

LAKELAND RESOURCES INC.
Suite 1450 – 789 West Pender Street
Vancouver, BC V6C 1H2

NOTICE

**RE: INTERIM FINANCIALS STATEMENTS FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2014**

These third quarter financial statements for the nine months ended September 30, 2014 have not been reviewed by the auditors of Lakeland Resources Inc.

LAKELAND RESOURCES INC.

“Sam Wong”
SAM WONG
Chief Financial Officer



Lakeland Resources Inc.

Interim Financial Statements

Nine Months ended September 30, 2014

(Unaudited - expressed in Canadian Dollars, except where indicated)

Lakeland Resources Inc.

Interim Statements of Financial Position

(unaudited)

(expressed in Canadian dollars, except where indicated)

	Note	September 30, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	3	\$ 2,067,957	\$ 103,292
Taxes receivables	3	16,490	37,892
Marketable securities	3	83,000	6,000
Prepaid expenses		101,665	32,946
		2,269,112	180,130
Exploration and evaluation assets	4	2,687,687	2,007,845
Total assets		\$ 4,956,799	\$ 2,187,975
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	3	\$ 152,660	\$ 145,173
Liability for flow-through shares	5	196,200	-
Total liabilities		348,860	145,173
Equity			
Share capital	6	\$ 6,517,276	\$ 3,172,286
Reserves	7	682,951	424,685
Share subscription receivables	6	-	(10,000)
Deficit		(2,592,288)	(1,544,169)
Total equity		4,607,939	2,042,802
Total liabilities and equity		\$ 4,956,799	\$ 2,187,975

Going concern (Note 2)

Commitments (Note 8)

Approved by the Board of Directors

_____"Jonathan Armes"_____
Director

_____"David Hodge"_____
Director

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

Lakeland Resources Inc.

Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2014 and 2013

(unaudited)

(expressed in Canadian Dollars, except where indicated)

		Three months ended		Nine months ended	
	Notes	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Expenses					
Accounting and audit fees		\$ (800)	\$ (700)	\$ (18,419)	\$ (16,850)
Administration fees	8,9	(37,500)	(37,500)	(112,500)	(75,000)
Advertising and promotion	9	(29,843)	(25,364)	(152,196)	(57,818)
Consulting fees	9	(58,179)	(48,770)	(216,230)	(96,770)
Investor relations	8	(10,000)	(15,000)	(64,145)	(15,000)
Legal fees		(5,830)	(936)	(36,859)	(20,597)
Office and general		(4,365)	(531)	(10,416)	(4,832)
Property investigation costs		-	(15,331)	(27,643)	(75,737)
Share-based payments	7	(149,527)	(69,048)	(229,090)	(80,090)
Transfer agent and filing fees		(12,953)	(4,432)	(38,399)	(16,563)
Travel expenses		(1,004)	(5,632)	(20,352)	(12,646)
		(310,001)	(223,244)	(926,249)	(471,903)
Other (expenses) income, net					
Interest income		1,969	-	2,203	2,987
Unrealized loss on marketable securities	3	(71,500)	-	(163,000)	-
Penalties		-	-	(273)	(487)
Net loss before income taxes		(379,532)	(223,244)	(1,087,319)	(469,403)
Deferred income tax recovery	5	29,476	13,481	39,200	42,359
Net loss and comprehensive loss		\$ (350,056)	\$ (209,763)	\$ (1,048,119)	\$ (427,044)
Loss per share					
Basic & diluted		\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average shares outstanding					
Basic & diluted		49,257,641	24,605,191	35,681,837	22,449,153
Total shares issued and outstanding		54,013,685	29,409,667	54,013,685	29,409,667

The accompanying notes are integral part of these interim financial statements

Lakeland Resources Inc.

Interim Statements of Changes in Equity

For the nine months ended September 30, 2014 and 2013

(unaudited)

(expressed in Canadian Dollars, except where indicated)

	Notes	Shares	Share capital	Reserves	Share subscription receivables	Deficit	Total equity
Balance at January 1, 2014		33,127,162	\$ 3,172,286	\$ 424,685	\$ (10,000)	\$ (1,544,169)	\$ 2,042,802
Issuance of shares for cash	6b	12,357,795	2,830,537	-	10,000	-	2,840,537
Exercise of warrants for cash		2,828,728	424,309	-	-	-	424,309
Exercise of options for cash		650,000	146,693	(76,693)	-	-	70,000
Issuance of shares for exploration and evaluation assess interests	6b	5,050,000	568,500	-	-	-	568,500
Liability for flow-through shares	5	-	(235,400)	-	-	-	(235,400)
Share issuance costs		-	(389,649)	105,869	-	-	(283,780)
Share based payments		-	-	229,090	-	-	229,090
Net loss for the period		-	-	-	-	(1,048,119)	(1,048,119)
Balance at September 30, 2014		54,013,685	\$ 6,517,276	\$ 682,951	\$ -	\$ (2,592,288)	\$ 4,607,939

	Notes	Shares	Share capital	Reserves	Share subscription receivables	Deficit	Total equity
Balance at January 1, 2013		21,672,878	\$ 2,067,066	\$ 233,832	\$ -	\$ (790,870)	\$ 1,510,028
Issuance of shares for exploration and evaluation asset interests	6b	450,000	42,000	-	-	-	42,000
Issuance of shares for cash	6b	7,050,700	705,070	-	-	-	705,070
Issuance of shares for finder's fees		236,089	23,609	-	-	-	23,609
Share issuance costs		-	(55,687)	-	-	-	(55,687)
Share subscriptions received		-	-	-	5,000	-	5,000
Share based payments		-	-	80,090	-	-	80,090
Net loss for the period		-	-	-	-	(427,044)	(427,044)
Balance at September 30, 2013		29,409,667	\$ 2,782,058	\$ 313,922	\$ 5,000	\$ (1,217,914)	\$ 1,883,066

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

Lakeland Resources Inc.
Interim Statements of Cash Flows
For the nine months ended September 30, 2014 and 2013
(unaudited)
(expressed in Canadian Dollars, except where indicated)

		Nine months ended	
	Notes	September 30, 2014	September 30, 2013
Cash flows used in operating activities			
Net loss		\$ (1,048,119)	\$ (427,044)
Items not affecting cash			
Deferred income tax recovery	5	(39,200)	(42,359)
Share based payments	7	229,090	80,090
Unrealized loss on marketable securities	3	163,000	-
		(695,229)	(389,313)
Change in non-cash operating working capital			
Increase in accounts receivable and prepaid expense		(47,317)	(27,311)
Increase in accounts payable and accruals		(15,070)	15,847
		(757,616)	(400,777)
Cash flows from financing activities			
Issuance of shares for cash	6	3,324,846	738,770
Share issue costs		(283,780)	(32,078)
Share subscriptions receivable		10,000	5,000
		3,051,066	711,692
Cash flows used in investing activities			
Proceeds from resource property		100,000	-
Exploration and evaluation asset expenditures		(428,785)	(169,076)
		(328,785)	(169,076)
Increase in cash and cash equivalents		1,964,665	141,839
Cash and cash equivalents - beginning of period		103,292	437,779
Cash and cash equivalents - end of period		\$ 2,067,957	\$ 579,618
Supplemental cash flow information			
Exploration and evaluation expenditures in accounts payable		\$ 134,496	\$ 22,468
Shares issued for property option payment		568,500	42,000
Shares received for property option payment		240,000	-

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

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014
(unaudited)

(expressed in Canadian Dollars, except where indicated)

1 Nature of operations

Lakeland Resources Inc. ("Lakeland" or the "Company") is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia and its shares are listed on the Toronto Venture Exchange ("TSX-V") under the symbol 'LK'. The Company is also listed in Germany on the Frankfurt Stock Exchange ("FSE") under the symbol "6LL" and in the United States of America on the OTCQX under the symbol "LRESF". The Company is principally engaged in the acquisition, exploration, and development of mineral properties.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

2 Basis of preparation

Statement of compliance and accounting policies

These condensed interim statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 3 of the audited financial statements for the year ended December 31, 2013. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2013.

Basis of measurement

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Going concern of operations

These financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management of the Company does not expect that cash flows for the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its development projects.

Significant accounting judgments, estimates and assumptions

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

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The ability of the Company to continue as a going concern for the next fiscal year; and
- Assessment as to whether any impairment exists in the valuation of its assets;

Approval of the financial statements

The interim unaudited financial statements of Lakeland Resources Inc. for the nine months ended September 30, 2014 were approved and authorized for issue by the Board of Directors on November 26, 2014.

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014
(unaudited)

(expressed in Canadian Dollars, except where indicated)

3 Financial instruments

(i) Fair values of financial instruments

The fair values of financial instruments are summarized as follows:

	September 30, 2014		December 31, 2013	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Fair value to profit and loss ("FVTPL")</i>				
Cash and cash equivalents	2,067,957	2,067,957	103,292	103,292
Taxes and other receivables	16,490	16,490	37,892	37,892
Marketable securities	83,000	83,000	6,000	6,000
Financial liabilities				
<i>Other financial liabilities</i>				
Accounts payable & accrued liabilities	152,660	152,660	145,173	145,173

(ii) Fair value measurements

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1	Level 2	Level 3	Total September 30, 2014
Cash and cash equivalents	\$ 2,067,957	\$ -	\$ -	\$ 2,067,957
Marketable securities	\$ 83,000	\$ -	\$ -	\$ 83,000

On October 15, 2013, the Company received 300,000 common shares of New Dimension Resources Ltd. ("New Dimension") pursuant to the option to acquire a 70% interest in the Midas Gold Project (see Note 4). The 300,000 common shares were valued at \$0.025 per share, the closing price of the shares on October 15, 2013. The market value of the common shares is measured using the closing market price of \$0.01 as at September 30, 2014, resulting in a \$3,000 unrealized loss for the 9 months ended September 30, 2014.

On January 8, 2014, the Company received 2,000,000 common shares of Declan Resources Inc. ("Declan") pursuant to the option to acquire a 70% interest Gibbon's Creek Property (see Note 4). The 2,000,000 common shares were valued at \$0.12 per share, the closing price of the shares on January 8, 2014. The market value of the common shares is measured using the closing market price of \$0.04 as at September 30, 2014, resulting in a \$160,000 unrealized loss for the 9 months ended September 30, 2014.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting its cash flows from operations and anticipating investing and financing activities. Senior management is actively involved in the review and approval of planned expenditures. Management believes that the ability to fund operations through cash generated from operations should be sufficient to meet the ongoing capital and operating requirements. As at September 30, 2014, the Company's working capital is \$1,920,252.

In the normal course of business the Company enters into contracts and conducts business activities that give rise to commitments for future minimum payments.

(iv) Currency risk

The Company is not exposed to foreign currency risk on fluctuations as that its assets and liabilities are denominated in Canadian dollars.

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

(v) Credit risk

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The Company limits its exposure to credit risk on liquid assets by maintaining its cash with high-credit quality financial institutions. Management believes the risk of loss of the Company's liquid financial assets to be nominal.

(vi) Interest risk

The Company invests its cash in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. Interest rate risks arising from the Company's operations are not considered material.

(vii) Capital management

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

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

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

4 Exploration and evaluation assets

	Staked Properties	Optioned Properties	Other Properties	Total
Balance, January 1, 2013	\$ -	\$ -	\$ 1,098,774	\$1,098,774
Additions during the year –				
Property acquisition costs				
Cash	-	60,000	66,000	126,000
Shares for property	-	70,500	25,500	96,000
Staking and recording	78,099	7,184	-	85,283
Property exploration costs				
Assays	7,800	490	830	9,120
Field supplies and rentals	20,947	-	174	21,121
Geological and field personnel	479,648	59,115	14,416	553,179
Reports	-	-	6,231	6,231
Travel and accommodation	19,117	-	520	19,637
Total additions during the year	605,611	197,289	113,671	916,571
Proceeds received	-	-	(7,500)	(7,500)
Balance, December 31, 2013	\$605,611	\$197,289	\$1,204,945	\$2,007,845
Additions during the period –				
Property acquisition costs				
Cash	-	166,019	-	166,019
Shares	-	544,500	24,000	568,500
Staking and recording	21,728	6,713	11,550	39,991
Property exploration costs				
Assays	1,017	13,015	1,000	15,032
Field supplies and rentals	-	5,356	-	5,356
Geological and field personnel	22,870	107,949	-	130,819
Reports	-	-	5,000	5,000
Travel	-	89,125	-	89,125
Total additions during the period	45,615	932,677	41,550	1,019,842
Proceeds received	(340,000)	-	-	(340,000)
Balance, September 30, 2014	\$311,226	\$1,129,966	\$1,246,495	\$2,687,687

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

Title to mineral properties 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 its mineral properties, and, to the best of its knowledge, except as described below, they are properly registered and in good standing.

Uranium Properties - Staked

	Uranium properties - staked			
	Gibbon's Creek	Otherside / Riou Lake	Other Uranium Claims	Total
Note	(i)	(ii)	(iii)	
Balance, January 1, 2013	\$ -	\$ -	\$ -	\$ -
Additions during the year –				
Property acquisition costs				
Cash	-	-	-	-
Shares for property	-	-	-	-
Staking and recording	600	27,062	50,437	78,099
Property exploration costs				
Assays	3,668	4,132	-	7,800
Field supplies and rentals	-	20,947	-	20,947
Geological and field personnel	364,474	115,174	-	479,648
Reports	-	-	-	-
Travel and accommodation	-	19,117	-	19,117
Total additions during the year	368,742	186,432	50,437	605,611
Proceeds received	-	-	-	-
Balance, December 31, 2013	\$368,742	\$186,432	\$50,437	\$605,611
Additions during the period –				
Property acquisition costs				
Cash	-	-	-	-
Shares	-	-	-	-
Staking and recording	-	2,344	19,384	21,728
Property exploration costs				
Assays	-	1,017	-	1,017
Geological and field personnel	17,659	703	4,508	22,870
Reports	-	-	-	-
Total additions during the period	17,659	4,064	23,892	45,615
Proceeds received	(340,000)	-	-	(340,000)
Balance, September 30, 2014	\$ 46,401	\$190,496	\$74,329	\$311,226

i) Gibbon's Creek Project

In 2013, the Company acquired, by staking, five claims known as the Gibbon's Creek Property. On December 4, 2013, the Company signed a joint venture agreement with Declan Resources Inc. ("Declan") whereby Declan can earn up to a 70% interest in the Gibbon's Creek Property by incurring \$6,500,000 of staged exploration expenditures, paying \$1,500,000 in cash (\$100,000 received) and issuing 11,000,000 shares (2,000,000 received and fair valued at \$240,000) in staged payments prior to December 31, 2017. On September 29, 2014, the Company announced that it had reached an agreement with Declan to terminate the option agreement.

ii) Riou Lake/Otherside Property

On April 2, 2013, the Company announced that it had acquired, by staking, two uranium projects located in the Athabasca Basin region of Northern Saskatchewan. The Otherside Property is comprised of two mineral claims. The Riou Lake Property is comprised of five mineral claims.

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

iii) Other Uranium Properties

On April 11, 2014, the Company announced that it had acquired five uranium properties, by staking, in the Athabasca Basin region, Saskatchewan. The Lazy Edward Bay Property is comprised of ten mineral claims. The Karen Lake Property is comprised of three mineral claims. The Black Lake Property is comprised of two mineral claims. The Hidden Lake Property is comprised of three mineral claims. The Fedun Lake Property is comprised of two mineral claims.

On April 25, 2013, the Company announced that it had acquired three uranium properties, by staking, in the northern and northeastern part of the Athabasca Basin. The Small Lake Property is comprised of six mineral claims. The Hawkrock Rapids Property is comprised of three mineral claims. The Circle Lake Property is comprised of two mineral claims.

On June 5, 2013, the Company announced that it had acquired two uranium properties, the Richmond Lake Property and Jasper Lake Property, by staking, located within the eastern margin of the Athabasca Basin.

In August 2014, the Company acquired four uranium properties, by staking, in the Athabasca Basin region, Saskatchewan, totalling 17,954 hectares. The Carter Lake Property is comprised of four mineral claims. The Cable Bay Property is comprised of five mineral claims. The Highrock Property is comprised of three mineral claims. The Wright River Property is comprised of eleven mineral claims.

Uranium Properties - Optioned:

	Uranium properties - optioned						
	South Pine/Perch Properties	Star Property Option	Lazy Edward Option	Fond du Lac Option	Newnham Lake Property	Hachet Lake Property	Total
Note	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	
Balance, January 1, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,098,774
Additions during the year – Property acquisition costs							
Cash	20,000	40,000	-	-	-	-	60,000
Shares for property	28,500	42,000	-	-	-	-	70,500
Staking and recording	-	-	7,184	-	-	-	7,184
Property exploration costs							
Assays	490	-	-	-	-	-	490
Field supplies and rentals	-	-	-	-	-	-	-
Geological and field personnel	59,115	-	-	-	-	-	59,115
Reports	-	-	-	-	-	-	-
Travel and accommodation	-	-	-	-	-	-	-
Total additions during the year	108,105	82,000	7,184	-	-	-	197,289
Proceeds received	-	-	-	-	-	-	-
Balance, December 31, 2013	\$ 108,105	\$ 82,000	\$ 7,184	\$ -	\$ -	\$ -	\$197,289
Additions during the period – Property acquisition costs							
Cash	30,019	-	5,000	-	117,500	13,500	166,019
Shares	48,000	-	42,500	24,000	375,000	55,000	544,500
Staking and recording	-	-	6,713	-	-	-	6,713
Property exploration costs							
Assays	-	13,015	-	-	-	-	13,015
Field supplies and rentals	-	5,356	-	-	-	-	5,356
Geological and field personnel	23,228	25,644	39,233	15,166	4,678	-	109,949
Travel	-	12,012	49,341	27,763	-	-	89,125
Total additions during the period	101,247	56,036	142,787	66,929	497,178	68,500	932,677
Proceeds received	-	-	-	-	-	-	-
Balance, September 30, 2014	\$ 209,352	\$ 138,036	\$ 149,971	\$ 66,929	\$ 497,178	\$ 68,500	\$1,129,966

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

iv) South Pine Project/Perch Property

On June 4, 2013, the Company signed an agreement with Basin Minerals Ltd. ("Basin") where the Company has the right to earn a 100% interest in the South Pine and Perch Lake Properties by making cash payments totalling \$70,000 (\$40,000 paid as at December 31, 2013 and \$30,000 paid during the nine months ended September 30, 2014) and issuing 1,500,000 common shares (300,000 shares issued with a fair value of \$28,500 during the year ended December 31, 2013 and 400,000 shares issued with a fair value of \$48,000 during the nine months ended September 30, 2014) over a 36 month period. Basin will retain a 2% Net Smelter Royalty ("NSR") on the Properties, 1% of which can be purchased by the Company for \$1 million. Basin will also be entitled to annual advanced royalty payments of \$10,000 which will commence after the Company has earned its interest. The transaction was accepted by the TSX-V on June 11, 2013.

v) Star Minerals Property Option

On November 27, 2013, the Company announced that it signed a Joint Venture Agreement (the "JV Agreement") with Star Minerals Group Ltd. ("Star Minerals") granting Lakeland an option to acquire a 100% interest in two claims located in the Athabasca Basin, Saskatchewan. Under the terms of the joint venture agreement, Lakeland has the right to earn a 100% interest in the two claims by making cash payments totaling \$60,000 (\$40,000 paid in 2013) and issuing 600,000 common shares (400,000 shares issued with a fair value of \$42,000 in 2013) over a 12 month period. Star Minerals will retain the option of a 25% buyback for 4 times the exploration monies spent by the Company to the date that the buyback option is exercised. The buyback option will be exercisable at any time up to a 90 day period following the completion and publication of a NI 43-101 compliant resource estimate. The transaction was approved by the TSX-V on November 28, 2013.

vi) Lazy Edward Bay Property Option

On April 24, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in three claims, formerly known as the Arbour Property, located adjacent to its previously staked Lazy Edward Bay Uranium Property in the southern Athabasca Basin, Saskatchewan. Under the terms of the agreement, the Company has the right to earn a 100% interest in the claims by making a cash payment totaling \$5,000 (paid) and issue 250,000 common shares (issued with a fair value of \$42,500). The transaction was approved by the TSX-V on April 28, 2014.

vii) Fond du Lac Property Option

On June 25, 2014, the Company announced that it entered into an option agreement to acquire a 100% interest in one claim located in the northern Athabasca Basin region, Saskatchewan. Under the terms of the agreement, the Company has the right to earn a 100% interest in the claims by issuing 200,000 common shares (issued with a fair value of \$24,000). The transaction was approved by the TSX-V on June 27, 2014.

viii) Newnham Lake Property

On July 21, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in the Newnham Lake Property. The property is contiguous to the south of the Company's Karen Lake Property. Under the terms of the agreement, the Company has the right to earn a 100% interest in the property by making cash payments totaling \$100,000 (\$37,500 paid) and issuing 2,500,000 common shares (issued July 22, 2014 with a fair value of \$275,000). The transaction was approved by the TSX-V on July 22, 2014.

On August 21, 2014, the Company entered into a purchase agreement with Kalt Industries Ltd. and DG Resource Management Ltd., for the acquisition of the 1333 Property, located near the Company's Newnham Lake Property, for total consideration of up to \$50,000 cash (\$40,000 paid) and the issuance of up to 750,000 common shares of the Company. The Company commits to expend not less than \$1 million dollars in exploration expenditures on or before the date which is 5 years from Exchange approval, of which \$50,000 must be spent in year one. The property is subject to a 3% GORR, to which Lakeland may purchase up to a 1% for \$1 million dollars for up to 5 years from Exchange approval. The transaction was approved by the TSX-V on August 28, 2014.

Lakeland Resources Inc.

Notes to Interim Financial Statements

For the nine months ended September 30, 2014

(unaudited)

(expressed in Canadian Dollars, except where indicated)

On August 27, 2014, the Company entered into an option agreement that includes the acquisition of three mineral claims from Anstag Mining Inc., for total consideration of up to \$50,000 cash (\$40,000 paid) and up to 1,000,000 common shares (issued August 28, 2014 with a fair value of \$100,000). In addition, the Company commits to incur up to \$1.5 million dollars in exploration expenditures on or before 5 years from the Exchange approval date. The property is subject to a 1% gross overriding royalty ("GORR"), to which Lakeland may purchase ½ of the GORR for \$1 million dollars at any time. The transaction was approved by the TSX-V on August 28, 2014.

The Newnham Lake Property is now approximately 24,500 hectares.

ix) Hatchet Lake Property

On July 21, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in the Hatchet Lake Property. The property is located east of the Company's recently purchased Fond du Lac Property. Under the terms of the agreement, the Company has the right to earn a 100% interest in the property by making a cash payment totaling \$13,500 (paid) and issuing 500,000 common shares (issued July 22, 2014 with a fair value of \$55,000). The transaction was approved by the TSX-V on July 22, 2014.

Other Properties

	Other properties				
	Camlaren Property	Midas Gold Property	Ballard Lake Property	Kamichisitit Claims	Total
Note	(x)	(xii)	(xiii)	(xi)	
Balance, January 1, 2013	\$308,303	\$649,579	\$ 32,968	\$107,924	\$1,098,774
Additions during the year –					
Property acquisition costs					
Cash	-	56,000	10,000	-	66,000
Shares for property	-	13,500	12,000	-	25,500
Staking and recording	-	-	-	-	-
Property exploration costs					
Assays	-	830	-	-	830
Field supplies and rentals	-	-	-	174	174
Geological and field personnel	12	10,103	-	4,301	14,416
Reports	-	6,231	-	-	6,231
Travel and accommodation	-	-	-	520	520
Total additions during the year	12	86,664	22,000	4,995	113,671
Proceeds received	-	(7,500)	-	-	(7,500)
Balance, December 31, 2013	\$308,315	\$728,743	\$ 54,968	\$112,919	\$1,204,945
Additions during the period –					
Property acquisition costs					
Cash	-	-	-	-	-
Shares	-	-	24,000	-	24,000
Staking and recording	-	-	-	11,550	11,550
Property exploration costs					
Assays	-	-	-	1,000	1,000
Geological and field personnel	-	-	-	-	-
Reports	-	-	5,000	-	5,000
Total additions during the period	-	-	29,000	12,550	41,550
Proceeds received	-	-	-	-	-
Balance, September 30, 2014	\$308,315	\$728,743	\$ 83,968	\$125,469	\$1,246,495

x) Camlaren Property, Northwest Territories

On August 12, 2010, the Company completed the acquisition of the Camlaren Property, located in the Northwest Territories, from Pasinex Resources Corp. (formerly Triple Dragon Resources Inc.) ("Pasinex"), a CNSX listed company. Pursuant to the

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terms of the Acquisition Agreement, the Company acquired a 100% interest in and to the Camlaren Property in consideration for the issuance of 3,000,000 common shares (issued). The common shares are being held in escrow with an initial 10% released on August 19, 2010 and the remaining shares being released in 15% increments every 6 months. The last release from escrow occurred on August 19, 2013. The acquisition of the Camlaren Property constituted the Company's Qualifying Transaction, as that term is defined in the TSX-V policies.

xi) Kamichisitit Claims

In June 2012, the Company acquired, by staking, 2 claims located in Kamichisitit Township, situated approximately 40 kilometres north of Iron Bridge, Ontario. In June 2014, the Company staked additional claims in the surrounding area.

xii) Midas Gold Property

On December 22, 2010, the Company entered into an option to purchase a 100% interest in and to the Midas Gold Property, Ontario. The agreement was accepted by the TSX-V on April 8, 2011.

The Company will pay the vendors cash considerations as follows:

- i) \$18,000 on signing of the agreement (paid);
- ii) \$21,000 on April 8, 2012 (paid);
- iii) \$24,000 on April 8, 2013 (paid); and
- iv) \$32,000 on April 8, 2014 (paid as at December 31, 2013).

The Company will issue common shares to the vendors as follows:

- i) 150,000 common shares on TSX-V acceptance of the agreement (issued);
- ii) 150,000 common shares on April 8, 2012 (issued); and
- iii) 150,000 common shares on April 8, 2013 (issued).

The Company incurred a total of \$125,000 in exploration expenditures on the Property in the first twelve months following TSX-V acceptance of the agreement. The Vendors will retain a 2% Net Smelter Returns Royalty ("NSR") on the Property; 1% of which can be purchased by the Company for \$1 million.

On September 3, 2013, the Company entered into an option agreement with New Dimension Resources Ltd. ("New Dimension" whereby the Company has granted New Dimension the option to acquire a 70% interest in the Midas Gold Property by spending \$1.2 million in exploration (including a firm commitment of \$300,000 no later than December 31, 2013), issuing 1,500,000 shares (300,000 received on October 15, 2013) and paying \$100,000 on or before December 31, 2016. The property is subject to a 2% NSR to the underlying optionors, a portion of which can be purchased.

xiii) Ballard Lake Property

On February 27, 2012, the Company entered into an option to purchase a 100% interest in and to the Ballard Lake Property, located in Ontario, Canada. The agreement was accepted by the TSX-V on May 23, 2012.

The Company will pay the vendors cash considerations as follows:

- i) \$5,000 on signing of the agreement (paid);
- ii) \$10,000 on May 23, 2013 (paid); and
- iii) \$15,000 on May 23, 2014 (see below).

The Company will issue common shares to the vendors as follows:

- iv) 100,000 common shares on TSX-V acceptance of the agreement (issued);
- v) 100,000 common shares on May 23, 2013 (issued); and
- vi) 100,000 common shares on May 23, 2014 (issued).

The Vendors will retain a 2% NSR on the Property; of which 1% can be purchased by the Company for \$1 million.

On July 8, 2014, the Company received approval to amend the Ballard Lake Property Acquisition Agreement dated March 25, 2012 between the Company and Mike and Mathieu Tremblay (the "Vendors") whereby in lieu of the final payment of

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\$15,000, the Company will issue 100,000 common shares (issued). On July 8, 2014, the Company issued 200,000 common shares (issued with a fair value of \$24,000) to complete the required payments on the Ballard Lake Property.

5 Liability and income tax effect on flow-through shares

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

	Issued on			
	June 7, 2012 (i)	October 16, 2013 (iii)	March 20, 2014 (iv)	Total
Balance – December 31, 2012	\$ 47,410	\$ -	\$ -	\$ 47,410
Liability incurred on flow-through shares issued	-	1,700	-	1,700
Settlement of flow-through shares liability on incurring expenses	(47,410)	(1,700)	-	(49,110)
Balance – December 31, 2013	-	-	-	-
Liability incurred on flow-through shares issued	-	-	235,400	235,400
Settlement of flow-through shares liability on incurring expenses	-	-	(39,200)	(39,200)
Balance – September 30, 2014	\$ -	\$ -	\$ 196,200	\$ 196,200

- i) On June 7, 2012, the Company issued 1,950,000 units on a flow-through basis at \$0.10 per share (see Note 6 (b)) for proceeds of \$195,000, and recognized a liability for flow-through shares of \$117,000.
- ii) On August 30, 2013, the Company issued 1,348,000 units on a flow-through basis at \$0.125 per share (see Note 6 (b)) for gross proceeds of \$168,500 and recognized a liability for flow-through shares of \$nil.
- iii) On October 16, 2013, the Company issued 340,000 units on a flow-through basis at \$0.125 per share (see Note 6 (b)) for gross proceeds of \$42,500 and recognized a liability for flow-through shares of \$1,700.
- iv) On March 20, 2014, the Company issued 5,885,000 units on a flow-through basis at \$0.25 per share (see Note 6 (b)) for gross proceeds of \$1,471,250 and recognized a liability for flow-through shares of \$235,400.

During the nine months ended September 30, 2014, the Company has incurred \$245,000 (December 31, 2013 - \$326,984) of qualified expenditures resulting in the reversal of the liability for flow-through shares and recorded the related net deferred tax effect of \$39,200 (December 31, 2013 - \$49,110). At September 30, 2014, the amount of flow-through proceeds remaining to be expended is \$1,226,250 (2013 - \$nil) and the balance of the liability for flow-through shares related to this private placement is \$196,200 (2013 - \$nil).

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6 Share capital

- a) Authorized: Unlimited number of common shares without nominal or par value.
- b) During the nine months ended September 30, 2014:
 - i) On March 20, 2014 the Company closed a private placement for total gross proceeds of \$2,830,536. Secutor Capital Management Corporation (the “Agent”) was lead agent in connection with the brokered private placement of 5,580,000 Flow-Through Units (“FT Units”) and 6,147,795 ordinary Units (“Units”) for gross proceeds of \$2,686,036 (the “Brokered Private Placement”). In addition, the Company closed a non-brokered private placement of 305,000 FT Units and 325,000 Units for gross proceeds of \$144,500. Each FT Unit consists of one flow-through common share and one half of one non flow-through common share purchase warrant in the capital of the Company. Each whole share purchase warrant (a “Warrant”) is exercisable until March 20, 2015 into one common share of the Company at a price of \$0.30 per common share. Each Unit consists of one common share and one Warrant.

The Company has granted to the Agent an over-allotment option to increase the size of the offering by 20% of the FT Units and Units that are purchased under the private placement. The option is exercisable in whole or in part for a period of 30 days from closing on the same terms as set forth above solely to cover over-allotment. The Company has paid to the Agent a cash commission of 8% of the gross sales of FT Units and Units issued under the Brokered Private Placement and issued to the Agent compensation options equal to 8% of the number of FT Units and Units sold under the Brokered Private Placement, with each compensation option exercisable until March 20, 2015. The compensation options issued in respect of the FT Units are exercisable at \$0.25 per share and those in respect of the Units are exercisable at \$0.21 per share. Finder’s fees were paid on the non-brokered portion of the financing..

- ii) On April 28, 2014, the Company issued 250,000 common shares at a price of \$0.17 per share in accordance with the acquisition agreement on the Lazy Edward Bay Property Agreement.
- iii) On June 04, 2014, the Company issued 400,000 common shares at a price of \$0.12 per share in accordance with the acquisition agreement on the South Pine Property Agreement.
- iv) On June 27, 2014, the Company issued 200,000 common shares at a price of \$0.12 per share in accordance with the acquisition agreement on the Fond du Lac Property Agreement.
- v) On July 8, 2014, the Company issued 200,000 common shares at a price of \$0.12 per share in accordance with the acquisition agreement on the Ballard Lake Property Agreement.
- vi) On July 22, 2014, the Company issued 500,000 common shares at a price of \$0.11 per share in accordance with the acquisition agreement on the Hatchet Lake Property Agreement.
- vii) On July 22, 2014, the Company issued 2,500,000 common shares at a price of \$0.11 per share in accordance with the acquisition agreement on the Newnham Lake Property Agreement.
- viii) On August 28, 2014, the Company issued 1,000,000 common shares at a price of \$0.10 per share in accordance with the acquisition agreement on the Newnham Lake Property Agreement.

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c) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	September 30, 2014		December 31, 2013	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of period	10,504,284	\$ 0.15	1,950,000	\$ 0.15
Expiry	(4,654,879)	0.15	(1,950,000)	0.15
Exercised	(2,828,728)	0.15	-	-
Issuance	10,398,259	0.29	10,504,284	0.15
Outstanding - end of period	13,418,936	\$ 0.26	10,504,284	\$ 0.15

The following warrants were outstanding as at September 30, 2014:

Number of warrants outstanding	Exercise price CAD \$	Expiry Date	Remaining contractual life (years)
3,020,677	0.15	October 16, 2014	0.04
9,415,295	0.30	March 20, 2015	0.47
491,824	0.25	March 20, 2015	0.47
491,140	0.21	March 20, 2015	0.47
13,418,936			

The weighted average remaining life of the warrants outstanding is 0.26 years as at September 30, 2014.

7 Share-based payments

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years.

Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations and consultants vest in stages over 12 months with one quarter of the options vesting in any three month period. The following are the stock option grants during nine months ended September 30, 2014:

- On January 30, 2014, the Company granted 275,000 incentive stock options exercisable at \$0.25 per share and expiring on January 30, 2019 to a consultant and an officer of the Company.
- On August 27, 2014, the Company issued 2,050,000 incentive stock options exercisable at \$0.10 per share and expiring on August 25, 2019 of which 1,325,000 options have been issued to directors, officers and insiders of the Company.

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The following is a summary of option transactions under the Company's stock option plan for the nine months ended September 30, 2014 and the year ended December 31, 2013:

	Nine months ended		Twelve months ended	
	September 30, 2014		December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding - beginning of period	3,295,000	\$ 0.10	1,725,000	\$ 0.11
Grant	2,325,000	0.12	2,045,000	0.10
Exercised	(650,000)	0.11	-	-
Cancelled	-	-	(475,000)	0.10
Outstanding - end of period	4,970,000	\$ 0.11	3,295,000	\$ 0.10

The weighted average fair value of stock options granted is \$0.17 (December 31, 2013 - \$0.10).

The following stock options were outstanding and exercisable as at September 30, 2014:

Expiry Date	Exercise price CAD \$	Number of options	Number of options vested	Remaining contractual life (years)
August 19, 2015	0.10	675,000	675,000	0.88
April 20, 2016	0.15	150,000	150,000	1.56
February 28, 2017	0.10	150,000	150,000	2.42
May 2, 2018	0.10	200,000	200,000	3.59
July 2, 2018	0.10	550,000	550,000	3.76
October 17, 2018	0.10	820,000	820,000	4.05
December 20, 2018	0.12	100,000	100,000	4.22
January 30, 2019	0.25	275,000	275,000	4.34
August 25, 2019	0.10	2,050,000	2,050,000	4.90
Total		2,920,000	2,920,000	

The weighted average remaining life of total stock option outstanding as at September 30, 2014 is 3.82 years (December 31, 2013 - 3.67 years). The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the nine months ended September 30, 2014, the Company issued a total of 2,325,000 (December 31, 2013 - 2,045,000) incentive stock options to directors and consultants of the Company. During the nine months ended September 30, 2014, the options issued and vested resulted in share based payments of \$229,090 (September 30, 2013 - \$80,090).

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The nine months ended fair value of the options granted was calculated using the following assumptions:

	September 30, 2014	September 30, 2013
Expected dividend yield	0.00%	0.00%
Annualized volatility	129-141%	119-136%
Risk-free interest rate	1.54-1.86%	1.15%
Expected life of option	5 years	5 years

8 Commitments

- i) On March 1, 2013, the Company entered into a management services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of administrative and managerial services to the Company at a rate of \$12,500 per month plus applicable taxes commencing April 1, 2013 for a term of 12 months. On March 1, 2014, the agreement was extended through November 30, 2014.
- ii) On March 11, 2013, the Company entered into a consulting services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of consulting services, including but not limited to business development, strategic planning, marketing, financial services, research, and communication products. The agreement is effective for one year, starting March 15, 2014, at a rate of \$5,000 per month plus applicable taxes.
- iii) On July 3, 2013, the Company engaged Network IR ("Network") to develop and execute a comprehensive marketing and investor relations program. The initial term of the agreement is three months, renewable on a monthly basis thereafter on mutual agreement. Network will be paid a monthly fee of \$5,000. Network was also granted stock options to purchase up to 100,000 shares of the company exercisable for five years at a price of \$0.10 per share. On February 24, 2014, the Company announced that it had discontinued the Investor Relations contract with Network IR.
- iv) On September 24, 2013, the Company engaged Transcend Resource Group ("Transcend") to develop and execute a comprehensive marketing and investor relations program. The term of the agreement is three months, renewable on a monthly basis thereafter on mutual agreement. Transcend will be paid a monthly fee of \$5,000. Transcend was also granted stock options to purchase up to 100,000 shares of the company exercisable for five years at a price of \$0.10 per share. Beginning April 1, 2014 the monthly fee to Transcend has been reduced to \$2,500.
- v) On December 20, 2013, the Company announced it has engaged Momentum Public Relations Inc. ("Momentum") to develop and execute a comprehensive marketing and investor relations program. The term of the agreement is twelve months, renewable on a monthly basis thereafter on mutual agreement, starting on January 1, 2014. Momentum will be paid a monthly fee of \$5,000. Momentum was granted stock options to purchase up to 100,000 shares of the company exercisable for five years at a price of \$0.10 per share on December 20, 2013.

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9 Related party transactions

The Company's related parties include key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The Company incurred the following expenses with related parties during:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Administrative fees	\$ 37,500	\$ 37,500	\$ 112,500	\$ 75,000
Advertising expenses	19,000	-	44,000	6,450
Consulting fees	24,166	25,000	92,499	55,000
Share-based payments (non-cash)	59,371	-	95,170	-

Related party amounts are unsecured, non-interest bearing and due on demand. As at September 30, 2014, \$2,517 (December 31, 2013 - \$8,648) of consulting fees due a related party of the Company are included in accounts payable and accrued liabilities.