NioGold Mining Corporation

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED NOVEMBER 30, 2014

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NIOGOLD MINING CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	November 30, 2014	August 31, 2014
ASSETS		
Current		
Cash	$ 6,429,116	$ 6,765,730
Receivables (Note 3)	133,320	72,100
Prepaid expenses and deposits	14,590	14,682
Refundable tax credits and mining duties receivable	-	354,413
Marketable securities (Note 4)	225,590	542,959
	6,802,616	7,749,884
Equipment (Note 5)	71,741	74,332
Exploration and evaluation assets (Note 6)	18,535,086	17,676,415
	$ 25,409,443	$ 25,500,631
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 611,009	$ 175,215
Flow-through premium	866,559	1,070,296
	1,477,568	1,245,511
Shareholders' equity		
Share capital (Note 7)	39,329,806	39,302,028
Reserves (Note 7)	4,483,122	4,393,341
Deficit	(19,881,053)	(19,440,249)
	23,931,875	24,255,120
	$ 25,409,443	$ 25,500,631

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on January 26, 2015:

"Michael Iverson" Director *"Robert Wares"* Director

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

NIOGOLD MINING CORPORATION
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE PERIODS ENDED NOVEMBER 30

	2014	2013
OPERATING EXPENSES		
Depreciation (Note 5)	$ 5,721	$ 6,392
Management fees	64,667	37,500
Office and administrative	58,688	59,543
Professional fees	13,750	42,308
Shareholder communications	89,760	40,877
Share-based payments (Note 7)	97,559	99,087
Travel and automotive	11,263	8,772
Total operating expenses	(341,408)	(294,479)
Interest income	14,236	4,635
Recognition of flow-through premium liability	203,737	63,030
Unrealized loss on marketable securities	(317,369)	(187,419)
	(99,396)	(119,754)
Loss and comprehensive loss for the period	$ (440,804)	$ (414,233)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	120,803,885	106,764,874

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

NIOGOLD MINING CORPORATION
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE PERIODS ENDED NOVEMBER 30

	2014	2013
CASH FROM OPERATING ACTIVITIES		
Loss for the period	$ (440,804)	$ (414,233)
Items not affecting cash:		
Depreciation	5,721	6,392
Share-based payments	97,559	99,087
Unrealized loss on marketable securities	317,369	187,419
Income tax recovery	(203,737)	(63,030)
Changes in non-cash working capital items:		
Receivables	(71,352)	(5,924)
Prepaid expenses and deposits	92	4,025
Refundable tax credits and mining duties receivable	354,413	-
Accounts payable and accrued liabilities	(19,755)	15,963
Net cash used in operating activities	39,506	(170,301)
CASH FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures, net of tax credits	(392,990)	(223,553)
Equipment acquired	(3,130)	(1,090)
Net cash used in investing activities	(396,120)	(224,643)
CASH FROM FINANCING ACTIVITIES		
Proceeds on stock options and warrants exercised	20,000	-
Net cash provided by financing activities	20,000	-
Change in cash during the period	(336,614)	(394,944)
Cash, beginning of period	6,765,730	3,410,185
Cash, end of period	$ 6,429,116	$ 3,015,241

Supplemental cash flow information:

Exploration and evaluation asset expenditure accrued through accounts payable	$ 531,848	$ 34,507
Contributed surplus re-allocation on exercise of stock options	7,778	-

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

NIOGOLD MINING CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at August 31, 2013	106,764,874	$ 35,428,625	4,280,105	(19,311,592)	20,397,138
Share-based payments	-	-	99,087	-	99,087
Loss for the period	-	-	-	(414,233)	(414,233)
Balance at November 30, 2013	106,764,874	35,428,625	4,379,192	(19,725,825)	20,081,992
Issued for:					
Private placement	14,000,000	4,900,000	-	-	4,900,000
Share issuance costs	-	(46,597)	-	-	(46,597)
Flow-through premium	-	(980,000)	-	-	(980,000)
Share-based payments	-	-	14,149	-	14,149
Income for the period	-	-	-	285,576	285,576
Balance at August 31, 2014	120,764,874	39,302,028	4,393,341	(19,440,249)	24,255,120
Issued for:					
Options exercised	100,000	27,778	(7,778)	-	20,000
Share-based payments	-	-	97,559	-	97,559
Loss for the period	-	-	-	(440,804)	(440,804)
Balance at November 30, 2014	120,864,874	$ 39,329,806	$ 4,483,122	$ (19,881,053)	$ 23,931,875

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Niogold Mining Corporation (the "Company" or "NioGold") was incorporated in the Province of British Columbia on March 30, 1988, as Penn-Gold Resources Inc. The Company's name was changed to Moreno Ventures Inc. on April 7, 1998, and to Niogold Mining Corporation on September 25, 2003. The Company is engaged in the exploration and evaluation of resource properties in Quebec, Canada.

The Company's head office and principal address is 24549 53rd Avenue, Langley, British Columbia, Canada, V2Z 1H6. The address of the registered and records office is 1600 – 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1C3.

The Company is in the process of acquiring and exploring mineral properties in Canada. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and begin development of those reserves and upon future profitable production.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may materially impact the future assessment of the Company as a going concern in the long term.

The condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's August 31, 2013 annual financial statements.

Use of Estimates and Critical Judgments

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

2. BASIS OF PREPARATION (cont'd…)

Use of Estimates and Critical Judgments (cont'd…)

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The most significant judgments relate to the recoverability of capitalized amounts and refundable tax credits and mining duties receivable, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

New standards, interpretations and amendments adopted

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are with those followed in the preparation of the Company's annual consolidated financial statements for the year ended August 31, 2014, except for the adoption of new standards and interpretations effective as of January 1, 2014.

The nature and the impact of each new standard are described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendment to IFRS 10, Consolidated Financial Statements, provide an exemption from consolidation of subsidiaries under IFRS 10 for entities which meet the definition of an investment entity. Instead, such entities would measure their investment in particular subsidiaries at fair value through profit or loss in accordance with IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement. The amendments to IFRS 12, Disclosure of Interest in Other Entities, and IAS 27, Separate Financial Statements, introduce disclosures required for investment entities. The adoption of these amendments did not impact the Company's condensed consolidated interim financial statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The adoption of this amendment did not impact the Company's condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd…)

New standards, interpretations and amendments adopted (cont'd…)

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed. The adoption of this amendment did not impact the Company's condensed consolidated interim financial statements.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy. The adoption of this standard did not impact the Company's condensed consolidated interim financial statements.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended November 30, 2014:

- IFRS 7 (Amendment) — Amendment to require additional financial instrument disclosures on transition from IAS 39 to IFRS 9. (i)
- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(ii)

(i) Effective for annual periods beginning on or after January 1, 2015
(ii) Effective for annual periods beginning on or after January 1, 2018

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

3. RECEIVABLES

		November 30, 2014		August 31, 2014
GST/QST and other receivables	$	133,320	$	72,100

4. MARKETABLE SECURITIES

The Company holds securities that have been designated as fair value through profit and loss as follows:

	Common shares of public companies			
		Market Value		Cost
August 31, 2014	$	542,959	$	3,164,380
November 30, 2014		225,590		3,164,380

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer equipment	Mining equipment	Office furniture and equipment	Vehicles	Total
Cost					
Balance, August 31, 2013	$ 127,192	$ 27,051	$ 85,557	$ 139,283	$ 379,083
Additions for the year	15,064	-	3,976	-	19,040
Disposals for the year	-	-	-	(32,409)	(32,409)
Balance, August 31, 2014	142,256	27,051	89,533	106,874	365,714
Additions for the period	3,130	-	-	-	3,130
Balance, November 30, 2014	$ 145,386	$ 27,051	$ 89,533	$ 106,874	$ 368,844
Accumulated depreciation					
Balance, August 31, 2013	$ 108,793	$ 21,022	$ 65,585	$ 96,852	$ 292,252
Depreciation for the year	10,782	1,206	4,392	12,730	29,110
Disposals for the year	-	-	-	(29,980)	(29,980)
Balance, August 31, 2014	119,575	22,228	69,977	79,602	291,382
Depreciation for the period	2,457	241	978	2,045	5,721
Balance, November 30, 2014	$ 122,032	$ 22,469	$ 70,955	$ 81,647	$ 297,103
Carrying amounts					
As at August 31, 2014	$ 22,681	$ 4,823	$ 19,556	$ 27,272	$ 74,332
As at November 30, 2014	$ 23,354	$ 4,582	$ 18,578	$ 25,227	$ 71,741

6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

(a) Malartic Properties - Vassan, Dubuisson, Malartic and Fournière Townships, Quebec

Marban Block

The Marban Black of properties consist of 40 mining claims and 3 mining concessions known as the Marban, First Canadian, and Norlartic properties. The Company earned a 100% interest in the properties by paying $400,000, issuing 1,000,000 common shares and incurring $2,500,000 of exploration expenses. The Marban claims are subject to a net smelter royalty ("NSR") of 1% to 1.5%. The First Canadian claims are subject to a 10% net profits interest. The vendor retains a 0.5% NSR on the Marban claims, a 1% NSR on the First Canadian claims, and a 2% NSR on the Norlartic claims, one-half of the royalties may be repurchased for $1,000,000.

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

(a) Malartic Properties - Vassan, Dubuisson, Malartic and Fournière Townships, Quebec (cont'd…)

Marban Block (cont'd…)

During fiscal 2006, the Company entered into an option agreement to acquire two mining claims known as the Gold Hawk claims covering 61 hectares in Malartic Township, Quebec. The claims are contiguous to the Marban and First Canadian properties. The Company earned a 100% interest in the claims by paying $50,000, issuing 400,000 shares, and incurring $250,000 of exploration and development expenses. The claims are subject to a 2% NSR of which 1% may be repurchased for $1,000,000.

During fiscal 2010, the Company entered into a definitive option agreement with Aurizon Mines Ltd. ("Aurizon") whereby Aurizon could earn up to 65%, subject to underlying royalties, of the Marban Block property, located in the Malartic gold camp, Abitibi region, Quebec, subject to certain terms and payments. From the commencement of the option agreement until August 31, 2013, Aurizon had incurred $11,590,100 in exploration expenditures on the Marban Block. During fiscal 2013, Aurizon elected to terminate the option agreement and the Company retained a 100% interest, subject to the royalties noted above.

During fiscal 2013, the Company received $15,992 toward administrative expenses relating to operating the Marban Block program which is recorded as a recovery of administrative expenses in the statement of loss and comprehensive loss.

During fiscal 2014, the Company sold its rights to repurchase half of the existing NSR on the Marban, First Canadian, Norlactic, and Gold Hawk claims to Osisko Gold Royalties ("Osisko") for consideration of $75,000.

Malartic Block (formerly Camflo West)

During fiscal 2004 to 2009 the Company acquired a block of properties known as the Malartic Block through a combination of purchase and option agreements. The Company has issued an aggregate of 1,250,000 shares and has paid $22,000 as acquisition costs. The claims are subject to various NSR's ranging from 1.5% to 3%, certain of which, or portions thereof, can be repurchased for payments ranging from $200,000 to $1,500,000.

During fiscal 2012, the Company entered into a property acquisition and joint venture agreement with Republic Goldfields Inc. ("RGF") to acquire an 85% interest in RGF's Malartic property. The property consists of six mining claims and one mining concession covering 127 hectares, located approximately 20 kilometres west of Val d'Or, Quebec. The property is contiguous to the Company's Malartic Block and Marban Block properties. In order to acquire an 85% interest, the Company paid $100,000 and issued 1,000,000 common shares at a value of $375,000 to RGF. In accordance with terms of the resulting joint venture, the Company acquired the remaining 15% interest by paying $25,000 and granting to RGF a 2% NSR. During fiscal 2013, the Company acquired the NSR for $10,000.

Malartic Hygrade NSM

During fiscal 2007, the Company entered into an option agreement to acquire a 50% interest in three claims covering 106 hectares in Malartic Township. The Company earned a 50% interest in the claims by paying $10,000, issuing 200,000 common shares and incurring $100,000 of exploration expenses. The claims were previously part of the historic Malartic Hygrade property. Upon earning 50%, a joint venture was formed between the Company and Northern Star Mining ("NSM") for the further exploration of the property. In 2011, NSM was declared bankrupt and, in a subsequent court ordered sale process, a creditor of NSM acquired all of NSM's assets. Prior to the bankruptcy the claims were subject to a 2% NSR of which 1% could be repurchased for $1,000,000.

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

(a) Malartic Properties - Vassan, Dubuisson, Malartic and Fournière Townships, Quebec (cont'd…)

Malartic Hygrade NSM (cont'd…)

During the period ended November 30, 2014, the Company sold its rights to repurchase half of the existing 2% NSR to Osisko for consideration of $75,000.

Malartic H

During fiscal 2008, the Company entered into an option agreement with Breakwater Resources Ltd. ("Breakwater") and Atlanta Gold Inc. to acquire up to 80% interest in a group of claims known as the Malartic H property. The property consists of 18 mining claims covering 780 hectares located in Malartic Township, Quebec. The Company earned an initial 60% by paying $25,000 and incurring $1,200,000 of exploration expenditures. During fiscal 2009 the Company negotiated a one year extension to the exploration expenditure period and issued 201,005 common shares as consideration for the extension. During fiscal 2010, the Company incurred the required exploration expenditures.

Upon earning 60% a joint venture was deemed to have formed. The Company may acquire an additional 20% interest in the property by fulfilling certain conditions.

During fiscal 2014, the Company acquired the remaining 40% of the Malartic H property from Breakwater in exchange for a cash payment of $100,000, and amalgamated the property into its Malartic Block property.

(b) Héva Property, Malartic and Cadillac Townships, Quebec

The Héva Property was initially acquired by map designation of 22 mining claims covering 961 hectares in Malartic and Cadillac Townships, Quebec.

During fiscal 2008, the Company entered into an option agreement to acquire ten additional mining claims covering 339 hectares in Malartic Township. The Company earned a 100% interest by paying $20,000 and issuing 200,000 common shares. The claims are subject to a 1.5% NSR of which 0.75% may be repurchased for $200,000.

The Company acquired additional claims by map designation The Héva property presently consists of 55 mining claims covering 2,149 hectares.

(c) Vassan and Siscoe East Properties - Vassan and Dubuisson Townships, Quebec

During fiscal 2004, the Company acquired a block of 19 contiguous mining claims covering 301 hectares in Vassan Township, Quebec for $1,000 cash. During fiscal 2005 and 2006, the Company acquired a further 18 claims by map designation which increased the block to 37 mining claims covering 1,068 hectares.

During fiscal 2007, the Company entered into an option agreement with Alexandria Minerals Corporation ("Alexandria"). Alexandria acquired a 70% interest in the Vassan Property by issuing 100,000 shares and incurring $65,000 of exploration expenditures on the property.

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

(c) Vassan and Siscoe East Properties - Vassan and Dubuisson Townships, Quebec (cont'd…)

During fiscal 2008, the Company entered into an option and joint venture agreement with Alexandria to acquire a 50% interest in 59 mining claims covering 1,432 hectares in Vassan and Dubuisson Townships known as the Siscoe East claims and re-acquire a 20% interest in the Vassan claims. Pursuant to the agreement, the Company issued 650,000 common shares, of which 200,000 valued at $55,000 were issued in fiscal 2010 and the remaining 450,000 were issued in fiscal 2011. In fiscal 2011, the Company earned its 50% interest by having incurred $750,000 of exploration expenditures on the claims by June 25, 2011. The claims are subject to a 2% NSR on 13 claims, of which 1% may be repurchased for $1,000,000, and a 2% NSR on 45 claims, of which 1% may be repurchased for $1,000,000. Upon earning 50%, a joint venture was deemed to have formed between the Company and Alexandria that included the Vassan and Siscoe East claims.

During fiscal 2009, the Company acquired a 100% interest in 21 mineral claims located adjacent to the Siscoe East claims for $30,000 and 200,000 shares. Five claims are within the area of interest of the Siscoe East option and joint venture agreement with Alexandria. During fiscal 2010, the Company received $15,000 and 140,871 shares of Alexandria for Alexandria's 50% participation in the new claims. The remaining 16 claims are known as the Val-d'Or property (see note 7 (d)).

During fiscal 2009, the Company acquired a 100% interest in 4 mineral claims adjacent to the Siscoe East claims by paying $30,000 and issuing 240,000 shares. The claims are subject to a 2% NSR of which 1% may be repurchased for $750,000. During fiscal 2010, the Company received $15,000 and 140,781 common shares of Alexandria for Alexandria's 50% participation in the new claims.

The Company and Alexandria acquired additional mining claims in Vassan and Dubuisson Townships by map designation. The combined Vassan and Siscoe East properties presently consist of 110 mining claims covering 2,504 hectares. During fiscal 2011, the Company received 120,000 common shares of Alexandria for Alexandria's 50% participation in the new claims. During fiscal 2013, the Company received $78,359 for Alexandria's 50% participation in exploration expenditures.

(d) Val-d'Or Property - Dubuisson Township, Quebec

During fiscal 2009, the Company acquired a 100% interest in 21 mineral claims located adjacent to the Siscoe East claims for $30,000 and 200,000 shares. Five claims are within the area of interest of the Siscoe East option and joint venture agreement with Alexandria (Note 7(c)). The remaining 16 claims, known as the Val-d'Or property, form a contiguous block south of the town of Val-d'Or in Dubuisson Township. The claims were subject to a 2% NSR, which the Company purchased for $17,000 during fiscal 2013.

During fiscal 2010 the Company acquired by map designation an additional 2 mining claims. The Val-d'Or property presently consists of 18 mining claims covering 533 hectares.

(e) Montviel Property - Montviel Township and Pump Lake Property - Le Sueur Controlled Zone, Quebec

During fiscal 2003, the Company entered into an option agreement to acquire a 100% undivided interest in the Montviel Carbonatite and the Goeland-Waswanipi Property, located in Quebec. The Company earned a 100% interest by issuing 1,600,000 common shares and incurring $250,000 in exploration expenditures. During fiscal 2006, the Company abandoned the Goeland-Waswanipi claim blocks and the associated acquisition and exploration cost were written off. During subsequent years, the Company acquired additional mining claims by map designation. The Montviel property presently consists of 68 mining claims covering 3,777 hectares.

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

(e) Montviel Property - Montviel Township and Pump Lake Property - Le Sueur Controlled Zone, Quebec (cont'd…)

During fiscal 2007, the Company entered into an option agreement to acquire 146 mining claims known as the Pump Lake property, located southeast of Val-d'Or, Quebec. The Company earned a 100% interest in the claims by paying a total of $100,000, issuing a total of 500,000 common shares, and incurring $500,000 of exploration expenses. The claims are subject to a 2% NSR of which 1% may be repurchased for $750,000. During subsequent periods, the Company acquired additional mining claims by map designation. The Pump Lake property presently consists of 324 mining claims covering 18,570 hectares. A onetime payment of $500,000 will be payable upon a production decision on any part of the property.

During fiscal 2010, a definitive option and joint venture agreement was entered into with GeoMega Resources Inc. ("GeoMega") in respect to the Montviel and Pump Lake properties, which was subsequently amended on May 2, 2011. GeoMega paid $100,000 in fiscal 2010 and issued 1,100,000 common shares in fiscal 2011 prior to signing the amending agreement. Pursuant to the amending agreement, GeoMega acquired a 100% interest in the Montviel property by issuing an additional 1,525,000 common shares (issued) to the Company valued at $4,163,250 resulting in a recovery of $3,584,017 realized through the statement of comprehensive loss. The Company will retain a 2% net output return royalty ("NORR") on the 68 Montviel claims and any mining titles acquired by GeoMega within the 5 kilometre area of interest of the Montviel property before and six months after the signing of the amending agreement. In addition, GeoMega will, upon securing 70% of the capital requirements specified in the feasibility study for the Montviel property, pay $4,500,000 in cash or common shares at the election of the Company as a non-refundable advanced royalty payment.

Pursuant to the amending agreement, GeoMega had the option earn up to 100% interest in the Pump Lake property. GeoMega could earn an initial 75% interest by incurring $400,000 in exploration expenditures in stages by the fourth anniversary of the definitive agreement.

Upon earning a 75% interest, GeoMega will have the option to abandon the property or form a joint venture with the Company. If any party fails to make its required contribution under the joint venture the Company's interest will be reduced pro-rata. In the event a party is diluted to a 10% interest the party's interest shall automatically convert to a 2.0% NORR and the joint venture will be terminated.

Upon formation of the joint venture, GeoMega will have the option, before the end of fiscal 2017, to obtain the final 25% interest in the property by paying $7,500,000 in cash or common shares of GeoMega (each party to have an election on half of the amount). The Company will also be reimbursed for its contribution to the joint venture plus a non-cumulative 20% premium, payable in cash or shares at the Company's election. The Company will retain a 1% NORR, of which one-half (0.5%) can be repurchased for $500,000. GeoMega elected to abandon its option on the Pump Lake property.

During fiscal 2013, due to a delay in development on the Pump Lake Property, the Company wrote-down all associated acquisition and exploration costs of $1,192,147.

(Expressed in Canadian Dollars)

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

(f) Mineral property acquisition and deferred exploration costs

November 30, 2014	Acquisition costs	Exploration costs	Total
Malartic Block Properties			
Opening balance	$ 1,703,006	$ 16,219,586	$ 17,922,592
Administration	-	19,538	19,538
Drilling	-	734,622	734,622
Filing fees and staking	-	2,207	2,207
Geological and project related costs	-	46,559	46,559
Technical studies	-	7,674	7,674
Ending balance	1,703,006	17,030,186	18,733,192
Malartic NSM Property			
Opening balance and ending balance	9,876	288,044	297,920
Malartic H Property			
Opening balance	166,897	1,571,936	1,738,833
Recovery	-	(419)	(419)
Ending balance	166,897	1,571,517	1,738,414
Heva Property			
Opening balance	78,065	239,263	317,328
Filing fees and staking	-	36	36
Geological	-	33	33
Ending balance	78,065	239,332	317,397
Vassan Property			
Opening balance and ending balance	(9,813)	16,760	6,947
Siscoe East Property			
Opening balance	273,578	924,505	1,198,083
Administration	-	165	165
Drilling	-	323	323
Filing fees and staking	-	5,186	5,186
Geological	-	50,297	50,297
Ending balance	273,578	980,476	1,254,054
Val-d'Or Property			
Opening balance	12,370	55,637	68,007
Filing fees and staking	-	451	451
Geological	-	87	87
Ending balance	$ 12,370	$ 56,175	$ 68,545

- Continued -

(Expressed in Canadian Dollars)

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

(f) Mineral property acquisition and deferred exploration costs (cont'd…)

November 30, 2014	Acquisition costs	Exploration costs	Total
Continued...			
Total costs	2,233,979	20,182,490	22,416,469
Refundable tax credits	-	(3,881,383)	(3,881,383)
Total costs, November 30, 2014	$ 2,233,979	$ 16,301,107	$ 18,535,086

August 31, 2014	Acquisition costs	Exploration costs	Total
Malartic Block Properties			
Opening balance	$ 1,778,006	$ 15,172,124	$ 16,950,130
Administration	-	36,354	36,354
Drilling	-	578,251	578,251
Filing fees and staking	-	17,623	17,623
Geological and project related costs	-	405,312	405,312
Technical studies	-	9,922	9,922
Recovery	(75,000)	-	(75,000)
Ending balance	1,703,006	16,219,586	17,922,592
Malartic NSM Property			
Opening balance	84,876	287,597	372,473
Drilling	-	124	124
Geological	-	323	323
Recovery	(75,000)	-	(75,000)
Ending balance	9,876	288,044	297,920
Malartic H Property			
Opening balance	66,897	1,498,768	1,565,665
Acquisition payments	100,000	-	100,000
Drilling	-	56,958	56,958
Filing fees and staking	-	140	140
Geological	-	16,070	16,070
Ending balance	166,897	1,571,936	1,738,833
Heva Property			
Opening balance	78,065	237,886	315,951
Filing fees and staking	-	945	945
Geological	-	432	432
Ending balance	$ 78,065	$ 239,263	$ 317,328

- Continued -

(Expressed in Canadian Dollars)

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

(f) Mineral property acquisition and deferred exploration costs (cont'd…)

August 31, 2014	Acquisition costs	Exploration costs	Total
Continued...			
Vassan Property			
Opening balance and ending balance	$ (9,813)	$ 16,760	$ 6,947
Siscoe East Property			
Opening balance	273,578	901,409	1,174,987
Filing fees and staking	-	566	566
Geological	-	22,530	22,530
Ending balance	273,578	924,505	1,198,083
Val-d'Or Property			
Opening balance	12,370	47,551	59,921
Drilling	-	1,645	1,645
Filing fees and staking	-	1,268	1,268
Geological	-	5,173	5,173
Ending balance	12,370	55,637	68,007
Total costs	2,233,979	19,315,731	21,549,710
Refundable tax credits	-	(3,873,295)	(3,873,295)
Total costs, August 31, 2014	$ 2,233,979	$ 15,442,436	$ 17,676,415

7. SHARE CAPITAL AND RESERVES

Authorized share capital

As at November 30, 2014, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares. All issued shares, consisting only of common shares are fully paid.

Private placements

The Company did not complete any private placements during the period ended November 30, 2014.

During the year ended August 31, 2014, the Company completed a private placement with Osisko, in which the Company issued 14,000,000 flow-through shares to Osisko at a price of $0.35 per share for total proceeds of $4,900,000, of which $980,000 was allocated to the flow-through premium liability.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Stock options

Stock option transactions are summarized as follows:

	Options	
	Number of Shares	Weighted Average Exercise Price
Balance, August 31, 2013	10,485,000	$ 0.32
Expired	(4,275,000)	0.37
Granted	550,000	0.25
Balance, August 31, 2014	6,760,000	0.29
Expired / Cancelled	(200,000)	0.32
Exercised	(100,000)	0.20
Granted	800,000	0.25
Balance, November 30, 2014	7,260,000	$ 0.28

Stock options outstanding

The following incentive stock options were outstanding at November 30, 2014:

Expiry Date	Exercise Price	Number	Remaining Life in Years
April 15, 2015	$ 0.260	150,000	0.37
June 1, 2015	0.250	200,000	0.50
October 19, 2015	0.350	450,000	0.88
October 31, 2015(i)	0.365	175,000	0.92
October 31, 2015(i)	0.350	600,000	0.92
October 31, 2015(i)	0.310	600,000	0.92
October 31, 2015(i)	0.300	250,000	0.92
October 31, 2015(i)	0.200	200,000	0.92
June 17, 2016	0.370	250,000	1.55
September 19, 2016	0.350	75,000	1.81
September 10, 2017	0.420	175,000	2.78
December 14, 2017	0.310	1,335,000	3.04
August 29, 2018	0.200	1,800,000	3.75
August 29, 2018	0.300	200,000	3.75
November 5, 2019	0.250	800,000	4.93
Number outstanding		7,260,000	
Number exercisable		5,253,000	

(i) Held by directors and a consultant who resigned on October 31, 2014, with automatic expiry on January 31, 2015; expiry was extended to October 31, 2015.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Share-based payments

The Company has an incentive share option plan whereby it may grant common share purchase options to its directors, officers, employees and consultants. The number of options granted under the plan may not exceed 10% of the shares outstanding and the exercise price of each option must not be less than the "discounted market price", as determined pursuant to the policies of the TSX-V, on the date of the grant. The options may have a maximum term of ten years with vesting at the discretion of the Board.

During the period ended November 30, 2014, the Company granted 800,000 (2013 – 250,000) stock options to directors, officers and consultants. The weighted-average fair value of options granted during the period was $0.16 (2013 - $0.02) per option. Total share-based payments recognized in the statement of loss and comprehensive loss for the period ended November 30, 2014 was $97,559 (2013 - $99,087) for incentive options granted and vested, net of share-based payments reversed on unvested and cancelled options. This amount was also recorded as reserves on the statement of financial position.

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

	2014	2013
Expected share price volatility	87.2%	69.8%
Expected risk-free interest rate	1.39%	1.71%
Expected dividend yield	0.0%	0.0%
Expected life of options, in years	5.0	4.5
Expected forfeiture rate	0.0%	0.0%

8. RELATED PARTY TRANSACTIONS

During the period ended November 30, 2014, the Company paid or accrued the following amounts as compensation to key management personnel:

	2014	2013
Management fees paid or payable to companies controlled by directors and officers of the Company	$ 64,667	$ 37,500
Professional fees paid or payable to a company controlled by an officer of the Company	$ 13,750	$ 13,750
Geological fees paid or payable to an officer of the Company	$ 32,615	$ 33,703
Consulting fees, included in shareholder communications paid or payable to an officer of the Company	$ 19,500	$ 22,500
Share-based payments expense to directors and officers for stock options vesting during the period	$ 86,757	$ 90,411
Office rent paid to a company controlled by a director and officer of the Company	$ 1,500	$ 1,500

As at November 30, 2014, $23,000 (August 31, 2014 - $4,812) was owing to a related party.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Cash and marketable securities are carried at fair value using a level 1 fair value measurement. The carrying value of receivables, refundable tax credits and mining duties receivable, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Receivables mainly consist of GST/QST and mining duties receivable due from the government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options.

At November 30, 2014, the Company had a working capital balance of $6,191,607 (August 31, 2014 - $7,574,669).

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

a) Interest rate risk

   Management believes the interest rate risk is low given the current low global interest rate environment.

b) Foreign currency risk

   The Company's functional currency is the Canadian dollar. The Company's exploration and evaluation properties are located in Canada and the Company's source of funding is in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian dollars and other currencies is low and therefore does not hedge its foreign exchange risk.

c) Price risk

   The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

11. SEGMENTED INFORMATION

The Company's operations comprise a single reportable operating segment engaged in resource exploration. Amounts disclosed in the condensed interim financial statements for loss and loss per share represent segment amounts.

All of the company's operations and assets are located in Quebec, Canada.