

Carlisle Goldfields Limited
Condensed Interim Financial Statements
(Unaudited)
November 30, 2014

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the Company have been prepared by Management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

January 8, 2015

Carlisle Goldfields Limited

Condensed Interim Statements of Financial Position

(Unaudited)

Expressed in thousands of Canadian dollars

	November 30, 2014	August 31, 2014
ASSETS		
Current assets		
Cash	\$ 9,438	\$ 50
Amounts receivable	151	48
Prepays	30	79
	9,619	177
Exploration and evaluation assets (Note 6)	24,559	29,334
Property and equipment	20	23
Other assets	11	11
	\$ 34,209	\$ 29,545
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 711	\$ 665
	711	665
Deferred income tax liability	620	620
	1,331	1,285
Shareholders' equity		
Share capital (Note 7b)	36,205	30,978
Warrants (Note 7c)	1,432	2,318
Contributed surplus (Note 7d)	9,021	8,127
Deficit	(13,780)	(13,163)
	32,878	28,260
	\$ 34,209	\$ 29,545

Nature of operations (Note 1)

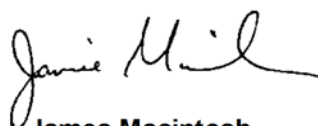
Subsequent events (Note 11)

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

On behalf of the Board:



Bruce Reid
Director



James Macintosh
Director

Carlisle Goldfields Limited

Condensed Interim Statements of Comprehensive Loss

For the three months ended November 30, 2014 and 2013

(Unaudited)

Expressed in thousands of Canadian dollars, except shares and per share amounts

	2014	2013
Expenditures		
General and administration	\$ 618	\$ 264
		264
Write-down of Goodfish claims	---	35
		299
Interest income	1	1
Loss before income taxes	617	298
Income taxes	---	---
Loss and comprehensive loss for the period	\$ 617	\$ 298
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding during the period – basic and diluted	292,705,926	237,560,860

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

Carlisle Goldfields Limited

Condensed Interim Statement of Changes in Equity

For the three months ended November 30, 2014 and 2013

(Unaudited)

Expressed in thousands of Canadian dollars

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance at August 31, 2013	\$29,134	\$ 2,755	\$ 6,633	\$(12,071)	\$26,451
Total comprehensive loss for the period	---	---	---	(298)	(298)
Balance at November 30, 2013	\$29,134	\$ 2,755	\$ 6,633	\$(12,369)	\$26,153
Balance at August 31, 2014	\$30,978	\$ 2,318	\$ 8,127	\$(13,163)	\$28,260
Total comprehensive loss for the period	---	---	---	(617)	(617)
Issue of share capital, net of share issue costs (Note 7b)	5,227	---	---	---	5,227
Vesting of options (Note 7d)	---	---	8	---	8
Expiration of warrants (Note 7c)	---	(886)	886	---	---
Balance at November 30, 2014	\$36,205	\$1,432	\$9,021	\$(13,780)	\$32,878

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

Carlisle Goldfields Limited

Condensed Interim Statements of Cash Flows

For the three months ended November 30, 2014 and 2013

(Unaudited)

Expressed in thousands of Canadian dollars

	2014	2013
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (617)	\$ (298)
Items not affecting cash:		
Stock-based compensation	8	---
Depreciation	3	4
Write-down of Goodfish claims		35
	(606)	(259)
Net change in non-cash working capital items:		
Amounts receivable	(103)	(63)
Prepays	49	85
Accounts payable and accrued liabilities	46	(9)
	(614)	(246)
FINANCING ACTIVITIES		
Issue of common shares, net	5,227	---
	5,227	---
INVESTING ACTIVITIES		
Exploration and evaluation assets	(225)	(147)
Proceeds received (Note 6)	5,000	---
	4,775	(147)
Net increase (decrease) in cash	9,388	(393)
Cash, beginning of period	50	778
Cash, end of period	\$ 9,438	\$ 385

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

Carlisle Goldfields Limited

Notes to the Condensed (Unaudited) Interim Financial Statements

November 30, 2014

Expressed in Canadian dollars unless otherwise indicated, tabular amounts in thousands except share information

1. NATURE OF OPERATIONS

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

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

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

Although Carlisle has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements, as well as claims from Aboriginal people.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Carlisle's annual financial statements as of August 31, 2013.

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

The condensed interim financial statements of the Company for the period ended November 30, 2014 were approved by the Board of Directors on January 8, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as noted below, the accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied and disclosed in the financial statements for the year ended August 31, 2014 and have been applied consistently to all periods presented in these condensed interim financial statements.

Carlisle Goldfields Limited

Notes to the Condensed (Unaudited) Interim Financial Statements

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4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Areas requiring the use of management estimates relate to assumptions used in determining share-based payments. Actual results may differ from these estimates.

(a) Significant Judgments in Applying Accounting Policies

Exploration and evaluation assets

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

(b) Significant Accounting Estimates and Assumptions

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

Share-based payments

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

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

5. FUTURE CHANGES IN ACCOUNTING STANDARDS

Standards Issued But Not Yet Effective

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

New Accounting Standards Adopted During The Year

On May 21, 2013, the IASB issued IFRIC 21, Levies, an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, Provisions, contingent liabilities and contingent assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company has determined that there is no impact on its condensed financial statements from the adoption of IFRIC 21.

Carlisle Goldfields Limited

Notes to the Condensed (Unaudited) Interim Financial Statements

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6. EXPLORATION AND EVALUATION ASSETS

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

	Lynn Lake	Last Hope / Johnson & Johnson	Goodfish	Total
Balance, August 31, 2013	\$ 23,968	\$ 3,471	\$ 46	\$ 27,485
Acquisition costs	---	---	---	---
Sale of mining claims	---	---	(46)	(46)
Deferred exploration costs	147	---	---	147
Balance, November 30, 2013	\$ 24,115	\$ 3,471	\$ ---	\$ 27,586
Balance, August 31, 2014	\$ 25,763	\$ 3,571	\$ ---	\$ 29,334
Sale of interest in E&E assets	(5,000)	---	---	(5,000)
Deferred exploration costs	225	---	---	225
Balance, November 30, 2014	\$ 20,988	\$ 3,571	\$ ---	\$ 24,559

Lynn Lake Properties

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

On November 13, 2013, the Company announced that it had entered into an agreement pursuant to which Canadian Orebodies Inc. ("Canadian Orebodies") had been granted the option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake Mine Project (the "Project") in which Carlisle owns a 100% interest.

In order to acquire its interest in the Project, Canadian Orebodies was required to incur aggregate exploration expenditures on the property of \$800,000 by December 31, 2013. Canadian Orebodies met this spending requirement and exercised its option to acquire the 10% interest in the Project.

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

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

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

AuRico also purchased from Carlisle a direct 25% interest in Carlisle's properties in the Lynn Lake gold camp for \$5.0 million and agreed to form a Joint Venture with Carlisle in which AuRico will

Carlisle Goldfields Limited

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6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Lynn Lake Properties (Cont'd)

become the Operator. Carlisle has also granted to AuRico an option to earn an additional 26% in Carlisle's Lynn Lake gold camp by spending a minimum of \$20 million towards the advancement of a feasibility study within a 3-year earn-in period. If earned, it would increase AuRico's interest in the project to a total of 51%. AuRico may also earn an additional 9%, to increase its total holding to 60%, by delivering within the 3-year earn-in period a feasibility study which meets all regulatory requirements.

Last Hope and Johnson & Johnson Properties

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

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

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

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6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Goodfish Property

The Company held a 100% interest in a gold exploration property consisting of various patented mining claims in Morrisette Township, Larder Lake Mining Division, near the town of Kirkland Lake, Ontario. Pursuant to an agreement with a third party exploration company (the "Optionee") signed in December 2011 and amended in March 2013 (the "Option Agreement"), Carlisle granted the Optionee an option to earn a 100% interest in the Goodfish Property. According to the amended terms of the Option Agreement, to earn a 100% interest in the Goodfish Property the Optionee was required to make a \$25,000 payment (received in December 2012) and deliver a share certificate representing 250,000 common shares of the Optionee. These shares were delivered in October 2013 and the 100% interest was earned at that time. Carlisle retains a 1% net smelter return royalty on smeltable minerals or metals extracted from this property, subject to the Optionee's right to purchase 100% of the royalty for \$1,000,000.

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

7. SHARE CAPITAL

(a) Authorized:

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

(b) Common shares issued:

	Number of Shares	Stated Capital
Balance, August 31, 2013	237,560,860	\$ 29,134
Issued on private placement	38,611,000	1,931
Value of associated warrants	---	(758)
Share issue costs – cash, net of tax benefit	---	(72)
Share issue costs – finder's warrants	---	(42)
Flow-through premium	---	(15)
Issued to Canadian Orebodies upon exercise of Put Right	8,000,000	800
Balance, August 31, 2014	284,171,860	\$ 30,978
Issued on private placements	70,600,000	5,648
Share issue costs – cash	---	(421)
Balance, November 30, 2014	354,771,860	\$ 36,205

(c) Warrants

On November 1, 2014, 3,562,500 warrants with an exercise price of \$0.22 expired unexercised. On November 23, 2014, an additional 12,500,198 warrants with an exercise price of \$0.22 expired unexercised.

Carlisle Goldfields Limited

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7. SHARE CAPITAL (CONT'D)

(c) Warrants (Cont'd)

At November 30, 2014, Carlisle had 66,350,662 warrants outstanding, each warrant entitling the holder to purchase one common share at the price below noted.

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

(d) Contributed surplus

	Amount
Balance, August 31, 2014	\$ 8,127
Stock-based compensation (see Note 7 (e))	8
Book value of expired warrants	886
Balance, November 30, 2014	\$ 9,021

(e) Share-based payments

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

No options were granted, and none were cancelled or expired during the three months ended November 30, 2014.

8. RELATED PARTY TRANSACTIONS

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

Carlisle Goldfields Limited

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Expressed in Canadian dollars unless otherwise indicated, tabular amounts in thousands except share information

8. RELATED PARTY TRANSACTIONS (CONT'D)

Balances as at:	November 30, 2014	August 31, 2014
Due to directors and officers ⁽¹⁾	\$ 84	\$ 93
Due to a company associated with a director ⁽²⁾	92	55
	\$ 176	\$ 148

Transactions during the quarter ended:	November 30, 2014	November 30, 2013
Management fees ⁽³⁾	\$ 209	\$ 73
Legal fees ⁽²⁾	125	76
	\$ 334	\$149

(1) These amounts represent fees payable to certain of the Company's management and directors.

(2) These amounts represent legal fees paid or payable to a firm in which a Company director is a partner.

(3) Included in management fees are salaries/fees paid or owed to the Company's Executive Chairman, CEO, CFO and other key management.

On September 3, 2014, the Company received a \$100,000 demand loan from its Executive Chairman, which loan bore interest at a rate of 12% per annum. This demand loan was repaid on November 25, 2014 resulting in \$2,729 being accrued at quarter-end and paid in December 2014.

9. CAPITAL MANAGEMENT

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

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

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

There were no changes in the Company's approach to capital management during the three months ended November 30, 2014. The Company is not subject to externally-imposed capital requirements.

10. FINANCIAL RISK FACTORS

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

Credit risk

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

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10. FINANCIAL RISK FACTORS (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. As at November 30, 2014, the Company had sufficient funds available to satisfy its obligations under accounts payable and accrued liabilities.

Market risk

(a) Interest rate risk

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

(b) Foreign currency risk

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

(c) Price risk

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

Fair value

IAS 34 requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the date of the statement of financial position, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

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

Sensitivity analysis

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

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

11. SUBSEQUENT EVENTS

On December 9, 2014, 400,000 stock options were granted to an employee of the Company. Fifty percent of these options vested immediately and the remaining fifty percent will vest on June 9, 2015. Each option allows the holder to purchase one Common Share at a price of \$0.05 per Common Share until December 9, 2019.