related to the principal amount of the loan, and $Nil (year ended August 31, 2014 - $2,195) was waived. As at November 30, 2014, interest payable was $4,284 (August 31, 2014 - $4,284) (Note 10).	21,261	21,261
	52,956	52,956
Interest payable	8,763	8,763
	61,719	61,719

8. Share Capital

Authorized

At November 30, 2014, the authorized share capital consists of an unlimited number of common shares without par value and without special rights or restrictions attached and an unlimited number of preferred shares without par value and with special rights or restrictions.

Issued and Outstanding

As at November 30, 2014, the total issued and outstanding share capital is 22,635,004 common shares with no par value (August 31, 2014 – 21,775,000).

Share capital transactions of the Company during the three month period ended November 30, 2014 and August 31, 2014 are summarized as follows:

a) On November 25, 2014 the Company issued 6,728,339 Units, with each Unit consisting of one common share and one warrant to purchase one common shares at a price of $0.25 for a period of 36 months from issue date, for a total value of $1,009,250. At November 30, 2014, the Company had outstanding payments owing on 5,868,335 units valued at $880,250 whereby the shares and warrant certificates are to be Delivered Against Payment (DAP). The Company paid share issue costs on the payments received of $3,600 and issued 24,000 finders warrants. The finders warrants allow the holder to purchase one common shares at a price of $0.25 for a period of 36 months from issue date. As of the date of these financial statements were issued the Company had received the $880,250 and delivered the 5,868,335 shares and warrants noted above (Note 13). The Company paid additional share issue costs on the payments received of $52,688 and issued 351,253 finders warrants.

b) During the year ended August 31, 2014, the Company issued a total of 2,250,000 common shares for total proceeds of $450,000.

Escrow Shares

As at November 30, 2014, a total of 3,240,000 (August 31, 2014 – 3,240,000) common shares of the Company were in escrow. Pursuant to the terms of the escrow agreement dated February 13, 2013, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. These shares have been excluded from the calculation of weighted average common shares outstanding.

Warrants

As at July 23, 2013, the date of the RTO, the Company had 100,000 share purchase warrants outstanding with an exercise price of $0.20, that expired on October 26, 2014. The following is a summary of the changes in the Company's share purchase warrants for the three months ended November 30, 2014 and the year ended August 31, 2014:

	November 30, 2014		August 31,2014 (Audited)	
	Number of Warrants Outstanding	Weighted average exercise price	Number of Warrants Outstanding	Weighted average exercise price for the Year Ended
		$		$
Outstanding, beginning of year	100,000	0.20	100,000	0.20
Expired warrants	(100,000)	0.20	-	-
Warrants issued (Note 8 a)	860,004	0.25	-	-
Finders warrants issued (Note 8 a)	24,000	0.25	-	-
Outstanding, end of period	884,004	0.25	100,000	0.20

The following table summarizes information regarding share purchase warrants outstanding as at November 30, 2014:

Date issued	Number of Warrants Outstanding	Exercise Price	Expiry Date
		$	
25-Nov-2014	884,004	0.25	25-Nov-17
	884,004	**0.25**	

Reserves

Warrant reserve

The warrants reserve represents the fair value of warrants issued on their issue date until such time that they are exercised, at which time the corresponding amount will be transferred to share capital. If warrants expire unexercised, the amount recorded remains in the account.

Option reserve

The options reserve records the fair value of items recognized as share-based payment expense on their issuance date until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If options expire unexercised, the amount recorded remains in the reserve.

Stock Option Plan

On April 4, 2012, the Company adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the TSXV rules. Stock options granted under the Plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

The following is a summary of the changes in the Company's stock options for the three months ended November 30, 2014 and August 31, 2014:

	November 30, 2014		August 31, 2014 (Audited)	
	Number of Options Outstanding	Weighted average exercise price	Number of Options Outstanding	Weighted average exercise price
		$		$
Outstanding, beginning of year	1,700,000	0.20	1,450,000	0.20
Cancelled/Expired options	(150,000)	0.20	(255,200)	0.20
Granted	-	-	505,200	0.20
Outstanding, end of period	1,550,000	0.20	1,700,000	0.20

The following table summarizes information regarding stock options outstanding and exercisable as at November 30, 2014:

Date issued	November 30, 2014 Number of Options Outstanding	August 31, 2014 Number of Options Exercisable	Exercise Price	Expiry Date
			$	
July 23, 2013	19,800	19,800	0.20	October 26, 2022
August 21, 2013	1,175,000	1,175,000	0.20	August 21, 2018
May 1, 2014	100,000	50,000	0.20	May 1, 2016
July 11, 2014	255,200	255,200	0.20	July 11, 2019
	1,550,000	1,500,000		

9. Supplemental Cash Flow Information

The Company made the following cash payments for interest and income taxes:

	November 30, 2014 $	November 30, 2013 $
Interest paid (received)	-	-
Taxes paid	-	-
Total cash payment	-	-

Included in trade payables and accrued liabilities at November 30, 2014 is $321,952 (August 31, 2014 - $38,244) incurred on exploration and evaluation property expenditures (Note 6).

10. Commitments and Contingency

The Company is committed to making cash payments, incurring exploration expenditures and/or issuing common shares pursuant to its exploration and evaluation property agreements (Note 5).

The Company is committed to making cash repayments pursuant to its related party promissory note agreements (Note 7). On December 2, 2014 the Company paid $61,719 to settle promissory notes (Note 13)

11. Financial Risk Management

(a) Overview

	As at November 30, 2014	As at August 31, 2014 (Audited)
	$	$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	44,084	65,319
Amounts receivable	-	-
	44,084	65,319
FINANCIAL LIABILITIES		
Other liabilities , at amortized cost		
Trade payables	482,781	56,017
	482,781	56,017

The Company has exposure to credit risk, liquidity risk, foreign currency risk, and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents. The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

The carrying value of the Company's cash and cash equivalents represent the maximum exposure to credit risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash and cash equivalents are currently invested in business and savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. As at November 30, 2014, the Company had cash and cash equivalents balance of $44,084 to settle current liabilities of $677,621. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(e) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. However, the Company does not hold any interest-bearing debt. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash balances mature impact interest income earned.

(f) Foreign Currency Risk

As at November 30, 2014, the Company's expenditures are in Canadian dollars, any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign currency risk.

(g) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages the

capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Company manages its capital structure through the issuance of new shares, acquisition or disposition of assets or adjustment of cash. The Company does not have any major capital expenditures committed for the coming year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements other than disclosed in Note 1.

(h) Fair Value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed interim consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at November 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	44,084	-	-	44,084
Total	44,084	-	-	44,084

As at August 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	65,319	-	-	65,319
Total	65,319	-	-	65,319

12. Segmented Information

The Company's only business activity is exploration and development of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the three months ended November 30, 2014 and 2013 and for the year ended August 31, 2014 is as follows:

Three months ended November 30, 2014	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	210,928	-	210,928
Current assets	119,821	-	119,821
Exploration and evaluation properties	-	1,312,135	1,312,135
Total assets	119,821	1,312,135	1,431,956

Year ended August 31, 2014	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	1,094,009	21,784	1,115,793
Current assets	130,072	-	130,072
Exploration and evaluation properties	-	990,183	990,183
Total assets	130,072	990,183	1,120,255

Three months ended November 30, 2013	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	311,459	-	311,459
Current assets	466,903	-	466,903
Exploration and evaluation properties	-	847,970	847,970
Total assets	466,903	847,970	1,314,873

13. Events Occurring after the Reporting Date

On December 1, 2014, the Company closed the second tranche of its previously announced private placement financing. The second tranche consisted of an additional 1,350,000 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $202,500. When combined with the first tranche, the Company issued a total of 8,078,339 Units for gross proceeds of $1,211,750. Each Unit consists of one common share of the Company and one Warrant, with each Warrant exercisable into one common share of the Company for a period of 3 years from closing at an exercise price of $0.25. In connection with the second tranche, the Company will pay finder's fees and commissions totaling $12,000 in cash, and 80,000 in finder's warrants, with the Warrants having the terms described above. The securities issued pursuant to the second tranche and the finder's fees are subject to a four month hold period from the date of closing.

On December 2, 2014 the Company paid $61,719 to settle promissory notes (Notes 7 and 10).

On January 6, 2015, the Company closed the third tranche of its previously announced private placement financing. The third tranche consisted of an additional 3,588,333 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $538,250. When combined with the first and second tranche, the Company issued a total of 11,666,672 Units for gross proceeds of $1,750,000. Each Unit consists of one common share of the Company and one Warrant, with each Warrant exercisable into one common share of the Company for a period of 3 years from closing at an exercise price of $0.25. In connection with the second tranche, the Company will pay finder's fees and commissions totaling $11,268.40 in cash, and 75,123 in finder's warrants, with the Warrants having the terms described above. The securities issued pursuant to the second tranche and the finder's fees are subject to a four month hold period from the date of closing.

As of the date of these financial statements were issued the Company had received payments for all shares issued under the $0.15 Private Placement including amounts identified in note 8a and announced on December 1, 2014 and January 6, 2015.