INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015 AND 2014
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements of Integra Gold Corp. (“the Company”), for the nine months ended February 28, 2015, have been prepared by management and have not been reviewed by the Company’s external independent auditors.

Integra Gold Corp.

Condensed Interim Consolidated Financial Statements
Nine Months Ended February 28, 2015 and 2014

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INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	(Unaudited) February 28, 2015	May 31, 2014
ASSETS		
Current		
Cash and cash equivalents	**$ 7,286,771**	$ 1,801,453
Sales tax recoverable	**443,675**	659,187
Accounts receivable	**64,878**	28,347
Mining exploration tax credits recoverable (Note 14)	**898,809**	642,117
Available-for-sale investments (Note 4)	**-**	246,000
Prepaid expenses	**212,703**	324,931
Total Current Assets	**8,906,836**	3,702,035
Due From Related Parties (Note 10)	**22,391**	37,894
Deposits	**472,380**	80,705
Property, Plant and Equipment (Note 6)	**7,479,267**	928,758
Exploration Advances	**22,000**	-
Exploration and Evaluation Assets (Notes 5 and 14)	**35,845,760**	23,829,298
Total Assets	**$ 52,748,634**	$ 28,578,690
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 1,293,581**	$ 1,427,437
Due to related parties (Note 10)	**64,019**	105,594
Other financial liabilities	**13,190**	73,438
Flow-through share premium liability	**1,845,812**	863,998
Total Current Liabilities	**3,216,602**	2,470,467
Non-current Liabilities		
Reclamation and remediation provisions (Note 8)	**5,000,000**	-
Total Liabilities	**8,216,602**	2,470,467
EQUITY		
Share Capital (Notes 9)	**84,420,077**	63,114,988
Reserves	**6,835,298**	5,473,686
Accumulated Other Comprehensive Income (Note 4)	**-**	(292,965)
Deficit	**(46,723,343)**	(42,187,486)
Total Equity	**44,532,032**	26,108,223
Total Liabilities and Equity	**$ 52,748,634**	$ 28,578,690

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

INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars) (Unaudited)

	Three Months Ended February 28		Nine Months Ended February 28	
	2015	2014	**2015**	2014
Expenses				
Compensation and benefits (Note 10)	**$ 335,495**	$ 162,555	**$ 829,636**	$ 422,369
Corporate development and marketing	**218,593**	256,236	**807,247**	526,816
Depreciation (Note 6)	**23,571**	43,896	**60,952**	75,725
Office and administration (Note 10)	**250,341**	132,140	**671,786**	367,743
Professional fees (Note 10)	**251,802**	86,427	**1,462,171**	215,838
Regulatory fees	**65,029**	58,320	**179,734**	104,298
Share-based payments	**777,431**	444,257	**1,069,938**	493,007
Loss Before Other Income (Expense) And Income Taxes	**(1,922,262)**	(1,183,831)	**(5,081,464)**	(2,205,796)
Other Income (Expense)				
Interest and foreign exchange	**8,109**	12,699	**37,557**	32,657
Reversal of prior-period accruals	**-**	84,546	**-**	84,546
Loss on available-for-sale investments	**(1,311,800)**	-	**(1,311,800)**	(375,902)
Gain on equipment sold	**2,500**	-	**4,300**	-
Rental income	**47,500**	-	**65,357**	20,967
	(1,253,691)	97,245	**(1,204,586)**	(237,732)
Loss Before Income Taxes	**(3,175,953)**	(1,086,586)	**(6,286,050)**	(2,443,528)
Deferred Income Tax Recovery	**749,428**	389,300	**1,750,193**	1,195,988
Net Loss (Income) For The Period	**(2,426,525)**	(697,286)	**(4,535,857)**	(1,247,540)
Other Comprehensive Loss				
Change in fair value of available-for-sale investments	**-**	156,000	**(836,778)**	30,000
Reclassification of loss realized on sale of available-for-sale investments	**1,129,743**	**-**	**1,129,743**	318,173
Comprehensive Loss For The Period	**$ (1,296,782)**	$ (541,286)	**$ (4,242,892)**	$ (899,367)
Loss Per Share, Basic and Diluted	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.01)
Weighted Average Number Of Shares Outstanding, Basic and Diluted	**233,401,909**	128,023,716	**201,588,678**	108,874,386

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

INTEGRA GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars) (Unaudited)

	Share Capital		Reserves			
	Number	**Amount**	**Share-Based Payments**	**Accumulated Other Comprehensive Income**	**Deficit**	**Total**
Balance, May 31, 2013	86,498,407	$ 56,214,507	$ 4,585,341	$ (563,138)	$ (40,396,457)	$ 19,840,253
Issue of shares for mineral properties	70,000	12,600	-	-	-	12,600
Private placements – Flow-through shares	35,358,471	7,688,500	-	-	-	7,688,500
Private placements – Non flow-through shares	12,304,535	1,956,334	-	-	-	1,956,334
Flow-through share premium	-	(2,039,214)	-	-	-	(2,039,214)
Share issue costs - cash	-	(679,660)	-	-	-	(679,660)
Share issue costs - warrants	-	(342,900)				(342,900)
Share-based payments – compensation warrants	-	-	128,000	-	-	128,000
Share-based payments – warrants (extended and re-priced)	-	-	214,900			214,900
Share-based payments – options	-	-	493,007	-	-	493,007
Share-based payments – options exercised	150,000	71,793	(38,793)			33,000
Share-based payments – warrants exercised	453,305	122,392				122,392
Share advance (compensation warrants)	-	17,993				17,993
Reclassification of loss realized on sale of available-for-sale investments	-	-	-	318,173	-	318,173
Other comprehensive loss	-	-	-	30,000	-	30,000
Net loss for the period	-	-	-	-	(1,247,540)	(1,247,540)
Balance, February 28, 2014	134,834,718	63,022,345	5,382,455	(214,965)	(41,643,997)	26,545,838
Balance, May 31, 2014	135,001,358	63,114,988	5,473,686	(292,965)	(42,187,486)	26,108,223
Issue of shares for mineral properties	120,000	32,300	-	-	-	32,300
Private placements – Flow-through shares	48,956,173	12,188,056	-	-	-	12,188,056
Private placements – Non flow-through shares	30,156,757	6,031,352	-	-	-	6,031,352
Issue of shares - share swap	5,000,000	1,000,000	-	-	-	1,000,000
Issue of shares – Sigma acquisition	25,000,000	6,250,000	-	-	-	6,250,000
Flow-through share premium	-	(2,732,007)	-	-	-	(2,732,007)
Share issue costs - cash	-	(1,234,438)	-	-	-	(1,234,438)
Share issue costs - warrants	-	(309,000)	-	-	-	(309,000)
Share-based payments – options	-	-	1,069,939	-	-	1,069,939
Share-based payments – compensation warrants	-	-	309,000	-	-	309,000
Share-based payments – options exercised	112,500	39,826	(17,327)	-	-	22,499
Share-based payments – warrants exercised	150,000	39,000	-	-	-	39,000
Reclassification of loss realized on sale of available-for-sale investments	-	-	-	1,129,743	-	1,129,743
OCI - Current	-	-	-	(836,778)	-	(836,778)
Net loss for the period	-	-	-	-	(4,535,857)	(4,535,857)
Balance, February 28, 2015	**244,496,788**	**$ 84,420,077**	**$ 6,835,298**	**$ -**	**$ (46,723,343)**	**$ 44,532,032**

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

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

	Nine Months Ended February 28	
	2015	2014
Operating Activities		
Net loss (income) for the period	**$ (4,535,857)**	$ (1,247,540)
Non-cash items:		
Depreciation	**60,952**	50,725
Loss on sale of marketable securities	**1,311,800**	-
Share-based payments	**1,052,611**	797,114
Deferred income tax recovery	**(1,750,193)**	(1,195,988)
Changes in non-cash operating assets and liabilities:		
Accounts receivable	**(36,531)**	49,897
Accounts receivable – related parties	**15,503**	12,000
Sales taxes recoverable	**215,512**	323,921
Prepaid expenses and deposits	**(279,447)**	(434,794)
Accounts payable and other financial liabilities	**410,877**	1,107,410
Due to related parties	**(41,575)**	(52,981)
Cash Used In Operating Activities	**(3,576,348)**	(590,236)
Investing Activities		
Additions to property, plant and equipment	**(580,210)**	(89,791)
Exploration advance	**(22,000)**	(17,500)
Exploration costs, net of mining tax credits	**(7,627,085)**	(5,444,941)
Cash Used In Investing Activities	**(8,229,295)**	(5,552,232)
Financing Activities		
Issue of common shares for cash	**18,280,907**	10,557,048
Share issue costs	**(1,217,111)**	(1,022,560)
Proceeds of sale of marketable securities	**227,165**	-
Cash Provided By Financing Activities	**17,290,961**	9,534,488
Net Increase In Cash and Cash Equivalents	**5,485,318**	3,392,020
Cash and Cash Equivalents, Beginning Of Period	**1,801,453**	1,632,791
Cash and Cash Equivalents, End Of Period	**$ 7,286,771**	$5,024,811
Cash paid for interest	**$ -**	$ -
Cash paid for income taxes	**$ -**	$ -
Cash paid for Part XII.6 tax	**$ 15,585**	$ 17,710

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

1. NATURE OF OPERATIONS

Integra Gold Corp. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada. The Company is a public company listed on the TSX Venture Exchange (the "TSX.V") trading under the symbol "ICG." The address of the Company's corporate office and principal place of business is Suite 2270, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

The Company is an exploration stage resource company engaged in the acquisition and exploration of mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company currently has no revenues from mineral producing operations. The operations of the Company have been funded by the issuance of common shares.

The Company currently holds a number of properties in Canada: the Company's flagship Lamaque South Gold Project ("Lamaque South, previously referred to as "Lamaque) and the Sigma-Lamaque property in Val-d'Or, Québec, properties within the Abitibi Greenstone Belt in Québec and Ontario, and one property in British Columbia.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements of the Company for the nine months ended February 28, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically, IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements should be read in conjunction with the Company's May 31, 2014 audited annual financial statements.

The significant accounting policies applied in these financial statements are based on the IFRS issued and outstanding policies as of April 28, 2015, the date the Board of Directors approved the financial statements.

The following standards are changes in accounting policies that have occurred after the year ended May 31, 2014:

Application of new and revised accounting standards

The Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. Adoption of these new and amended standards have had no significant effect on the Company's financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amended) clarifies the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement.

IAS 36 *Impairment of Assets (Amended)* outlines additional disclosures that are required with regards to the recoverable amount of impaired assets.

2. BASIS OF PRESENTATION (Continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 7955677 Canada Inc. and Integra Gold (Québec) Inc. The financial statements of the subsidiaries are prepared using consistent accounting policies and reporting dates of the Company. All inter-company transactions and balances are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Items of property, plant and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Plant and equipment are amortized on a straight-line basis over their estimated useful lives at the following rates:

Building	4%
Computer	25%
Office equipment	20%
Vehicle	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate. During the year of acquisition, depreciation is recorded at one-half the annual rate.

b) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is adjusted for changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the periods in which they occur.

(Expressed in Canadian dollars) (Unaudited)

4. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments consist of an investment in the common shares of a publicly traded company on the Toronto Stock Exchange and the fair value of the investment has been determined directly by reference to published market price quotations.

The cost and fair value of the Company's investment in the common shares of this TSX listed Company are as follows:

Cost	
Balance, June 1, 2013	**$1,239,000**
Additions	**-**
Dispositions	**(700,035)**
Balance, May 31, 2014	**538,965**
Additions	**1,000,000**
Dispositions	**(1,538,965)**
Balance, February 28, 2015	**$ -**
Accumulated unrealized holding losses	
Balance, June 1, 2013	**$563,138**
Additions	**48,000**
Dispositions	**(318,173)**
Balance, May 31, 2014	**292,965**
Additions	**836,778**
Dispositions	**(1,129,743)**
Balance, February 28, 2015	**-**
Carrying value	
Balance, February 28, 2015	**$ -**

In the quarter, all remaining available-for-sale investments were sold for net proceeds of $227,165, and a loss on sale of $182,057.

(Expressed in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

	February 28, 2015		
	ACQUISITION COSTS AND OPTION PAYMENTS	**DEFERRED EXPLORATION COSTS**	**TOTAL**
Lamaque South Property, Québec	**$ 979,083**	**$ 27,698,252**	**$ 28,677,335**
Sigma General, Québec	**5,443,750**	**751,023**	**6,194,773**
Sigma Aumaque, Québec	**-**	**19,826**	**19,826**
Sigma II, Québec	**-**	**35,369**	**35,369**
Sigma North, Québec	**-**	**-**	**-**
Sigma East, Québec	**-**	**-**	**-**
Sigma - Main, Québec	**-**	**38,928**	**38,928**
Roc d'Or Extension Property, Québec	**48,750**	**97,328**	**146,078**
Bourlamaque Property, Québec	**14,000**	**2,778**	**16,778**
MacGregor Property, Québec	**92,300**	**29,795**	**122,095**
Donald Property, Québec	**245,000**	**30,189**	**275,189**
Golden Valley Group, Québec and Ontario	**130,483**	**100,955**	**231,438**
Char Property, British Columbia	**34,800**	**53,151**	**87,951**
	$ 6,988,166	**$ 28,857,594**	**$ 35,845,760**

	May 31, 2014		
	ACQUISITION COSTS AND OPTION PAYMENTS	DEFERRED EXPLORATION COSTS	TOTAL
Lamaque South Property, Québec	$ 979,083	$ 22,128,101	$ 23,107,184
Roc d'Or Extension Property, Québec	48,750	97,328	146,078
Bourlamaque Property, Québec	14,000	2,778	16,778
MacGregor Property, Québec	67,500	29,796	97,296
Donald Property, Québec	117,500	27,275	144,775
Golden Valley Group, Québec and Ontario	130,483	98,753	229,236
Char Property, British Columbia	34,800	53,151	87,951
	$ 1,392,116	$ 22,437,182	$ 23,829,298

MacGregor Property

On June 27, 2014, the Company issued 20,000 shares and paid $20,000 per its agreement to acquire a 100% interest in the MacGregor property. Consideration for the property is $90,000 ($70,000 paid) and 140,000 shares (90,000 issued), all payable over a period of four years. There is also a 2% NSR royalty, one-half (1%) of which may be purchased for $500,000.

Donald Property

In January 2012, the Company enter into an agreement to acquire a 100% interest in the Donald property located directly east of the Lamaque property. Consideration for the property was $175,000 (fully paid) and 250,000 shares (issued). There is a 3% gross metal royalty payable, one-third (1%) of which may be purchased for $750,000.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Sigma Property

On October 8, 2014, the Company executed an Asset Purchase Agreement to acquire the Sigma-Lamaque Milling Facility and Mines (the "Mill Property"), adjacent to Integra's Lamaque South project in Val-d'Or, Québec. The Mill Property was acquired from Samson Bélair/Deloitte & Touche Inc., acting as court-appointed receiver of the assets of Century Mining Corporation ("Century"). The aggregate purchase price was $8.05 million, comprised of $1.8 million in cash and 25 million common shares valued at $6.25 million (based on a share price of $0.25 per share).

The assets acquired by Integra include a permitted 2,200 tonne per day milling complex and tailings facility adjacent to Lamaque South, as well as permitted underground infrastructure and all mining concessions and mineral claims on the past-producing property. The value attributed to the mining concessions and claims was $5.4 million. This value is offset by a reclamation liability for the property estimated at $5.0 million (see note 8).

Concurrent with the transaction, the Company also entered into a separate agreement with L. Fournier et Fils Inc. ("Fournier"), a construction materials and mining service company, in which Fournier paid $1,025,000 to Integra in exchange for access and ownership over the waste rock on the Mill Property as well as a portion of certain mining concessions. Fournier also assumed all of the environmental reclamation obligations associated with the waste rock.

(Expressed in Canadian dollars) (Unaudited)

6. PROPERTY, PLANT AND EQUIPMENT

	COMPUTERS	OFFICE FURNITURE AND EQUIPMENT	VEHICLES	LAND	BUILDINGS	TOTAL
COST						
Balance, May 31, 2013	$ 31,229	$ 11,810	$ 21,000	$ 270,983	$ 622,950	$ 957,972
Additions	12,658	98,521	-	-	-	111,179
Balance, May 31, 2014	43,887	110,331	21,000	270,983	622,950	1,069,151
Additions	53,925	861,285	40,000	230,000	5,426,250	6,611,460
Disposals	-	-	(11,000)	-	-	(11,000)
Balance, February 28, 2015	**$ 97,812**	**$ 971,616**	**$ 50,000**	**$ 500,983**	**$ 6,049,200**	**$ 7,669,611**
ACCUMULATED DEPRECIATION						
Balance, May 31, 2013	$ 17,904	$ 2,707	$ 13,250	$ -	$ 36,237	$ 70,098
Depreciation for the year	10,997	23,424	6,083	-	29,791	70,295
Balance, May 31, 2014	28,901	26,131	19,333	-	66,028	140,393
Depreciation for the period	9,224	24,800	4,584	-	22,343	60,951
Disposals	-	-	(11,000)	-	-	(11,000)
Balance, February 28, 2015	**$ 38,125**	**$ 50,931**	**$ 12,917**	**$ -**	**$ 88,371**	**$ 190,344**
CARRYING AMOUNTS						
May 31, 2013	$ 13,325	$ 9,103	$ 7,750	$ 270,983	$ 586,713	$ 887,874
May 31, 2014	$ 14,986	$ 84,200	$ 1,667	$ 270,983	$ 556,922	$ 928,758
February 28, 2015	**$ 56,687**	**$ 920,685**	**$ 37,083**	**$ 500,983**	**$ 5,960,829**	**$ 7,479,267**

(Expressed in Canadian dollars) (Unaudited)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

On October 8, 2014, as a part of the Asset Purchase Agreement to acquire the Sigma-Lamaque Mil Property, the Company acquired the following assets:

Land	Mill Facility	Production Equipment	Vehicles	Total
$230,000	**$5,426,250**	**$835,000**	**$40,000**	**$6,531,250**

Included in the purchase was a crusher (in Production Equipment) for which Integra paid $500,000 directly to a leasing company that had provided the equipment to Century Mining Corp. The remaining assets, valued at $6,031,250 were purchased from Samson Bélair/Deloitte & Touche Inc., acting as court-appointed receiver of the assets of Century Mining Corp.

The acquired mill assets were estimated by a third party to have a replacement value of approximately $100 million. However, IFRS 3 requires that the assets be recorded at fair value. As the assets were acquired out of receivership through an open bidding process, the fair value was deemed to be the price paid for the assets plus the cost of the liabilities assumed by the Company. The total fair value of the transaction including the value of the liabilities assumed but excluding the waste rock which was subsequently sold amounted to $11,975,000, of which $5,443,750 was recorded as Exploration and Evaluation Assets and the remainder recorded as Property, Plant and Equipment.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities were as follows:

	February 28, 2015	May 31, 2014
Accounts Payable		
<30 days	**$ 620,153**	$ 347,905
31 – 60 days	**9,996**	874,838
61 - 90 days	**378,908**	59,871
91 to 1 year	**5,040**	14,823
Total Accounts Payable	**1,014,097**	1,297,437
Accrued Liabilities	**279,484**	130,000
Total Accounts Payable and Accrued Liabilities	**$ 1,293,581**	$ 1,427,437

The balance in 61 – 90 days related to professional fees that were in dispute. Subsequent to the end of the quarter, the Company and the creditor agreed on a revised amount which was paid in full.

As at February 28, 2015 the Company has accrued the following liabilities: $130,000 on the Lamaque property for remediation work as per an agreement with government authorities and $145,000 for compensation and other professional fees.

8. PROVISIONS AND CONTINGENCIES

Reclamation Costs

The Company has taken a provision of $5 million for the reclamation work associated with the Mill Property acquisition. The provision is based on a study prepared by a third party environmental and engineering firm and has been approved by the Québec Ministry of Energy and Natural Resources ("MERN"). Timing of outflows are based on life of mine plans and are subject to change. The majority of costs are currently expected to be incurred in 2021 or later. As part of the acquisition, the Company gained title to a pre-existing $2.5 million bond held by MERN which will be released to Integra once reclamation work has been completed and approved.

Restricted Share Units

On February 20, 2015, the Company granted 4,500,000 restricted share units ("RSUs") to its directors, officers and senior employees under its RSU Plan (the "RSU Plan"). The grant is contingent on ratification of the RSU Plan by disinterested shareholders at the Company's next Annual General Meeting (expected to be in late 2015). If ratified, the RSUs will vest as to 25% on the date of disinterested shareholder approval, and 25% on each February 20, 2016, August 20, 2016 and February 20, 2017. For equity-settled awards, the fair value of the RSUs is recognized as compensation expense over the period that related services are rendered with a corresponding increase in equity. The total amount expensed is recognized over a two-year vesting period on a tranche basis, which is the period over which all the specified vesting conditions should be satisfied. These RSUs had a grant-date fair value of $1,327,500. Compensation expenses related to these RSUs for the quarter was nil. If the plan is ratified, the Company will expense $1,327,500 as follows: $663,750 at February 28, 2016, $331,875 on August 31, 2016 and $331,875 on February 28, 2017.

9. SHARE CAPITAL

a) Authorized: Unlimited number of shares without par value.

b) Issued

Period ended February 28, 2015:

- On December 30, 2014, the Company closed a "bought deal" private placement (the "Offering"). The Company issued 21,893,382 flow through common shares at a price of $0.23 and 11,625,208 Québec super flow-through common shares at a price of $0.27, for total proceeds of $8,174,284. The Company paid $616,098 in finders' fees and legal expenses in conjunction with the private placement and granted 1,675,930 compensation warrants. The compensation warrants entitle the holder to purchase one common share at a price of $0.23 for 12 months following closing of the Offering.

- On October 7, 2014, the Company issued 25,000,000 common shares at a price of $0.25, as a part of the Asset Purchase Agreement for the Mill Property acquisition.

(Expressed in Canadian dollars) (Unaudited)

9. SHARE CAPITAL (Continued)

b) Issued (Continued)

- On June 27, 2014, the Company closed its non-brokered private placement (the "Offering") announced on June 10, 2014, for gross proceeds of $10,045,123. The Company issued 30,156,757 Non-flow through units ("the "Non-Flow Through Units") at a price of $0.20 and 13,997,591 Québec flow through shares ("Québec FT Shares") at a price of $0.26 and 1,439,992 National flow through shares ("National FT Shares") at a price of $0.26. Each Non-Flow Through Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $0.30 for 24 months following closing of the Offering. The Company paid finders' fees of $613,940 in conjunction with the Offering and granted 2,645,568 compensation warrants with an expiry date of June 27, 2016. The compensation warrants entitle the holder to purchase one common share at a price of $0.26 for 24 months following closing of the Offering. The Company's officers and directors' participation in the private placement totaled $219,698.
- On June 27, 2014, the Company entered into a share purchase agreement with a TSX listed Company. Pursuant to the agreement, the Company issued 5,000,000 common shares at a price of $0.20 per common share in exchange for 2,222,222 common shares of this TSX listed Company at $0.45 per common share, representing a value of $1,000,000. As a part of this transaction, the Company also issued 5,000,000 warrants at a price of $0.30, and an expiry date of June 27, 2016.

c) Warrants

A summary of the changes in warrants to acquire an equivalent number of shares as at February 28, 2015 was as follows:

	WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Warrants outstanding, May 31, 2013	25,382,678	$ 0.48
Expired	(12,984,045)	0.35
Exercised	(519,945)	0.27
Granted	9,135,464	0.24
Warrants outstanding, May 31, 2014	21,014,152	0.45
Granted	35,156,757	0.30
Granted	2,645,568	0.26
Granted	1,675,930	0.23
Exercised	(150,000)	0.26
Expired	(9,926,466)	0.60
Warrants outstanding, February 28, 2015	**50,415,941***	**$ 0.30**

*1,225,158 warrants exercised subsequent to the quarter end at an average exercise price of $0.24.

(Expressed in Canadian dollars) (Unaudited)

9. SHARE CAPITAL (Continued)

c) Warrants (Continued)

The Company had outstanding share purchase warrants as at February 28, 2015 as follows:

WARRANTS	EXERCISE PRICE	EXPIRY DATE
1,672,701	$ 0.26	June 18, 2015
53,846	$ 0.26	June 30, 2015
251,660	$ 0.26	July 1, 2015
2,104,676	$ 0.26	July 22, 2015
2,446,602	$ 0.23	August 9, 2015
1,084,250	$ 0.23	August 27, 2015
1,521,729	$ 0.23	September 4, 2015
1,493,100	$ 0.85	December 29, 2015
459,122	$ 0.26	December 29, 2015
1,675,930	$ 0.23	December 30, 2015
35,156,757	$ 0.30	June 27 2016
2,495,568	$ 0.26	June 27 2016
50,415,941*		

*1,225,158 warrants exercised subsequent to the quarter end at an average exercise price of $0.24.

As at February 28, 2015, the weighted average remaining contractual life of the share purchase warrants was 1.13 years (2014 – 0.75 years) and the weighted average exercise price was $0.30 (2014 - $0.50).

Period ended February 28, 2015:

On December 30, 2014, the Company granted 1,675,930 compensation warrants to brokers in connection with its December 2014 private placement. As a result, share issue costs and share-based payments reserves were increased by $80,000. The compensation warrants were measured using the Black-Scholes Model. The fair value of the compensation warrants was estimated on the issue date with the following assumptions: i) exercise price per share of $0.23; ii) expected share price volatility 72.92%; iii) risk free interest rate of 0.99%; iv) expected life of one year; v) forfeiture rate of 0%; and vi) no dividend yield.

On June 27, 2014, the Company granted 2,645,568 compensation warrants to brokers in connection with its June 2014 private placement. As a result, share issue costs and share-based payments reserves were increased by $229,000. The compensation warrants were measured using the Black-Scholes Model. The fair value of the compensation warrants was estimated on the issue date with the following assumptions: i) exercise price per share of $0.26; ii) expected share price volatility 75.43%; iii) risk free interest rate of 1.10%; iv) expected life of 2 years; v) forfeiture rate of 0%; and vi) no dividend yield.

(Expressed in Canadian dollars) (Unaudited)

9. SHARE CAPITAL (Continued)

d) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company exercisable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares at the date of the grant. 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 discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX-V policy), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options vest on terms determined by the directors and may vest immediately on the grant date. Stock options granted to consultants are subject to minimum vesting restrictions such that one quarter of the options shall vest on each of the grant date and three, six and twelve months thereafter.

A summary of the changes in stock options as at February 28, 2015 is as follows:

	STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, May 31, 2013	6,847,000	$ 0.28
Cancelled/expired	(687,500)	0.28
Exercised	(230,000)	0.25
Granted	4,500,000	0.21
Options outstanding, May 31, 2014	10,429,500	0.25
Granted	7,975,000	0.28
Cancelled/expired	(377,500)	0.24
Exercised	(112,500)	0.20
Options outstanding, February 28, 2015	**17,914,500***	**$ 0.27**

*150,000 options exercises subsequent to the period end at an average price of $0.20.

On February 20, 2015, the Company granted 5,575,000 stock options to its directors, officers and employees in accordance with its stock option plan. The options were priced at $0.30, vest 25% every six months, and expire in seven years. The fair value of the stock based compensation options was estimated on the date of grant in the amount of $1,411,400 ($735,109 expensed in the current period) with the following assumptions: i) exercise price per share of $0.30; ii) expected share price volatility of 105.72%; iii) risk free interest rate of 1.05%; iv) expected life of 7 years; and v) no dividend yield.

On October 9, 2014, the Company granted 800,000 stock options to its Chief Operating Officer in accordance with its stock option plan. The options were priced at $0.245, vest 25% every six months, and expire in seven years. The fair value of the stock based compensation options was estimated on the date of grant in the amount of $170,000 ($88,540 expensed in the current period) with the following assumptions: i) exercise price per share of $0.245; ii) expected share price volatility of 106.00%; iii) risk free interest rate of 1.68%; iv) expected life of 7 years; and v) no dividend yield.

On September 24, 2014, the Company granted 1,300,000 stock options to consultants, officers, and directors of the Company in accordance with its stock option plan. The options were priced at $0.24, vest 25% every six months, and expire in seven years. The fair value of the stock based compensation options was estimated on the date of grant in the amount of $264,800 ($137,913 expensed in the current period) with the following assumptions: i) exercise price per share of $0.24; ii) expected share price volatility of 105.87%; iii) risk free interest rate of 1.82%; iv) expected life of 7 years; and v) no dividend yield.

(Expressed in Canadian dollars) (Unaudited)

9. SHARE CAPITAL (Continued)

d) Stock Options (Continued)

On June 27, 2014, the Company granted 300,000 incentive stock options to employees and consultants of the Company in accordance with its stock option plan. The options were priced at $0.25, vest 25% every six months, and expire in seven years. The fair value of the stock based compensation options was estimated on the date of grant in the amount of $58,400 ($36,043 expensed in the current period) with the following assumptions: i) exercise price per share of $0.25; ii) expected share price volatility of 107.11%; iii) risk free interest rate of 1.85%; iv) expected life of 7 years; and v) no dividend yield.

The Company had outstanding stock options as at February 28, 2015 as follows:

OPTIONS OUTSTANDING	OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
88,000	88,000	$ 0.30	September 22, 2016
170,000	170,000	$ 0.30	March 1, 2017
950,000	950,000	$ 0.30	November 7, 2017
520,000	520,000	$ 0.21	January 22, 2018
1,451,500	1,451,500	$ 0.30	January 23, 2018
20,000	20,000	$ 0.24	January 28, 2018
400,000	400,000	$ 0.25	March 20, 2018
300,000	300,000	$ 0.20	August 2, 2018
1,250,000	1,250,000	$ 0.22	September 11, 2018
50,000	50,000	$ 0.275	November 3, 2018
540,000	540,000	$ 0.40	December 14, 2018
250,000	250,000	$ 0.39	March 6, 2019
3,650,000	3,137,500	$ 0.20	January 29, 2021
300,000	300,000	$ 0.34	March 13, 2021
300,000	150,000	$ 0.25	June 27, 2021
1,300,000	325,000	$ 0.24	September 24, 2021
800,000	200,000	$ 0.245	October 9, 2021
5,575,000	1,393,750	$ 0.30	February 20, 2022
17,914,500	**11,495,750**		

As at February 28, 2015, the weighted average remaining contractual life of the options was 5.41 years (2014 – 5.17 years), and the weighted average exercise price was $0.27 (2014 - $0.25).

e) Flow-Through Commitments

During the current period, the Company renounced $12,188,056 of qualifying Canadian exploration expenses (“CEE”) it was committed to incur on or before December 31, 2015. The total obligation including tax credits is estimated to be approximately $15.1 million. The Company incurred qualifying expenses of $3,840,017 during the current period and $2,002,431 subsequently, reducing this obligation to approximately $9.3 million. Commencing February 1, 2015, the Company was liable to pay Part XII.6 tax on the unspent portion of the commitment, which it has accrued.

During the year ended May 31, 2014, the Company renounced $7,688,500 of qualifying CEE it was committed to incur on or before December 31, 2014. The Company fulfilled this obligation by the end of October 2014 and paid $15,585 in Part XII.6 tax.

(Expressed in Canadian dollars) (Unaudited)

10. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

All related party transactions were within the normal course of business and have been recorded at amounts agreed to by the transacting parties. Amounts due to and due from related parties do not bear interest, are unsecured, and have no fixed payment terms.

As at February 28, 2015, $64,019 (2014 - $105,594) was owed to related parties and $22,391 (2014 - $37,894) was due from related parties.

Included in office and administrative expenses are fees charged by a private company wholly owned by the Company's Corporate Secretary for the provision of corporate and accounting services. For the current period these fees amounted to $246,502 (2014 - $136,921). Within Compensation and Benefits are management and directors' fees of $591,115 (2014 - $270,429). Within Professional fees there are $327,428 (2014 - $104,840) of related party consulting fees.

Key Management Compensation:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel was as follows:

	NINE MONTHS ENDED FEBRUARY 28	
	2015	2014
Short-term employment benefits	**$ 1,240,276**	$ 704,428
Share-based payments	**738,342**	395,883
Total	**$ 1,978,618**	$ 1,100,311

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities conducted by the Company during the nine months ended February 28, 2015 and 2014 are as follows:

	NINE MONTHS ENDED FEBRUARY 28,	
	2015	2014
Non-cash investing activities:		
Purchase of marketable securities	**$ 1,000,000**	$ -
Purchase of property, plant and equipment	**6,061,250**	12,600
Purchase of exploration and evaluation assets	**5,251,050**	
Provision for decommissioning liabilities	**(5,000,000)**	
Non-cash financing activities:		
Shares issued for marketable securities	**$ (1,000,000)**	$ -
Shares issued for property, plant and equipment	**(6,031,250)**	-
Shares issued for exploration and evaluation assets	**(251,050)**	(12,600)
Warrants extended and re-priced		214,900
Share issuance costs, non-cash	**(309,000)**	128,000

Non-cash share issuance costs all related to compensation warrants granted to brokers in connection with the Company's private placements during the period.

(Expressed in Canadian dollars) (Unaudited)

12. COMMITMENTS

As at February 28, 2015, the Company was committed to the following payments under equipment and office lease agreements:

2015	$	145,132
2016		251,873
2017		184,589
2018		158,689
2019		88,264
2020		310
	$	828,857

13. SUBSEQUENT EVENTS

- On April 22, 2015, the Company closed the first tranche of its private placement announced on April 8, 2015 (amended on April 20, 2015). The Company entered into an agreement with Macquarie Capital Markets Canada Ltd. and Paradigm Capital Inc. on behalf of a syndicate of underwriters (together the "Underwriters"), whereby the Underwriters purchased on a bought-deal private placement basis 17,998,848 flow-through common shares and 20,490,100 common shares from the Company at a price of $0.33 per flow-through share and $0.28 per common share for aggregate gross proceeds to the Company of $11,676,848 (the "Offering"). In consideration for their services, the Underwriters will receive a cash commission equal to 6% of the gross proceeds of the Offering. As additional consideration, the Company has agreed to pay to the Underwriters a number of broker warrants equal to 5% of the common shares and flow-through shares issued under the Offering. The second tranche of 4,200,000 flow-through shares is expected to close in early May, 2015 for additional gross proceeds of $1,386,000.
- On March 30, 2015, the Company announced it had filed its independent NI 43-101 Technical Report on SEDAR including an updated mineral resource estimate for the Lamaque Gold Project located in Val d'Or, Quebec.
- On March 20, 2015, the Company granted 620,000 incentive stock options exercisable at $0.30 per share for a period of seven years to its directors, officers, and employees. The Company also granted 250,000 restricted share units to a director of the Company (subject to ratification by disinterested shareholders at the Company's 2015 Annual General Meeting).
- On March 13, 2015, the Company received 910,000 common shares of a publicly listed company (the "Debtor") in accordance with a debt settlement agreement signed with the Debtor. The payment of shares reduced the Company's accounts receivable by $45,500.
- Subsequent to the period end, 1,225,158 warrants were exercised for total proceeds of $298,939 (Note 9(c)).

(Expressed in Canadian dollars) (Unaudited)

14. SCHEDULE OF EXPLORATION AND EVALUATION COSTS – PERIOD ENDED FEBRUARY 28, 2015

	LAMAQUE GROUP QUÉBEC	SIGMA GROUP QUÉBEC	GOLDEN VALLEY GROUP QUÉBEC	GOLDEN VALLEY GROUP ONTARIO	BC PROPERTIES	TOTAL
Acquisition Costs						
Opening balance-acquisition	$ 1,226,833	$ -	$ 60,000	$ 70,483	$ 34,800	$ 1,392,116
Staking costs	-		-	-	-	-
Property payments - cash	120,000	1,250,000	-	-	-	1,370,000
Property payments – shares	32,300	6,250,000	-	-	-	6,282,300
Reclamation bond		2,500,000				2,500,000
Decommissioning Provision		2,500,000				2,500,000
Sale/transfer*		(7,056,250)				(7,056,250)
Royalty transfer	-	-	-	-	-	-
Ending balance – acquisition costs	1,379,133	5,443,750	60,000	70,483	34,800	6,988,166
Exploration Costs						
Opening balance-exploration	22,285,277		35,921	62,833	53,151	22,437,182
Consulting	132,728	-	-	-	-	132,728
Payroll	953,753	9,376	-	-	-	963,129
Drilling	2,079,140	146,838	-	-	-	2,225,978
Geological	1,272,487	35,604	-	1,101	-	1,309,192
Line cutting	-	130,170	-	-	-	130,170
Mapping and sampling	451,815	15,825	-	1,100	-	468,740
Surveys	6,090	2,194	-	-	-	8,284
Field costs and road construction	945,435	26,333	-	-	-	971,768
Site administration, taxes	11,616	411,615	-	-	-	423,231
Government assistance**	(279,999)	67,191	-	-	-	(212,808)
Ending balance, exploration costs	27,858,342	845,146	35,921	65,034	53,151	28,857,594
Balance, February 28, 2015	$ 29,237,475	$ 6,288,896	$ 95,921	$ 135,517	$ 87,951	$ 35,845,760

* As part of the asset purchase agreement, waste rock on the property was immediately sold for proceeds of $1,025,000. $6,031,250 was the value assigned to the mill assets purchased which were transferred to PP&E (see Note 6).

** On July 11, 2014, the Company received $23,307 for its 2012 Québec mining credit. On September 1, 2014, the Company accrued an additional $266,159 for its Québec tax credit and $13,840 for its Québec mining credit for the 2014 fiscal year.

(Expressed in Canadian dollars) (Unaudited)

14. SCHEDULE OF EXPLORATION AND EVALUATION COSTS – YEAR ENDED MAY 31, 2014

	LAMAQUE GROUP	GOLDEN VALLEY GROUP		BC	
	QUÉBEC	QUÉBEC	ONTARIO	PROPERTIES	TOTAL
Acquisition Costs					
Opening balance-acquisition	$ 1,164,233	$ 60,000	$ 70,483	$ 30,400	$ 1,325,116
Staking costs	-	-	-	-	-
Property payments - cash	50,000	-	-	-	50,000
Property payments – shares	12,600	-	-	4,400	17,000
Royalty transfer	-	-	-	-	-
Ending balance – acquisition costs	1,226,833	60,000	70,483	34,800	1,392,116
Exploration Costs					
Opening balance-exploration	13,990,676	35,862	62,366	48,396	14,137,300
Consulting	53,141	-	-	-	53,141
Payroll	772,943	59	417	-	773,419
Drilling	4,224,322	-	-	-	4,224,322
Geological	2,101,764	-	50	4,020	2,105,834
Line cutting	-	-	-	-	-
Mapping and sampling	669,586	-	-	-	669,586
Surveys	89,350	-	-	-	89,350
Field costs and road construction	1,014,965	-	-	735	1,015,700
Site administration, taxes	1,557	-	-	-	1,557
Government assistance*	(633,027)	-	-	-	(633,027)
Ending balance, exploration costs	22,285,277	35,921	62,833	53,151	22,437,182
Balance, May 31, 2014	$ 23,512,110	$ 95,921	$ 133,316	$ 87,951	$ 23,829,298

* On July 15, 2013, the Company received $162,823 for its 2012 Québec tax credit. The balance of $74,680 was received on November 13, 2013; total 2012 Québec tax credit was $237,503.

* On August 29, 2013, the Company received $736,013 for its 2011 Québec tax credit.

* On November 30, 2013, the Company accrued $22,894 for its 2012 mining credit. It subsequently adjusted that amount in January 2014 to $23,307.

* On January 2, 2014, the Company received $35,714 for its 2010 Québec mining credit and $40,309 for its 2011 mining credit. Final 2010, 2011, and 2012 mining credit adjustments were $49,692, leaving only the 2012 mining credit of $23,307 (above) and the 2013 mining credit of $33,990 outstanding.

* On April 7, 2014, The Company received $441,284 for its Fiscal 2013 Québec tax credit.

* On May 31, 2014, the Company accrued $555,913 for its Québec tax credit and $28,907 for its Québec mining credit for the 2014 fiscal year.