SKYHARBOUR RESOURCES LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended December 31, 2014.

SKYHARBOUR RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2014	March 31, 2014
ASSETS		
Current		
Cash	$ 314,298	$ 369,834
Marketable securities (Note 4)	106,039	315,338
Receivables	24,827	30,995
Due from related parties (Note 9)	-	2,664
Prepaid expenses	17,657	120,408
	462,821	839,239
Equipment (Note 5)	18,229	18,229
Exploration and evaluation assets (Note 6)	883,125	500,380
	$ 1,364,175	$ 1,357,848
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 2,891	$ 29,531
Due to related parties (Note 9)	21,458	16,497
	24,349	46,028
Shareholders' equity		
Capital stock (Note 7)	31,733,532	30,504,671
Subscriptions received in advance (Note 7)	-	310,844
Reserves (Note 7)	3,169,013	3,040,615
Deficit	(33,562,719)	(32,544,310)
	1,339,826	1,311,820
	$ 1,364,175	$ 1,357,848

Nature and continuance of operations (Note 1)

"Don Huston" Director *"Jim Pettit"* Director

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

SKYHARBOUR RESOURCES LTD.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
THREE AND NINE MONTHS ENDED DECEMBER 31

	(3 months) December 31, 2014	(3 months) December 31, 2013	(9 months) December 31, 2014	(9 months) December 31, 2013
GENERAL AND ADMINISTRATIVE EXPENSES				
Accounting and audit	$ 32,794	$ 13,963	$ 56,729	$ 55,428
Administrative expenses	11,837	18,119	44,463	52,780
Amortization	-	-	-	1,682
Consulting fees	34,458	37,365	115,551	104,502
Legal	8,298	11,414	37,188	35,782
Office and sundry	9,036	10,203	32,371	26,455
Rent	6,958	9,491	25,868	26,603
Shareholder information	61,946	47,831	253,454	174,205
Share-based payments	-	-	128,398	74,710
Telephone	2,015	3,851	5,268	10,335
Transfer agent and filing fees	2,081	10,788	18,531	15,866
Travel	13,718	18,857	43,610	46,375
Wages	9,679	29,723	47,680	90,297
	191,602	211,605	809,111	715,020
OTHER ITEMS				
Unrealized loss/(gain) on marketable securities (note 4)	(13,561)	-	209,298	-
Loss and comprehensive loss for the period	$ 178,042	$ 311,677	$ 1,018,409	$ 715,020
Basic and diluted loss per common share	$ (0.003)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	53,281,367	38,560,781	53,281,367	38,560,781

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

SKYHARBOUR RESOURCES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Capital Stock					
	Number	Amount	Reserves	Subscriptions received in advance	Deficit	Total
Balance, as at March 31, 2013	34,768,713	$ 29,509,483	$ 2,661,969	$ -	$(31,052,676)	$ 1,118,776
Private placements	6,250,000	495,825				495,825
Exploration and evaluation assets	2,553,397	215,340	-	-	-	215,340
Share-based payments	-	-	74,710	-	-	74,710
Loss for the period	-	-	-	-	(837,051)	(837,051)
Balance, as at December 31, 2013	35,768,713	30,220,648	2,736,679	-	(31,767,696)	1,067,600
Balance, as at March 31, 2014	46,606,310	$ 30,504,671	$ 3,040,615	$ 310,844	$(32,544,310)	$ 1,311,820
Private placements	4,862,294	729,344	-	(310,844)	-	418,500
Share issuance costs	-	(25,483)	-	-	-	(25,483)
Exercise of warrants	3,450,000	345,000	-	-	-	345,000
Exploration and evaluation assets	2,000,000	180,000	-	-	-	180,000
Share-based payments	-	-	128,398	-	-	128,398
Loss for the period	-	-	-	-	(1,018,409)	(1,018,409)
Balance, as at December 31, 2014	56,918,604	$ 31,733,532	$ 3,169,013	$ -	$(33,562,719)	$ 1,339,826

SKYHARBOUR RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
NINE MONTHS ENDED DECEMBER 31

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,018,409)	$ (503,415)
Items not affecting cash:		
Amortization	-	1,682
Unrealized loss on marketable securities	209,298	-
Share-based payments	128,398	74,710
Changes in non-cash working capital items:		
(Increase) decrease in receivables	6,168	1,905
(Increase) decrease in prepaid expenses	102,751	(8,906)
Increase (decrease) in accounts payable and accrued liabilities	(26,640)	(25,704)
Increase in due to/from related parties	(7,625)	-
Cash used in operating activities	(606,059)	(459,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital stock issued	738,017	(500,000)
Exploration and evaluation assets	180,000	-
Share issuance costs	(25,483)	(4,375)
Cash provided by financing activities	892,534	495,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(367,011)	(98,365)
Purchase of equipment	-	(19,850)
Proceeds on sale of exploration and evaluation assets	25,000	272,855
Cash provided (used) in investing activities	(342,011)	154,640
Increase (Decrease) in cash during the period	(55,536)	190,537
Cash, beginning of period	369,834	536,635
Cash, end of period	$ 314,298	$ 727,172

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Skyharbour Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the *British Columbia Business Corporations Act* on July 24, 1970. The Company trades on the TSX Venture Exchange ("TSX-V") and is principally engaged in acquisition, exploration and evaluation of resource properties.

The head office and records office of the Company are located at Suite #1610 – 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition and exploration of mineral property interests, at the present, principally in Saskatchewan, Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PRESENTATION

Statement of Compliance and Conversion to International Financial Reporting Standards

These unaudited condensed interim financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed interim financial statements are the same as those applied to the Company's annual financial statements for the year ended March 31, 2014. The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3 SIGNIFICANT ACCOUNTING POLICIES

Critical accounting estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at the following annual rates:

Computer equipment	30%
Furniture and equipment	20%

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets (cont'd...)

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The Company had no provisions for environmental rehabilitation as at December 31, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company presents basic loss per share for its common shares, 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 does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and marketable securities as fair value through profit and loss. The Company's receivables and due from related parties are classified as loans and receivables. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting standards and interpretations not yet adopted

IFRS 9, "Financial Instruments", published by the IASB in November 2009, which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective on January 1, 2018. Early adoption is permitted and the standard is required to be applied retrospectively. The Company does not anticipate this new pronouncement to have a material impact on the Company's financial statements.

Recent accounting pronouncements adopted

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. 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". The standard is not considered to have an impact on the Company in its current form.

IFRS 12, "Disclosure of Interests in Other Entities", 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 interests in other entities. The standard is not considered to have an impact on the Company in its current form.

IFRS 13, "Fair Value Measurement", 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. The standard is not considered to have an impact on the Company in its current form.

IAS 1, "Presentation of Financial Statements" to which the IASB issued amendments in June 2011, to: (a) require companies to group together items within other comprehensive income (loss) ("OCI") that may be reclassified to the statement of loss; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The standard is not considered to have an impact on the Company in its current form.

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

As at December 31, 2014, marketable securities consist of shares in publicly-traded companies with an initial cost of $470,081 and a fair value of $106,039 (March 31, 2014 - $315,338). An unrealized loss on marketable securities of $209,298 was recorded in the statement of loss and comprehensive loss for the period ended December 31, 2014.

5. EQUIPMENT

	Computer Equipment	Furniture and Equipment	Total
Cost			
Balance, March 31, 2012 and 2013	$ 3,092	$ 35,920	$ 39,012
Additions	-	19,850	19,850
Balance, March 31 and December 31, 2014	$ 3,092	$ 55,770	$ 58,862
Accumulated amortization			
Balance, March 31, 2012	$ 2,990	$ 26,915	$ 29,905
Amortization	30	6,846	6,876
Balance, March 31, 2013	3,020	33,761	36,781
Amortization	21	3,831	3,852
Balance, March 31, 2014 and December 31, 2014	$ 3,041	$ 37,592	$ 40,633
Carrying amounts			
As at March 31, 2013	$ 72	$ 2,159	$ 2,231
As at March 31 and December 31, 2014	$ 51	$ 18,178	$ 18,229

SKYHARBOUR RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
DECEMBER 31, 2014

6. EXPLORATION AND EVALUATION ASSETS

	Falcon Point (Way Lake)	Mann Lake	Red Lake Projects	Saskatchewan Projects	Total
Acquisition costs:					
Balance, March 31, 2014	$ -	$ 136,050	$ 25,001	$ -	$ 161,051
Additions	207,150	4,290	-	-	211,440
Sale of McKenzie Island	-	-	(25,000)	-	(25,000)
Balance, December 31, 2014	207,150	140,340	1	-	347,491
Exploration costs:					
Balance, March 31, 2014	-	-	-	339,329	339,329
Additions					
Advances/deposits	-	-	-	3,583	3,583
Accommodation/food	60	30	-	16,697	16,787
Assaying and sampling	-	-	-	1,971	1,971
Consulting & geologist	14,183	4,380	-	56,293	74,856
GIS specialist/technical/logistic	-	1,356	-	5,436	6,792
Head, assist cook & first aid	-	-	-	3,758	3,758
Camp manager & maintenance	-	-	-	3,975	3,975
Drilling	-	-	-	4,326	4,326
Equipment & other rental	-	-	-	11,189	11,189
Repairs, maintenance & misc.	-	-	-	152	152
Geological & field tech.	-	-	-	63	63
Geophysics consulting	-	5,000	-	-	5,000
Geophysics survey	-	35,640	- -	- - -	35,640 -
Mobilization/demobilization	-	-	-	175	175
Mileage/Gas	-	-	-	10,599	10,599
Maps/Reports	-	-	-	467	467
Office/Phone/Postage	32	16	-	57	105
Project manager	-	-	-	2,823	2,823
Supplies	-	-	-	9,063	9,063
Transportation/shipping	-	4,290	-	-	4,290
Travel	-	175	-	516	691
	14,275	50,887	-	131,143	196,305
Balance, December 31, 2014	14,275	50,887	-	470,472	536,634
Total Costs, December 31, 2014	$ 221,425	$ 191,227	$ 1	$ 470,472	$ 883,125

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	Mann Lake	Red Lake Projects	Saskatchewan Projects	Total
Acquisition costs:				
Balance, March 31, 2013	$ -	$ 41,903	$ 50,133	$ 92,036
Additions	136,050	-	390,136	526,186
Sale of Broulan Reef		(16,502)	-	(16,502)
Write off of acquisition costs		(400)	-	(400)
Option payments received		-	(440,269)	(440,269)
Balance, March 31, 2014	136,050	25,001	-	161,051
Exploration costs:				
Balance, March 31, 2013		465,942	1,757	467,699
Additions				
Advances/deposits	-	-	54,225	54,225
Accommodation/food	-	-	29,259	29,259
Consulting & geologist	-	-	161,037	161,037
GIS specialist/technical/logistic	-	-	9,541	9,541
Head, assist cook & first aid	-	-	5,188	5,188
Camp manager & maintenance	-	-	6,025	6,025
Drilling	-	-	29,147	29,147
Dues/Fees/Permits	-	-	315	315
Equipment & other rental	-	-	23,942	23,942
Repairs, maintenance & misc.	-	-	989	989
Geophysics survey	-	-	153,996	153,996
Geological & field tech.	-	-	6,392	6,392
Mobilization/demobilization	-	-	9,379	9,379
Mileage/Gas	-	-	3383	3383
Maps/Reports	-	-	1,566	1,566
Office/Phone/Postage	-	-	73	73
Property services/road access	-	-	4,688	4,688
Supplies	-	-	23,028	23,028
Transportation/shipping	-	-	75,904	75,904
Travel	-	-	18,662	18,662
	-	-	616,739	616,739
Write off of exploration and evaluation assets	-	(157,574)	-	(157,574)
Sale and recovery of exploration and evaluation assets	-	(308,368)	(279,167)	(587,535)
Balance, March 31, 2014	-	-	339,329	339,329
Total Costs, March 31, 2014	$ 136,050	$ 25,001	$ 339,329	$ 500,380

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Red Lake Project, Ontario

Baird Township Claims, Ontario

The Company acquired a 50% interest in certain claims located in the Baird Township, Ontario by paying $30,150 and issuing 63,500 common shares at a value of $117,300 to a company with common directors. The Company subsequently optioned up to 65% of its interest. The optionee, Goldcorp, acquired a 51% interest in the property, leaving the Company with a 24.5% interest, by paying the Company $10,000 in fiscal 2003 and incurring exploration costs of $800,000. In order to acquire an additional 14%, the optionee is required to complete a feasibility study. The property is subject to a 2% net smelter returns ("NSR") royalty. Due to a delay in developing the project, the cost of the property was written down to $1 in fiscal 2008.

Dome & Fairlie Townships Claims, Ontario

The Company acquired a 20% interest in certain claims located in the Dome and Fairlie Townships, Ontario from a company with common directors by paying $2,400 and issuing 10,000 common shares at a value of $23,000. Certain claims are subject to a 2% NSR royalty. Subsequent to the year end, the Company completed the sale to the company with common directors, of their 20% interest for $25,000. For fiscal 2014, the Company wrote off $143,432 for the property.

Broulan Reef Claims, Ontario

The Company and another company with common directors entered into an option agreement to acquire a 100% interest, of which the Company's portion is 20%, in the Broulan Reef property located in the Red Lake area of Ontario pursuant to which the Company paid $16,000. During fiscal 2008, the Company completed its exploration obligations and acquired ownership of the mineral leases. In fiscal 2011, the Company entered into an agreement whereby it agreed to sell a 2.5% interest in the property to the co-owner of the property for the sum of $250,000 which was received, reducing the interest in the property to 17.5%. In fiscal 2011, there was a further dilution of interest of 1.83% to 15.67% in lieu of paying or incurring outstanding property expenditures of $218,562. The co-owner may incur expenditures, which if not reimbursed by the Company, will result in further dilution.

On February 21, 2013, the Company, entered into an agreement with Premier Gold Mines Ltd. "(Premier)" to sell to Premier their 15.67% interest in the Broulan Reef property. As consideration under the agreement, Premier will pay $274,225 and issue 25,072 common shares to the Company (received cash and shares valued at $50,645). The Company will retain a 0.07835% net smelter on the property which Premier shall have the right to purchase from the Company for $78,350 at any time. For fiscal 2013, the Company wrote off $1,293,524 for the property and $3,980 related to adjacent claims. For fiscal 2014, an additional $14,542 was written off.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Patterson Lake Area & Eastern Athabasca Basin, Saskatchewan

During fiscal 2013, the Company entered into an agreement to acquire a 100% interest in certain properties located in the Athabasca area in the province of Saskatchewan. In order to acquire its interests, the Company was required to pay $80,000 ($30,000 paid during fiscal 2013 and $50,000 paid in fiscal 2014) and issue 1,000,000 common shares (issued in fiscal 2014 at a fair value of $80,000). The vendor retained a 2% NSR royalty on non-uranium minerals and a 2% gross revenue royalty on uranium minerals.

During fiscal 2014, pursuant to a series of agreements, the Company granted an option to acquire a 25% interest in these properties to each of Lucky Strike Resources Ltd. ("Lucky Strike"), Athabasca Nuclear Corp. ("Athabasca") and Noka Resources Inc. ("Noka"). In order to acquire their interests, each optionee is required to incur $500,000 in exploration expenditures by September 30, 2014, incur an additional $500,000 in exploration expenditures by September 30, 2015 and make the following payments:

Optionee	Cash	Common Shares
Lucky Strike	$100,000 (received)	2,000,000 (received)
Noka	$100,000 (received)	640,000 (received)
Athabasca	$100,000 (received)	721,313 (received)

Concurrently, the Company entered into an option to acquire a 25% interest in certain mineral properties from Athabasca. To acquire its 25% interest, the Company is required to pay $100,000 (paid), issue 1,553,397 common shares (issued at fair value of $155,340) and incur $500,000 in exploration expenditures by September 30, 2014 and an additional $500,000 in exploration expenditures by September 30, 2015.

Under the terms of the agreements, each of Lucky Strike, Noka, Athabasca and the Company has an option to earn 25% of the five uranium properties comprising the western Athabasca syndicate partnership by making a series of cash payments, share payments and incurring a pro rata amount of the total $6,000,000 in exploration expenditures over the two-year earn-in term ending September 30, 2015.

Mann Lake in the Athasbasca Region, Saskatchewan

During fiscal 2014, the Company has entered into an assignment and novation agreement with Triex Minerals Corp., a wholly owned subsidiary of Canterra Minerals Corp., whereby the Company will acquire Triex/Canterra's 60-per-cent interest in the Mann Lake uranium project. Under the terms of the agreement, the Company paid $15,000 in cash and issued 1,000,000 common shares (valued at $120,000) and incurred other costs of $1,050 in consideration for Canterra's 60% interest and its option to purchase up to 1.5% of the property's underlying 2.5% NSR for $1,500,000.

Falcon Point (formerly Way Lake) in the Athabasca Region, Saskatchewan

In the current fiscal year, the Company entered into a purchase agreement with Denison Mines Corp.("Denison") whereby the Company acquired Denison's 100% interests in the Way Lake uranium project as well as the Yurchison Lake project, both located on the eastern flank of the Athabasca basin, Saskatchewan. Under the terms of the agreement, the Company has paid $20,000 in cash and issued 2,000,000 common shares in consideration for Denison's 100% interest in both projects. Denison will retain a 2% NSR in the projects of which 1% may be purchased by the company for $1,000,000. The Company has staked an additional 6,425 hectares of prospective land in three claims attached to its 100-per-cent-owned Way Lake uranium project via cost-effective on-line staking. The new, entire property package will be renamed the Falcon Point uranium project.

7. CAPITAL STOCK AND RESERVES

Escrow shares

Included in issued capital stock are 11,718 (2013 – 11,718) common shares that are subject to an escrow agreement and may not be transferred, assigned or otherwise dealt with, without the consent of the regulatory authorities.

Private placements

During fiscal 2015, the Company issued capital stock as follows:

In April 2014, the Company completed a private placement to raise $729,344 by the issuance of 4,862,294 units at a price of $0.15 per unit. Each unit consists of one common share and one-half of one non-transferable share purchase warrant, with each warrant entitling the holder to purchase one common share for a period of two years at a price of $0.20 per share. A total of $310,844 was received in fiscal 2014. In connection with the financing, the company issued a total of 164,918 finder warrants to finders who introduced certain subscribers to the private placement. The finder warrants are on the same terms as the warrants. The company also paid to finders a cash total of $24,738 in connection with this financing.

During fiscal 2014, the Company issued capital stock as follows:

a) In August 2013, the Company arranged a non-brokered private placement to raise $500,000 by the issuance of 6,250,000 flow-through (“FT”) units of the Company at an issuance price of $0.08 per FT unit. Each FT unit consisted of one FT common share and one non-transferable non FT warrant. Each warrant will entitle the holder to purchase one non FT common share at a price of $0.10 for a period of 24 months from the closing date of the private placement. The Company closed the private placement in two tranches, therefore 5,312,500 share purchase warrants are exercisable until August 14, 2015 and the balance of 937,500 share purchase warrants are exercisable until August 29, 2015. A premium of $62,500 was allocated to the FT feature and was fully realized as other income in fiscal 2014.

8. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan approved by shareholders to grant options to directors, officers, employees and consultants, to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

(Expressed in Canadian Dollars)

8. STOCK OPTIONS AND WARRANTS (cont'd...)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding March 31, 2013	23,000,000		0.10	3,476,000		0.11
Granted	6,250,000		0.10	3,881,250		0.11
Exercised	(2,034,200)		0.10	-		-
Expired/cancelled	-		-	(3,276,000)		0.11
Outstanding March 31, 2014	27,215,800	$	0.10	4,081,250	$	0.11
Granted	2,596,066		0.20	1,500,000		0.10
Exercised	(3,450,000)		0.10			
Expired/cancelled				(240,000)		0.10
Number currently exercisable	26,361,866	$	0.11	5,341,250	$	0.11

The following incentive stock options and share purchase warrants were outstanding at March 31, 2014:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	100,000	0.10	March 21, 2018
	531,250	0.10	August 30, 2018
	300,000	0.10	September 5, 2018
	2,760,000	0.115	February 18, 2019
	150,000	0.15	March 4, 2019
	1,000,000	0.10	April 28, 2019
	500,000	0.10	July 8, 2019
Warrants:	1,700,000	0.125	June 24, 2015
	10,000,800	0.10	January 25, 2017* extended for two years
	5,815,000	0.10	January 27, 2017* extended for two years
	5,312,500	0.10	August 14, 2015
	937,500	0.10	August 29, 2015
	2,596,066	0.20	April 1, 2016

Share-based payments

During fiscal 2015, the Company granted 1,500,000 (2014 – 3,881,250) stock options to directors, officers, employees and consultants resulting in share-based payments expense using the Black-Scholes option-pricing model of $128,398 (2014 - $378,646). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the current fiscal was $0.10 (2014 - $0.11) per option.

(Expressed in Canadian Dollars)

8. STOCK OPTIONS AND WARRANTS (cont'd...)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2015	2014
Risk-free interest rate	1.45%	1.71%
Expected life	5 years	5 years
Annualized volatility	140%	144%
Estimated forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS

The key management personnel of the company are the Directors, Chief Executive Officer, and the Chief Financial Officer.
Compensation of the Company's key management personnel is comprised of the following:

		December 31, 2014		December 31, 2013
Consulting fees	$	54,000	$	42,500
Share-based payments		64,763		-
Total expense	$	118,763	$	42,500

10. ADMINISTRATIVE AGREEMENT

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of $44,463 (2013 - $52,780) representing 15% of the costs incurred.

Included in accounts payable and accrued liabilities at December 31, 2014 is $19,433 (March 31, 2014 - $16,496).

11. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

		2014		2013
Loss before income taxes	$	(1,491,633)	$	(1,571,566)
Combined Canadian federal and provincial statutory rate		26%		26%
Expected income tax recovery at statutory tax rates	$	388,000	$	409,000
Impact of future income tax rates applied versus current statutory rate		(159,000)		-
Non-deductible expenditures		(100,000)		(4,000)
Change in unrecognized deductible temporary differences		(129,000)		(158,000)
Other		-		(247,000)
Total deferred tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

11. INCOME TAXES (cont'd)

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the financial position are as follows:

		2014	Expiry dates		2013
Share issue costs	$	12,000	2014 to 2016	$	10,000
Non-Capital losses		4,452,000	2014 to 2033		3,560,000
Capital assets		41,000	No expiry		37,000
CEC		11,000	No expiry		11,000
Mineral properties		4,434,000	No expiry		4,887,000
ITC		218,000	2027 to 2033		217,000
Marketable securities		104,000	No expiry		-
	$	9,272,000		$	8,722,000

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

		December 31, 2014		December 31, 2013
Cash paid or accrued during the year for interest	$	-	$	-
Cash paid during the year for income taxes	$	-	$	-

During the year ended March 31, 2015, the Company:

a) Issued 2,000,000 common shares valued at $180,000 through exploration and evaluation assets.

During the year ended March 31, 2014, the Company:

a) Accrued $17,687 in exploration and evaluation assets through accounts payable and accrued liabilities.

b) Issued 3,553,397 common shares valued at $355,340 through exploration and evaluation assets.

c) Accrued $2,500 in receivable on common shares issued through a warrant exercise.

d) Received marketable securities with a fair value of $470,081 on the sale and option-out of exploration and evaluation assets.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving

uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The fair values of due to and from related parties, receivables and accounts payable and accrued liabilities approximate their book values due to the short-term nature of the instruments.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. At December 31, 2014, the Company had a cash balance of $314,298 (March 31, 2014 - $369,834) to settle current liabilities of $24,349 (March 31, 2014 - $46,028).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term treasury bills issued by the Government of Canada and its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.

(c) Price risk

The company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

14. 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 and exploration 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 Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. 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.

15. SUBSEQUENT EVENTS

The Company has announced a non-brokered private placement financing of $1.25-million from the initially targeted $500,000 as set out in the company's news release dated Jan. 29, 2015. The amended financing will be completed through the issuance of up to 25 million units at a price of five cents per unit. Each unit consists of one common share and one non-transferable share purchase warrant, with each whole warrant entitling the holder to purchase one common share for a period of five years at a price of 7.5 cents per share. A finder's fee of up to 7-per-cent cash and 7-per-cent non-transferable warrants may be paid in connection with part of this private placement. Each finder's warrant will entitle the finder to purchase a common share at a price of 7.5 cents per share for a period of five years from the closing date of the private placement. All the securities issuable will be subject to a four-month hold period from the date of closing. The private placement is subject to the approval of the TSX Venture Exchange.