VISCOUNT MINING CORP.

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2015
Unaudited - Prepared by Management
(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.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at May 31, 2015 $	As at August 31, 2014 $
ASSETS			
Current assets			
Cash and cash equivalents	3	917,468	65,319
Amounts receivable and prepaid expenses	4	95,207	64,753
		1,012,675	130,072
Exploration and evaluation properties	5	731,054	990,183
Total Assets		1,743,729	1,120,255
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	28,024	93,801
Promissory notes and amounts due to related parties	7	6,316	166,592
Total Liabilities		34,340	260,393
SHAREHOLDERS' EQUITY			
Share capital	8	4,807,547	3,155,800
Subscriptions received in advance		-	20,000
Reserves	8	528,257	387,532
Accumulated deficit		(3,626,415)	(2,703,470)
Total shareholders' equity		1,709,389	859,862
Total Shareholders' Equity and Liabilities		1,743,729	1,120,255

Nature and Continuance of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments and Contingency (Note 10)

These condensed interim consolidated financial statements are authorized for issuance by the Board of Directors on July 14, 2015.

On behalf of the Board:

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

VISCOUNT MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the Nine Month Period Ended May 31, 2015 $	For the Nine Month Period Ended May 31, 2014 $	For the Three Month Period Ended May 31, 2015 $	For the Three Month Period Ended May 31, 2014 $
Expenses					
Bank charges and interest	7	(11,821)	13,021	328	8,585
Consulting	7	474,378	372,035	147,708	276,394
Insurance		3,938	5,476	563	4,531
Legal and accounting	7	93,295	74,576	45,477	49,429
Office and miscellaneous		17,486	4,225	8,277	(2,522)
Promotion		142,785	29,098	81,970	2,996
Share-based payment	8	138,647	197,804	-	67,960
Transfer agent and filing fees		37,800	23,274	3,270	16,207
Travel		37,590	45,978	21,071	33,598
		(934,098)	(765,487)	(308,664)	(457,178)
Foreign exchange loss		(9,101)	(593)	(11,044)	(520)
Interest income		254	(729)	254	2,348
Net loss and comprehensive loss for the period		(942,945)	(766,809)	(319,454)	(455,350)
Loss per share, basic and diluted		(0.03)	(0.04)	(0.01)	(0.02)
Weighted average number of common shares outstanding		33,466,672	19,525,000	33,458,792	19,525,000

VISCOUNT MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the Nine Month Period Ended May 31, 2015 $	For the Nine Month Period Ended May 31, 2014 $
Cash flows used in operating activities			
Net loss for the period		(942,945)	(766,809)
Adjustments for non-cash items			
Share-based payment		138,647	197,804
Changes in operating assets and liabilities:			
(Increase) decrease in amounts receivable and prepaid expenses		(30,454)	247,997
Increase (decrease) in trade payables and accrued liabilities		(27,533)	(52,088)
		(862,285)	(373,096)
Cash flows from (used in) investing activities			
Optioon payment received	5	(633,300)	-
Exploration and evaluation properties expenditures		854,185	(75,669)
		220,885	(75,669)
Cash flows from financing activities			
Issuance of common shares		1,653,825	-
Subscriptions received in advance		-	250,000
Due to related parties		(160,276)	14,698
		1,493,549	264,698
Increase (decrease) in cash and cash equivalents		852,149	(184,067)
Cash and cash equivalents, beginning of period		65,319	281,801
Cash and cash equivalents, end of period		917,468	97,734

Supplemental Cash Flow Information (Note 9)

VISCOUNT MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MAY 31, 2015
(Expressed in Canadian dollars)
(Unaudited)

		Common Shares		Reserves				
	Notes	Number of Shares	Share Capital	Warrant Reserve	Option Reserve	Share Subscriptions Received in Advance	Deficit	Total
			$	$	$	$	$	$
Balance - August 31, 2013		19,525,000	2,705,800	20,000	53,092	-	(1,582,012)	1,196,880
Share subscription received in advance	8	-	-	-	-	250,000	-	250,000
Share based payment	8	-	-	-	197,804	-	-	197,804
Net loss for the nine month period		-	-	-	-	-	(766,809)	(766,809)
Balance – May 31, 2014		19,525,000	2,705,800	20,000	250,896	250,000	(2,348,821)	877,875
Balance - August 31, 2014		21,775,000	3,155,800	20,000	367,532	20,000	(2,703,470)	859,862
Common shares issued for cash	8	6,728,339	1,009,251	-	-	(20,000)	-	989,251
Common shares issued for cash	8	1,350,000	202,500	-	-	-	-	202,500
Common shares issued for cash	8	3,588,333	538,250	-	-	-	-	538,250
Exercise of options	8	25,000	5,000	-	-	-	-	5,000
Share issue costs	8	-	(81,176)	-	-	-	-	(81,176)
Warrants issued for finders fees	8	-	(22,078)	22,078	-	-	-	-
Share based payments	8	-	-	-	138,647	-	-	138,647
Warrants expired unexercised		-	-	(20,000)	-	-	20,000	-
Net loss for the nine month period		-	-	-	-	-	(942,945)	(942,945)
Balance - May 31, 2015		33,466,672	4,807,547	22,078	506,179	-	(3,626,415)	1,709,389

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

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 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.

The Company had cash and cash equivalents of $917,468 at May 31, 2015 (August 31, 2014 - $65,319) and working capital of $984,651 (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 nine months ended May 31, 2015, the Company had no source of operating revenues, incurred an operating loss of $942,945 (2014 - $766,809) and, as at that date, had an accumulated deficit of $3,626,415 (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 states 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 nine months ended May 31, 2015.

Basis of Preparation

The unaudited condensed interim consolidated financial statements were authorized for issue on July 14, 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 May 31, 2015 $	As at August 31, 2014 $
Denominated in Canadian dollars	917,128	64,654
Denominated in US dollars	340	665
	917,468	65,319

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	As at May 31, 2015 $	As at August 31, 2014 $
Goods and Services Tax	13,054	16,221
Prepaid insurance	82,153	48,532
	95,207	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 nine months ended May 31, 2015 and year ended August 31, 2014 are as follows:

	For Nine Month Period Ended May 31, 2015 $	For Year Ended August 31, 2014 $
Balance beginning of year	990,183	828,757
Property acquisitions	248,804	30,867
Staking new claims and claim maintenance	74,238	63,059
Consulting (Note 7)	45,000	67,500
Exploration	6,129	-
Option payment received	(633,300)	-
Balance	731,054	990,183

Nevada Properties, described collectively as our Cherry Creek Project, consists of more than 9,000 acres and lies within an historic silver district, where high grade silver production came from numerous mines up to the 1920's. The three largest past producing silver mines on the property were the Exchequer/New Century Mine, Ticup and the Star Mine. Viscount has entered into an exploration earn - in agreement with Summit Mining Exploration Inc., a US subsidiary of Sumitomo Corporation which covers our Cherry Creek Project (Note 5 f).

Additional information on the properties that comprise the Cherry Creek Project are as follows:

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 County, 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 in cash and shares 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); and

v. US$200,000 on or before March 31, 2015 (paid by Summit mining in accordance with the Earn In Agreement).

With payment of cumulative lease payments of US$551,500, the owner transferred 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 County, 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); and
iv. US$370,000 on or before May 1, 2015 (paid by Summit mining in accordance with the Earn In Agreement).

With payment of cumulative lease payments of US$450,000, the owner transferred 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.

c) 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.

d) On January 29, 2013, the Company entered into a Mining Lease and Agreement to Purchase for certain unpatented mining claims located in White Pine County, 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 (paid);
iv. US$7,500 on or before January 29, 2016; and
v. US$10,000 on or before January 29, 2017.

In accordance with the agreement of US$5,000 within 5 days of signing of the agreement, the owner transferred title of the Ticup Property to the Company by Quitclaim Deed.

e) 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.

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.

f) On April 7, 2015 the Company announced that it had satisfied the various approval requirements, including receipt of the approval of its shareholders (the "Shareholder Approval"), and proceeded with its previously announced Exploration Earn-in Agreement dated February 27, 2015 (the "Earn-in Agreement") among the Company, its two wholly-owned subsidiaries and Summit Mining Exploration, Inc., a subsidiary of Sumitomo Corporation ("SME").

Pursuant to the terms of the Earn-in Agreement, SME has been granted the option to acquire a 75% undivided interest, subject to certain underlying royalties, in the Company's Cherry Creek Property located in White Pine County, Nevada, USA (the "Property"), and form a joint venture with the Company (the "Joint Venture").

To earn its 75% interest in the Property, SME must expend a minimum of US$10 million (the "Aggregate Work Obligation") in exploration and development expenses on the Property and complete a Feasibility Study (the "Feasibility Study") by the eighth anniversary of the effective date of the Earn-in Agreement, being March 12, 2015 (the "Effective Date").

In the first year of the Earn-in Agreement, SME is required to make a committed minimum expenditure of US$800,000 followed by a US$1 million committed minimum expenditure in the second year of the Agreement and a US$1 million minimum expenditure in each of the following agreements years until the eighth anniversary of the Effective Date. In accordance with the terms of the Earn-in Agreement, SME has also made an initial US$500,000 (Cdn$633,300) payment to the Company.

In the event SME fails to complete the Feasibility Study by the eighth anniversary, it may extend the period to do so up to the 13th anniversary of the Effective Date by continuing to expend a minimum of US$1 million on exploration and paying to the Company the sum of US$200,000 in each subsequent agreement year.

Upon acquisition by SME of a 75% interest in the Property, the Company and SME will form the Joint Venture which will be governed in accordance with the joint venture terms to be set forth in a formal joint venture agreement. The dilution provisions governing the Joint Venture will provide that if a party's interest in the Joint Venture is reduced to 10%, then such party's interest will automatically convert to a 3% net smelter returns royalty on production from the Property.

In the event SME elects to terminate its interest in the Property at any time after it has expended the Aggregate Work Obligation and completed a Feasibility Study, SME will be entitled to a 1.5% net smelter returns royalty on production from the Property provided however that the aggregate amount payable pursuant to such royalty will be capped at two times the amount of the total expenditures and development expenses incurred by SME in respect of the Property. the Company has a "put right" pursuant to which it may require SME, following acquisition by SME of a 75% interest in the Property but before commencement of production from the Property, to acquire the Company's then remaining 25% interest at a price that the parties agree in good faith is the fair market value of such interest based on the Feasibility Study.

The TSX Venture Exchange (the "Exchange") provided its conditional approval for the Earn-in Agreement on March 5, 2015. The Company has satisfied all of the conditions imposed by the Exchange including the Shareholder Approval which, in accordance with Exchange policies, was obtained by way of a consent resolution signed by shareholders representing approximately 58.75% of the Company's issued and outstanding shares. The Company received TSX approval on April 16, 2015.

Colorado Properties, described collectively as Silver Cliff is comprised of 96 lode claims, covering much of the historical past producing mineral districts of Silver Cliff and Rosita Hills in Colorado.

Additional information on the Silver Cliff agreement is as follows:

a) 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.

Included in trade payables and accrued liabilities at May 31, 2015 is $Nil (August 31, 2014 - $8,483) incurred on exploration and evaluation property expenditures (Note 9).

7. Related Party Transaction

As at May 31, 2015, the balance due to related parties, who are officers, directors and/or shareholders, consists of $6,316 (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 reimbursement of Company expenses.

Balances owed to Related Parties at:

	May 31, 2015	August 31, 2014
	$	$
Chairman	5,250	15,000
Chief Executive Officer / Director	-	860
Chief Financial Officer	-	12,610
Chief Geologist	-	10,000
Director for consulting services	-	25,084
Officers and Directors for expenses	1,066	8,763
Director for legal services	-	94,275
	6,316	166,592

The key management personnel compensation is summarized as follows:

	May 31, 2015	May 31, 2014
	$	$
Chief Financial Officer	45,000	45,000
Directors Consulting fees	249,048	212,500
Director Legal fees	13,785	17,527
	307,833	275,027

During the nine months ended May 31, 2015, $45,000 (nine months ending May 31, 2014 - $55,000) 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, whereby each balance payable was unsecured, bore interest of 8% per annum and matured on January 1, 2015. In February 2015 the notes were repaid. During the nine months ended May 31, 2015, the Company accrued interest of $1,540 (May 31, 2014 - $5,924) related to the promissory notes. Details of the loans were as follows:

	May 31, 2015 $	August 31, 2014 $
The Chief Financial Officer granted a promissory note in the amount of $7,360. On February 12, 2015 any remaining balance owing for principle and/or interest was repaid in full.	Nil	7,360
The Chief Geologist granted a promissory note in the amount of $5,000. On February 12, 2015 any remaining balance owing for principle and/or interest was repaid in full.	Nil	5,000
The Director for consulting services granted a promissory note in the amount of $34,335. On February 12, 2015 any remaining balance owing for principle and/or interest was repaid in full.	Nil	19,335
The Director for legal services granted a promissory note in the amount of $48,456. On February 12, 2015 any remaining balance owing for principle and/or interest was repaid in full.	Nil	21,261
	Nil	52,956
Interest payable, as noted above, on February 12, 2015 any remaining balance owing for principle and/or interest on all notes were repaid in full.	Nil	8,763
	Nil	61,719

8. Share Capital

Authorized

At May 31, 2015, 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 May 31, 2015, the total issued and outstanding share capital is 33,466,672 common shares with no par value (August 31, 2014 – 21,775,000).

Share capital transactions of the Company during the nine month period ended May 31, 2015 and August 31, 2014 are summarized as follows:

a) On March 30, 2015 the Company issued 25,000 shares for the exercise of options at $0.20 and received $5,000.

b) On January 6, 2015 the Company Issued 3,588,333 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $538,250. 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. The Company issued finder's fees and commissions totaling $11,268 in cash, and 75,123 in finder's warrants with an estimated value of $4,904 using the Black Scholes valuation methodology, with the Warrants having the terms described above.

c) On December 2, 2014, the Company issued 1,350,000 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $202,500. 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. The Company paid finder's fees and commissions totaling $12,000 in cash, and 80,000 in finder's warrants with an estimated value of $3,018 using the Black Scholes valuation methodology, 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.

d) 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 $1,009,251. The Company paid finder's fees and commissions totaling $57,908 in cash, and 375,253 in finder's warrants with an estimated value of $14,156 using the Black Scholes valuation methodology, with the Warrants having the terms described above.

e) 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 May 31, 2015, a total of 2,430,000 (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 were released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") with 15% released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

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 unexercised on October 26, 2014.

The following is a summary of the changes in the Company's share purchase warrants for the nine months ended May 31, 2015 and the year ended August 31, 2014:

	May 31, 2015		**August 31,2014**	
	Number of Warrants Outstanding	**Weighted average exercise price $**	**Number of Warrants Outstanding**	**Weighted average exercise price $**
Outstanding, beginning of year	100,000	0.20	100,000	0.20
Expired warrants	(100,000)	0.20	-	-
Warrants issued (Note 8)	11,666,672	0.25	-	-
Finders warrants issued (Note 8 a)	530,376	0.25	-	-
Outstanding, end of period	12,197,048	0.25	100,000	0.20

The following table summarizes information regarding share purchase warrants outstanding as at May 31, 2015:

Expiry Date	Number of Warrants Outstanding and Exercisable	Exercise Price
		$
November 25, 2017	7,103,592	0.25
December 2, 2017	1,430,000	0.25
January 6, 2018	3,663,456	0.25
	12,197,048	**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.

During the nine month period ended May 31, 2015 the Company issued 1,675,000 options. Each option allows the holder to purchase one common shares at a price of $0.20 for a period of 5 years. The options vested immediately and were valued at $138,647 using the Black Scholes valuation method.

The following is a summary of the changes in the Company's stock options for the nine months ended May 31, 2015 and August 31, 2014:

	May 31, 2015		August 31, 2014	
	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
Exercised	(25,000)	0.20	-	-
Granted	1,675,000	0.20	505,200	0.20
Outstanding at the end of the period	3,200,000	0.20	1,700,000	0.20

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2015 and May 31, 2014:

Expiry Date	Number of Options Outstanding and Exercisable	Exercise Price
		$
May 1, 2016	75,000	0.20
August 21, 2018	1,175,000	0.20
July 11, 2019	255,200	0.20
December 1, 2019	300,000	0.20
January 5, 2020	1,175,000	0.20
April 1, 2020	200,000	0.22
October 26, 2022	19,800	0.20
	3,200,000	

9. Supplemental Cash Flow Information

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

	May 31, 2015 $	August 31, 2014 $
Interest paid (received) (Note 7)	4,479	-
Taxes paid	-	-
Total cash payment	4,479	-

Included in trade payables and accrued liabilities at May 31, 2015 is $5,000 (August 31, 2014 - $8,483) 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).

11. Financial Risk Management

Overview

	As at May 31, 2015	As at August 31, 2014
	$	$
FINANCIAL ASSETS		
Fair Value through Profit and Loss (FVTPL), at fair value		
Cash and cash equivalents	917,468	65,319
Amounts receivable	95,207	64,753
	1,012,675	130,072
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	28,024	93,801
	28,024	93,801

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 May 31, 2015, the Company had cash and cash equivalents balance of $917,468 to settle current liabilities of $28,024. 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 May 31, 2015, 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 May 31, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	917,468	-	-	917,468
Total	917,468	-	-	917,468

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 nine months ended May 31, 2015 and 2014 and for the year ended August 31, 2014 is as follows:

Nine months ended May 31, 2015	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	942,945	-	942,945
Current assets	1,012,675	-	1,012,675
Exploration and evaluation properties	-	731,054	731,054
Total assets	1,012,675	731,054	1,743,729

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

Nine months ended May 31, 2014	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	766,809	-	766,809
Current assets	277,345	-	277,345
Exploration and evaluation properties	-	854,580	854,580
Total assets	277,345	854,580	1,131,925