NORTH COUNTRY GOLD CORP.

Interim Consolidated Condensed Financial Statements

For the three months ended May 31, 2014 and May 31, 2013

To the shareholders of North Country Gold Corp:

The interim consolidated condensed financial statements of North Country Gold Corp. (the “Company”) for the three months ended May 31, 2014 and 2013 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors..

As at	May 31, 2014	February 28, 2014
ASSETS		
Current		
Cash and cash equivalents	**$ 236,932**	$ 615,939
Trade and other receivables (note 4)	**549,667**	468,162
Prepayments and deposits	**187,852**	209,876
	974,451	1,293,977
Long-term receivable	**25,258**	25,258
Investments (note 5)	**34,057**	36,557
Equipment (note 6)	**2,829,588**	3,021,572
Mineral properties (note 7)	**80,528,097**	80,281,338
	$ 84,391,451	$ 84,658,702
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 508,113**	$ 616,278
Current-portion of finance lease obligations (note 8)	**64,673**	64,673
	572,786	680,951
Asset retirement obligation (note 9)	**1,531,387**	1,520,186
Deferred taxes	**6,579,370**	6,579,370
	8,683,543	8,780,507
EQUITY		
Share capital (note 10)	**83,025,222**	83,025,222
Option and warrant reserve	**4,087,377**	4,087,377
Deficit	**(11,404,691)**	(11,234,404)
	75,707,908	75,878,195
	$ 84,391,451	$ 84,658,702

Approved by the Board of Directors

Director (signed by) *"John Williamson"*

Director (signed by) *"Sean Mager"*

The accompanying notes form an integral part of these consolidated financial statements

For the three months ended	May 31, 2014	May 31, 2013
EXPENSES		
General and administration (note 12)	**$ 169,024**	$ 231,926
Finance costs	**11,201**	11,912
Loss from operations	**(180,225)**	(243,838)
OTHER		
Interest income	**1,180**	1,432
Loss on disposal of equipment	**-**	(400)
Foreign exchange loss	**(772)**	(31,467)
Other income	**12,030**	8,551
Foreign withholding tax	-	(3,887)
Impairment of investments	**(2,500)**	(34,006)
	9,938	(59,777)
NET LOSS FOR THE PERIOD	**(170,287)**	(303,615)
OTHER COMPREHENSIVE LOSS		
Unrealized loss on investments	**-**	(20,926)
Reclassification adjustment for impairment on available for sale financial assets included in profit and loss	**-**	10,000
	-	(10,926)
COMPREHENSIVE LOSS FOR THE PERIOD	**$ (170,287)**	$ (314,541)
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.00)**	$ (0.00)
Basic and diluted weighted average number of common shares	**121,813,562**	111,813,562

The accompanying notes form an integral part of these consolidated financial statements

NORTH COUNTRY GOLD CORP.

Interim Consolidated Statements of Changes in Equity

			Accumulated other comprehensive income			
	Share capital	**Option and warrant reserve**	**Translation reserve**	**Fair value reserve**	**Deficit**	**Total equity**
Balance at February 28, 2014	$ 83,025,222	$ 4,087,377	$ -	$ -	$(11,234,404)	$ 75,878,195
Comprehensive loss	-	-	-	-	(170,287)	(170,287)
Balance at May 31, 2014	$ 83,025,222	$ 4,087,377	$ -	$ -	$(11,404,691)	$ 75,707,908

			Accumulated other comprehensive income			
	Share capital	**Option and warrant reserve**	**Translation reserve**	**Fair value reserve**	**Deficit**	**Share capital**
Balance at February 28, 2013	$ 82,552,002	$ 4,022,377	$ 60,508	$ -	$(10,672,064)	$ 75,962,823
Comprehensive loss	-	-	-	(10,926)	(303,615)	(314,541)
Balance at May 31, 2013	$ 82,552,002	$ 4,022,377	$ 60,508	$ (10,926)	$(10,975,679)	$ 75,648,282

The accompanying notes form an integral part of these consolidated financial statements

For the three months ended	May 31, 2014	May 31, 2013
Cash provided by (used in):		
Operating activities:		
Net loss	**$ (170,287)**	$ (314,541)
Items not affecting cash:		
Depreciation	**1,741**	3,961
Finance costs	**11,201**	9,332
Loss on disposal of equipment	**-**	400
Impairment of investments	**2,500**	34,006
	(154,845)	(266,842)
Changes in non-cash working capital	**(146,436)**	142,696
Cash used in operating activities	**(301,281)**	(124,146)
Investing activities		
Additions to mineral properties	**(77,726)**	(120,802)
Cash used in investing activities	**(77,726)**	(120,802)
Financing activities		
Repayment of finance lease obligation	-	(30,420)
Cash used in financing activities	**-**	(30,420)
Net decrease in cash and cash equivalents	**(379,007)**	(275,368)
Cash and cash equivalents – beginning of period	**615,939**	629,135
Cash and cash equivalents – end of period	**$ 236,932**	$ 353,767

The non-cash transactions described in notes 3, 6, 8, 9, and 10 have been excluded from the consolidated statements of cash flows.

During the three months ended May 31, 2014, the Company paid interest totaling $nil (2013 – $2,580) related to investing activities and received interest totaling $1,180 (2013 - $1,432) related to operating activities.

Cash and cash equivalents consists of cash on demand deposit with accredited financial institutions in the amount of $236,932 (2013 - $353,767).

1. Nature of operations and going concern

North Country Gold Corp. (the "Company" or "NCG") was incorporated in Alberta, Canada, on February 3, 2010 and the Company's common shares began trading on the TSX Venture Exchange under the stock symbol "NCG" on April 15, 2010. The Company's primary business is the acquisition, exploration, and development of mineral properties for sale or extraction. The Company's registered office is 4500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta, Canada, T2P 4K7. The Company's head office is at Suite 220, 9797 45 Avenue NW, Edmonton, Alberta, T6E 5V8.

On September 6, 2012 the Company's common shares began trading on the OTCQX under the stock symbol "NCGDF".

These interim consolidated condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at May 31, 2014, the Company has a deficit of $11,404,691 (2013 - $10,975,678) and the Company has not determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. At the current stage of the Company's operations, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management is seeking out additional sources of funding, which may include equity financing, joint ventures on its mineral properties, sale of assets or any combination thereof. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments could be material.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on July 30, 2014.

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization ("ISO") 3-letter symbol for such foreign currency.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Committee Bay North Ltd. (incorporated in the Northwest Territories) and CBR Australia Holdings Inc. (amalgamated in Alberta) and its wholly owned subsidiary Matador Mining Pty. Ltd. (incorporated in Australia). All intercompany balances and transactions have been eliminated on consolidation.

These interim consolidated condensed financial statements have been prepared on an historical cost basis with the exception of investments which are measured at fair value.

3. Sale of Toro Drilling

On July 20, 2012, the Company entered into an agreement with a third party to sell the outstanding shares of Toro Drilling and Services Pty Ltd. ("Toro Drilling") for proceeds of AUD 752,000 (the "Share Sale Agreement"). The Company received AUD 200,000 on execution of the Share Sale Agreement and the remaining AUD 552,000 was to be received within twelve months of the sale. As at May 31, 2014, payments totaling AUD 125,000 have been received, with AUD 427,000 remaining in accounts receivable (note 4).

In accordance with an arrangement between the parties, equipment owned by Toro Drilling is being sold to fund the outstanding payments. The Company expects to collect the outstanding amount of AUD 427,000 by October 31, 2014. Interest accrues at a rate of 5.715% on the balance outstanding, which is recognized as a long-term receivable of $25,258.

Subsequent to May 31, 2014, the Company has received payments totaling AUD 70,000 towards the receivable.

4. Trade and other receivables

As at	May 31, 2014	February 28, 2014
Trade accounts receivable	**$ 108,300**	$ 26,042
Receivable pursuant to Share Sale Agreement (note 4)	**422,431**	422,431
Accrued receivables	**-**	11,855
Goods and services tax credits receivable	**18,936**	7,834
	$ 549,667	**$ 468,162**

5. Investments

As at	May 31, 2014	February 28, 2014
Marketable securities classified as available for sale financial assets (a)	$ **34,057**	$ 36,557

(a) The Company holds securities of publically traded companies which it has classified as available for sale financial assets, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive income (loss) in equity, net of deferred taxes. During the three months ended May 31, 2014, the Company recognized an impairment loss of $nil (2013 – $10,000) on securities classified as available for sale financial assets, as there had been a significant and/or prolonged decline in the market price of those securities.

6. Equipment

	Camp and field equipment	Drilling equipment	Mobile equipment	Office equipment	Total
Cost					
Balance, February 28, 2013	$ 3,896,481	$ 553,986	$ 1,818,151	$ 119,220	$ 6,387,838
Additions	30,036	-	-	-	30,036
Disposals	-	(28,792)	-	(26,592)	(55,384)
Balance, February 28, 2014	3,926,517	525,194	1,818,151	92,268	6,362,490
Balance, May 31, 2014	**$ 3,926,517**	**$ 525,194**	**$ 1,818,151**	**$ 92,268**	**$ 6,362,490**
Accumulated Depreciation					
Balance, February 28, 2013	(1,081,939)	(290,860)	(919,321)	(66,471)	(2,358,591)
Depreciation	(646,027)	(81,322)	(276,201)	(10,620)	(1,014,170)
Disposals	-	21,059	-	10,784	31,843
Balance, February 28, 2014	$ (1,727,966)	$ (351,123)	$ (1,195,522)	$ (66,307)	$ (3,340,918)
Depreciation	(129,625)	(13,055)	(47,563)	(1,741)	(191,984)
Balance, May 31, 2014	**$ (1,857,591)**	**$ (364,178)**	**$ (1,243,085)**	**$ (68,048)**	**$ (3,532,902)**
Net book value:					
Balance, February 28, 2014	$ 2,198,551	$ 174,071	$ 622,629	$ 26,321	$ 3,021,572
Balance, May 31, 2014	**$ 2,068,926**	**$ 161,016**	**$ 575,066**	**$ 24,580**	**$ 2,829,588**

During the three months ended May 31, 2014, the Company capitalized $190,243 (2013 - $192,294) in depreciation to mineral properties.

Included in camp and field equipment at May 31, 2014 is $249,085 (2013 – $311,356) of equipment under finance leases (note 10).

7. Mineral properties

	Committee Bay	Baffin Island	Total
Balance, February 28, 2013	79,064,248	11,688	79,075,936
Acquisition and claim maintenance	59,186	-	59,186
Exploration costs	1,146,216	-	1,146,216
Balance, February 28, 2014	80,269,650	11,688	80,281,338
Acquisition and claim maintenance	(15,625)	-	(15,625)
Exploration costs	262,384	-	262,384
Balance, May 31, 2014	**$ 80,516,409**	**$ 11,688**	**$ 80,528,097**

The Committee Bay Greenstone Belt is located approximately 300 kilometers north of Baker Lake within Nunavut Territory, Canada. The Company is currently holds mineral title to more than 250,000 acres of land comprising 79 active mineral claims and 44 mineral leases. Portions of the property are subject to a 1% net smelter royalty.

The Company has provided $35,000 of cash as security to its financial institution for an irrevocable letter of credit of the same amount with respect to the performance of a third party under a land use license.

8. Finance lease obligations

Included in equipment are certain assets that the Company acquired pursuant to finance lease agreements. Future minimum lease payments are as follows:

As at	**May 31, 2014**	**February 28, 2014**
2015	66,000	66,000
Total minimum lease payments	66,000	66,000
Less: interest portion	(1,327)	(1,327)
Finance lease obligations	**$ 64,673**	**$ 64,673**
Current portion	$ 64,673	$ 64,673
Non-current portion	-	-
Finance lease obligations	**$ 64,673**	**$ 64,673**

9. Asset retirement obligation

Balance, February 28, 2013	$ 1,478,102
Accretion of interest	37,681
Change in estimate	4,403
Balance, February 28, 2014	$ 1,520,186
Accretion of interest	11,201
Balance, May 31, 2014	**$ 1,531,387**

During the year ended February 28, 2014, the Company has recorded an asset retirement obligation of $1,520,186 (2013 – $1,478,102), which reflects the present value of the estimated amount of cash flows required to satisfy the asset retirement obligation in respect of the Committee Bay Property. The components of this obligation are the removal of equipment currently used at the property as well as costs associated with the reclamation of the camp and work sites on the property. It is the Company's intention to continue exploration work on the property until at least the current mining leases expire, which is between 2026 and 2033. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

During the year ended February 28, 2014, management used a risk-free interest rate of 2.94% (2013 - 2.52%) to discount the obligation. The discounted amount of inflation-adjusted estimated future cash flows relating to removal of equipment is $1,088,475 (2013 – $1,032,129) and relating to reclamation of the camp and work sites is $431,711 (2013 – $445,973). Amounts related to the removal of equipment have been included in equipment (note 7) and amounts related to the reclamation of the camp and work sites have been included in mineral properties (note 8).

10. Share capital

A summary of changes in common share capital is as follows:

	Number of shares	**Weighted average issue price**	**Amount**
Balance, February 28, 2013	111,813,562		$ 82,552,002
Shares issued through private placements	10,000,000	0.05	500,000
Share issuance costs	-	-	(26,780)
Balance, February 28 and May 31, 2014	**121,813,562**		**$ 83,025,222**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value.

On February 27, 2014, the Company completed a non-brokered private placement for gross proceeds of $500,000 consisting of 10,000,000 common shares of the Company at a price of $0.05 per common share. The Company paid a 5% finder's fee in the amount of $5,000 on $100,000 of the gross proceeds raised. The common shares will be subject to a hold period, which will expire four months and one day from the date of closing, being June 28, 2014.

b) Warrants

A summary of share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, February 28, 2013	1,823,507	$ 1.25
Expired	(1,823,507)	1.25
Outstanding warrants, February 28 and May 31, 2014	**-**	**$ -**

c) Stock options

Pursuant to a stock option plan (the "Plan") for directors, officers, employees, and consultants last approved by shareholders on August 28, 2013, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee and on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2013	7,150,000	$ 0.51
Issued	2,000,000	0.13
Forfeited	(1,300,000)	0.76
Outstanding options, February 28 and May 31, 2014	**7,850,000**	**$ 0.37**

A summary of the options outstanding and exercisable is as follows:

May 31, 2014			February 28, 2014			
Exercise Price	**Number of options**	**Remaining contractual life (years)**	**Exercise Price**	**Number of options**	**Remaining contractual life (years)**	**Note**
$ 0.47	5,250,000	1.3	$ 0.47	5,250,000	1.6	
$ 0.85	100,000	2.5	$ 0.85	100,000	2.7	
$ 0.25	500,000	3.5	$ 0.25	500,000	3.8	
$ 0.05	500,000	4.6	$ 0.05	500,000	4.9	i
$ 0.15	1,500,000	4.7	$ 0.15	1,500,000	4.9	ii
$ 0.37	**7,850,000**	**2.3**	**$ 0.37**	**7,850,000**	**2.6**	

i) On January 16, 2014, the Company's Board of Directors granted stock options to acquire up to an aggregate 500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.05 per common share and expire on January 16, 2019 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of $20,000, or $0.04 per option, has been recorded as share-based compensation expense in the 2014 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.06; expected life, 5 years; expected volatility, 80%; risk-free rate 1.71%; expected dividends, 0%. The options were issued with an exercise price less than the quoted market price of the Company's common shares on the date of issuance.

ii) On February 3, 2014, the Company's Board of Directors granted stock options to acquire up to an aggregate 1,500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.15 per common share and expire on February 3, 2019 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of $45,000, or $0.03 per option, has been recorded as share-based compensation expense in the 2014 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.06; expected life, 5 years; expected volatility, 80%; risk-free rate 1.51%; expected dividends, 0%. The options were issued with an exercise price greater than the quoted market price of the Company's common shares on the date of issuance.

11. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations in Australia are denominated in Australian Dollars. The Company's share capital as well as the Company's reporting currency is in Canadian Dollars. The Company has not entered into any hedge contracts to manage this risk and does not maintain a formal strategy for foreign currency movements. The impact on net assets from a +/- 10% change in foreign exchange rates would be nominal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's interest rates on its finance leases are fixed and do not fluctuate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

A majority of the Company's accounts receivable is due from a third party pursuant to a Share Sale Agreement (note 3). In accordance with an arrangement between the parties, the Company expects to collect the outstanding amount by October 31, 2014. The Company is monitoring progress on the collection in order to assess any changes in expectations, which may result in an impairment of the receivable.

The remainder of the Company's accounts receivable balances are current as of May 31, 2014. The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis. The Company has determined its credit risk associated with its trade accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

At May 31, 2014, the Company's current liabilities consisted of: accounts payable and accrued liabilities of $184,552 due within the next three months, accounts payable and accrued liabilities of $323,561 due after the next three months but within the next year, and current portion of finance lease obligations of $64,673 due within the next year. The Company's cash and cash equivalents of $236,932 and trade and other receivables of $549,667 are sufficient to pay these current liabilities.

Determination of fair value

The consolidated statement of financial position carrying amounts for cash and cash equivalents, trade receivables, accounts payable and accrued liabilities, and finance lease obligations approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

The available-for-sale investments of the Company are based on quoted prices and are therefore considered to be Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

12. General and administrative expenses

For the three months ended	**May 31, 2014**	**May 31, 2013**
Depreciation	$ 1,741	$ 3,961
Conferences and travel	24,365	22,062
Consulting fees and benefits	48,500	33,374
Office and administration	45,827	95,399
Professional fees	11,476	32,896
Promotion and investor relations	16,070	18,356
Wages and employee benefits	21,045	25,877
	$ 169,024	**$ 231,925**

13. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended	**May 31, 2014**	**May 31, 2013**
Management fees paid to corporations controlled by key management	$ 48,500	$ 19,688
Capitalized fees paid to a corporation controlled by key management	41,775	20,888
	$ 90,275	**$ 40,576**

As at May 31, 2014, accounts receivable included $14,823 (2013 – $4,316), relating to the reimbursement of shared office and staff costs, receivable from a corporations controlled by a common directors and officers.

During the year ended February 29, 2012, the Company and a company with common directors entered into two five year office premises lease agreements. Basic rental payments, excluding operating costs, are approximately $170,000 to $180,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental. The Company's share of basic rental payments during the year ended May 31, 2014 was $7,787 (2013 – $10,398).