EQUITAS
RESOURCES CORP.

Condensed Interim Financial Statements

For The Nine Months Ended November 30, 2014

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements have been prepared by management, in accordance with International Financial Reporting Standards, and are considered by management to present fairly the financial position, operating results and cash flows of the Company. The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Equitas Resources Corp.

Condensed Interim Statements of Financial Position
Expressed in Canadian Dollars
(Unaudited - Prepared by Management)

		September, 2014		February 28, 2014
Assets				
Current				
Cash	**$**	**3,893**	$	43,664
GST receivable		**3,948**		2,531
Prepaid expenses		**900**		-
Total current assets		**8,741**		46,195
Non-current assets				
Exploration and evaluation assets (note 6)		**1,827,646**		1,775,813
Reclamation deposit		**15,000**		15,000
Total Assets	**$**	**1,851,387**	$	1,837,008
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**114,832**	$	136,102
Due to a related party (note 9)		**229,805**		3,613
Total current liabilities		**344,637**		139,715
Equity				
Share capital (note 7)		**14,265,700**		14,172,367
Share-based payments reserve (note 8)		**1,262,820**		1,239,940
Deficit		**(14,021,770)**		(13,715,014)
Total Equity		**1,506,750**		1,697,293
Total Liabilities and Equity	**$**	**1,851,387**	$	1,837,008

Nature of operations and going concern (note 1)
Commitments (note 10)

Approval on behalf of the Board of Directors:

"Kyler Hardy" "David Hodge"

Director Director

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

Equitas Resources Corp.

Condensed Interim Statements of Operations and Comprehensive Loss
Expressed in Canadian Dollars
(Unaudited - Prepared by Management)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2014	2013	**2014**	2013
Expenses				
Advertising and promotion	$ **14,134**	$ 28,373	$ **21,134**	$ 33,973
Administration fees	**37,500**	37,500	**112,500**	112,500
Consulting fees	**30,600**	2,800	**45,300**	3,922
Management fees	**-**	30,000	**-**	90,000
Office and general (recovery)	**(28)**	1,400	**3,943**	3,468
Professional fees (recovery)	**4,051**	604	**5,213**	(2,683)
Share-based payments	**-**	-	**22,880**	-
Transfer agent & regulatory fees	**3,322**	2,594	**15,074**	11,809
Travel	**13,254**	6,696	**16,822**	12,798
Operating Expenses	**102,833**	109,967	**242,866**	265,787
Other Income				
Impairment of mineral properties	**(63,890)**	-	**(63,890)**	-
Interest income	**-**	69	**-**	1,396
Net Loss and Comprehensive Loss for the Period	**166,723**	109,898	**306,756**	264,391
Basic and Diluted Loss Per Share	$ **0.010**	$ 0.006	$ **0.018**	$ 0.016
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	**17,393,405**	17,012,453	**17,107,430**	17,012,453

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

Equitas Resources Corp.
Condensed Interim Statements of Changes in Equity
For the nine months ended November 30, 2014 and 2013
Expressed in Canadian Dollars
(Unaudited - Prepared by Management)

	SHARE CAPITAL								
	Number of Shares		**Amount**		**Share-based Payments Reserve**		**Deficit**		**Total**
Balance, March 1, 2013	51,037,415	$	14,172,367	$	1,024,512	$	(13,117,259)	$	2,079,620
Net loss for the period	-		-		-		(264,391)		(264,391)
Balance, November 30, 2013	**51,037,415**		**14,172,367**		**1,024,512**		**(13,381,650)**		**1,815,229**

	SHARE CAPITAL								
	Number of Shares		**Amount**		**Share-based Payments Reserve**		**Deficit**		**Total**
Balance, March 1, 2014	51,037,415	$	14,172,367	$	1,239,940	$	(13,715,014)	$	1,697,293
Share consolidation (note 7)	(34,024,962)		-		-		-		-
Shares issued for property (note 6)	2,666,666		93,333		-		-		93,333
Share-based payments (note 8)	-		-		22,880		-		22,880
Net loss for the period	-		-		-		(306,756)		(306,756)
Balance, November 30, 2014	**19,679,119**	**$**	**14,265,700**	**$**	**1,262,820**	**$**	**(14,021,770)**	**$**	**1,506,750**

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

Equitas Resources Corp.

Condensed Interim Statements of Cash Flows
For the nine months ended November 30, 2014 and 2013
Expressed in Canadian Dollars
(Unaudited - Prepared by Management)

		2014		2013
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net loss for the period	**$**	**(306,756)**	$	(264,391)
Items not involving cash:				
Share-based payments		**22,880**		-
Impairment of mineral properties		**63,890**		-
Changes in non-cash working capital:				
GST Receivable		**(1,417)**		(4,375)
Investment tax credits		**-**		222,139
Prepaid expenses		**(900)**		-
Due to/from a related party		**226,192**		(18,394)
Accounts payable and accrued liabilities		**(21,270)**		(29,037)
		(17,381)		(94,058)
INVESTING ACTIVITIES:				
Mineral exploration and evaluation asset expenditures		**(22,390)**		(80,589)
		(22,390)		(80,589)
INCREASE (DECREASE) IN CASH		**(39,771)**		(174,647)
Cash, beginning of period		**43,664**		338,549
Cash, end of period	**$**	**3,893**	$	163,902

Supplemental cash flow disclosure and non-cash investing and financing activities:

Cash paid for income taxes	$	-	$	-
Shares issued for mineral property interests	**$**	**93,333**	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Equitas Resources Corp. ("Equitas" or the "Company") is a publicly listed company incorporated in British Columbia on September 1, 1994, with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange ("TSX-V"). The Company is principally engaged in the acquisition, exploration, development and mining 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.

Going concern

These condensed interim financial statements were prepared on a going concern basis. 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. All of these factors may cast significant doubt about the Company's ability to continue as a going concern.

Approval of the financial statements

These condensed interim financial statements for the nine months ended November 30, 2014 were reviewed by the Audit Committee and were approved and authorized for issue by the Board of Directors on January 28 2015.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), 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 4 of the financial statements for the year ended February 28, 2014. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2014.

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. 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. Actual results could differ from these estimates.

The effect on the financial statements of such changes in estimates in future periods could be material.

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

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods; and
- The inputs used in accounting for share-based payments in the statement of comprehensive loss.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at November 30, 2014, the Company's financial instruments are comprised of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities. The carrying value of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

At November 30, 2014

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 3,893	$ -	$ -	$ 3,893
Total	$ 3,893	$ -	$ -	$ 3,893

(Unaudited - Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

Fair value - continued

At February 28, 2014

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 43,664	$ -	$ -	$ 43,664
Total	$ 43,664	$ -	$ -	$ 43,664

Financial risk factors

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables are GST receivable from the Canadian Government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2014, the Company had a cash balance of $3,893 to settle current liabilities of $344,637. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

The Company has no assets or liabilities in foreign currencies. Its exposure to foreign exchange risk is minimal.

(Unaudited - Expressed in Canadian Dollars)

5. CAPITAL MANAGEMENT

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

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

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

The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

6. MINERAL EXPLORATION AND EVALUATION ASSETS

The following schedule shows the property expenditures for the nine months ended November 30, 2014 and the year ended February 28, 2014:

	Garland Property	Tom Gold Mine Claims	Day Claims	Roy Property	Nahmint Property	Other Properties	Total
Balance, February 28, 2013	**-**	**282,122**	**1,282,096**	**32,856**	**-**	**64,622**	**1,661,696**
Additions during the year -							
Acquisition costs							
Cash consideration	-	-	-	15,000	44,200	-	59,200
Property exploration costs							
Assay cost	-	-	666	-	-	-	666
Geological costs (recovery)	-	941	(6,789)	-	69,485	-	64,254
Reports	-	-	-	-	-	1,500	1,500
Supplies and rentals	-	-	222	-	1,402	-	1,624
Travel, transport and accommodation	-	-	-	-	7,110	617	7,110
Total additions during the year	-	941	(5,901)	15,000	122,197	2,117	134,354
Investment tax credits	-	-	(20,237)	-	-	-	(20,237)
Balance, February 28, 2014	**$ -**	**$ 283,063**	**$ 1,255,958**	**$ 47,856**	**$ 122,197**	**$ 66,739**	**$ 1,775,813**
Additions during the period -							
Acquisition costs							
Cash consideration	-	-	-	-	10,000	-	10,000
Shares issued	93,333	-	-	-	-	-	93,333
Property exploration costs							
Geological costs	210	-	111	-	12,069	-	12,390
Total additions during the period	93,543	-	111	-	22,069	-	115,723
Impairment of mineral property	-	-	-	(47,856)	-	(16,034)	(63,890)
Balance, November 30, 2014	**$ 93,543**	**$ 283,063**	**$ 1,256,069**	**$ -**	**$ 144,266**	**$ 50,704**	**$ 1,827,646**

(Unaudited - Expressed in Canadian Dollars)

6. MINERAL EXPLORATION AND EVALUATION ASSETS - continued

Garland Property, Labrador, Newfoundland

On July 10, 2014, the Company entered into an agreement with Zimtu Capital Corp., DG Resource Management Ltd., and Ridge Resources Ltd., collectively the "Vendors", to acquire a 100% interest in the Garland Property, located in Labrador, Canada. The property encompasses 25,050 hectares and is 30 kilometres southeast of Vale's Voisey's Bay Nickel/Copper/Cobalt mine. In consideration, the Company will issue 7,999,998 shares over a 36 month period of which 2,666,666 is due upon exchange approval of the agreement (issued), pay $80,000 over a 1 year period, of which $30,000 is due upon signing, and grant DG Resource Management a 2% Gross Overriding Royalty (GORR) in the Property. The transaction was accepted by the TSX Venture Exchange on November 17, 2014.

Nahmint Property, Port Alberni, BC

On October 16, 2013, the Company executed an Option Agreement (the Agreement") to earn a 100% undivided ownership interest in the Nahmint Property located along the western shoreline of the Alberni Inlet 25 km south of Port Alberni, BC. The Property is approximately 9,552 hectares consisting of 21 cell mineral claims and 15 underlying crown granted claims. Equitas will earn a 100% interest in the Property by paying $620,000 in cash, issuing 5,000,000 common shares, and by incurring $1,300,000 in exploration expenditures as detailed below. The vendors will retain a 2% NSR, of which 1% can be purchased for $1 million.

	Cash	**Securities**	**Exploration or Other Work Commitments**	**Status**
Upon signing	$1,000			Paid
Exchange approval	$24,000			Paid
Dec 31, 2013			$50,000	Incurred
Mar 31, 2014	$25,000			Paid
Dec 31, 2014		250,000	$250,000	
June 15, 2015	$25,000			
Dec 15, 2015	$25,000			
Dec 31, 2015		300,000	$250,000	
June 15, 2016	$25,000			
Dec 15, 2016	$25,000			
Dec 31, 2016		450,000	$250,000	
June 15, 2017	$25,000			
Dec 15, 2017	$25,000			
Dec 31, 2017		500,000	$250,000	
June 15, 2018	$25,000			
Dec 18, 2018	$25,000		$250,000	
Dec 31, 2019 *	$120,000	1,500,000		
Dec 31, 2020 **	$250,000	2,000,000		
Total	**$620,000**	**5,000,000**	**$1,300,000**	

*Upon completion of positive Pre-Feasibility Report
**Upon completion of positive Economic Feasibility Report

6. MINERAL EXPLORATION AND EVALUATION ASSETS - continued

Tom Gold Mine Claims, Yellowknife, NWT

During 2010, the Company acquired a 100% interest in the Tom Gold Mine claims located near Yellowknife, Northwest Territories. In consideration for $100,000 cash (paid) and 2,000,000 common shares of the Company (issued). No finder's fee was paid in connection with the property acquisition.

Day Property, BC

During 2010, the Company purchased 8 mineral property claims, known as the Day Copper-Gold Porphyry Property (the "Day Property"), comprising approximately 2,642 hectares, located approximately 385 kilometres northwest of Prince George, BC. The vendors, Zimtu Capital Corp. and 877384 Alberta Ltd., are related parties by way of significant shareholdings in the Company and by common directorships. Consideration for the acquisition comprised of cash payments of $50,000 (paid) and issuance of 5,000,000 common shares of the Company (issued). The vendors will retain a 2% net smelter return royalty, half of which may be purchased by the Company for $1,000,000. The Company also acquired, by staking, 6 additional claims adjacent to the Day, Roy and Porcupine Properties, known as the Erin Claims.

Roy Property, BC

During 2010, the Company entered into an agreement to acquire the Roy Property located in the Toodoggone region of north-central British Columbia, adjacent to the Day Property. The consideration for the acquisition is a cash payment of $181,000 payable over 5 years: $1,000 on signing (paid), $5,000 on October 31, 2010 (paid), $5,000 on October 31, 2011 (paid), $20,000 on October 31, 2012 (paid), $50,000 on October 31, 2013, and $100,000 on October 31, 2014. The vendors will retain a 2% Net Smelter Return royalty, 1% of which may be purchased by the Company for $1,000,000. On September 23, 2013, the agreement was amended to revise the consideration to acquire the property from $181,000 to $131,000. To date, $31,000 has been paid by the Company and the balance shall be paid as follows: $15,000 to be paid on the signing of the amended agreement (paid), $25,000 by October 31, 2014, and $60,000 by October 31, 2015. The Company returned the property to the vendor and impaired the property at November 30, 2014.

Other Claims, BC

During 2011, the Company acquired the Porcupine Property located in the Toodoggone region of north-central British Columbia, adjacent to the Day and Roy Property. The Company acquired a 100% mineral interest in the Porcupine Property for $13,000 (paid). There is a NSR of 2% on the Porcupine Property, of which the Company can purchase half (50%) of the NSR for $1,000,000. The Porcupine Property is also subject to an advance royalty of $50,000 per year and a one-time payment of 300,000 common shares upon commencement of commercial production. If the Company exercises the option to acquire 50% of the NSR, then the advance royalty payment shall be reduced to $25,000 per year, and a one-time payment of 150,000 common shares.

During 2010, the Company acquired property claims known as the Sickle, Snow and Bella claims by staking. The Sickle property claims are located in the Yellowknife, Northwest Territories area, and encompass three historic gold showings termed "Drag Lake", "Anne" and "Arseno". The Snow property claims are located in north central British Columbia and consist of two map-staked claims totalling 2,090 acres. The Bella property claims are located near Bella Coola in British Columbia, and consist of two claim blocks totalling 26 claims, encompassing approximately 31,380 acres. The Snow and Bella claims have lapsed and are no longer held by the Company.

On June 5, 2012, the Company acquired the Chilanko Property located in the Cariboo region of British Columbia, in consideration for $1,000 (paid). During the year ended February 28, 2013 the Company also acquired 14 additional claims adjacent to the Chilanko Property by staking. During the nine months ended November 30, 2014, the Company let the claims lapse and impaired the property.

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL

a) Authorized:

Unlimited common shares without nominal or par value.

At a Special Meeting of Shareholders held on September 15, 2014, the shareholders approved a share consolidation on the basis of 1 post-consolidated common share for every 3 pre-consolidated common share.

b) Issued:

On November 17, 2014, the Company issued 2,666,666 shares at a deemed price of $0.035 in accordance with the Garland Property agreement.

c) Warrants:

Warrant transactions and the number of warrants outstanding for the nine months ended November 30, 2014 and the year ended February 28, 2014 are summarized as follows:

	November 30, 2014		February 28, 2014	
	Number of Options	**Weighted Average Exercise Price**	Number of Warrants*	Weighted Average Exercise Price
Balance, beginning of year	**-**	**$ 0.20**	**7,529,167**	**$ 0.20**
Expired	**-**	**0.20**	**(7,529,167)**	**0.20**
Balance, end of period	**-**	**$ -**	**-**	**$ -**

*pre-consolidation

8. SHARE-BASED COMPENSATION

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-V. The expiry date for each option should be for a maximum term of five years.

Options granted to directors, employees and consultants, other than consultants engaged in investors relations activities, will vest fully upon the expiry of the TSX-V hold period of four months from the award date, unless otherwise approved by the relevant regulatory authorities.

Options granted to employees in investors relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period.

At a Special Meeting of Shareholders held on September 15, 2014, the Disinterested Shareholders approved the re-pricing of stock options granted to directors and officers of the Company to an exercise price that is equal to the greater of $0.10 per share, or the Discounted Market Price on the date that is 10 calendar days after the completion of the consolidation of the Company's common shares. The directors approved the pricing of all outstanding options to $0.10 per common share, the expiry dates of the options remain unchanged.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE-BASED COMPENSATION - continued

The following is a summary of option transactions under the Company's stock option plan for the nine months ended November 30, 2014 and the year ended February 28, 2014:

	November 30, 2014		February 28, 2014	
	Number of Options**	**Weighted Average Exercise Price**	Number - Options*	Weighted Average Exercise Price
Balance, beginning of year	**1,675,000**	**$ 0.10**	1,917,500	$ 0.10
Granted	**150,000**	**0.10**	3,300,000	0.10
Cancelled	**(133,352)**	**0.10**	-	-
Expired	**(25,000)**	**0.10**	(192,500)	0.11
Balance, end of period	**1,666,648**	**$ 0.10**	5,025,000	$ 0.10
Exercisable, end of period	**1,666,648**	**$ 0.10**	1,725,000	$ 0.10

***pre-consolidation**
****post-consolidation**

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

Expiry Date	Pre-consolidation Exercise Price	Pre-consolidation Number of options	Post-consolidation Exercise Price	Post-consolidation Number of options	Remaining Contractual Life (Years)
January 28, 2015	$ 0.30	50,000	$ 0.10	16,648	0.66
June 16, 2015	$ 0.30	1,350,000	$ 0.10	450,000	1.04
February 26, 2019	$ 0.30	3,150,000	$ 0.10	1,050,000	4.75
March 18, 2019	$ 0.30	450,000	$ 0.10	150,000	4.80
Total, end of period	**$ 0.30**	**5,000,000**	**$ 0.10**	**1,666,648**	**3.21**

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the nine months ended November 30, 2014, the Company recorded $22,880 (November 30, 2013 - $nil) in share-based payments expense.

The following assumptions were used for nine months ended November 30, 2014 and the year ended February 28, 2014:

	November 30, 2014	February 28, 2014
Risk free interest rate	**1.61%**	1.63%
Expected life	**5 years**	5 years
Expected volatility	**169%**	169%
Expected dividend yield	**0%**	0%
Expected forfeiture	**0%**	0%
Weighted average share price	**$0.05**	$0.07

(Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

A significant shareholder of the Company, with common directors, provides monthly administrative and managerial services (see note 10).

	Nine Months ended November 30, 2014	2013
Key Management Compensation:		
Management fees	**$ -**	$ 90,000
Consulting fees	**30,000**	-
Office administration and rent	**112,500**	112,500
Advertising and promotion	**16,000**	21,900
Total	**$ 128,500**	$ 224,400

	November 30, 2014	February 28, 2014
Related Party Balances:		
Director of the Company	**$ 15,750**	$ 3,613
Companies related by common directors	**$ 214,055**	$ 3,613

The amounts payable and receivable to/from related parties represent non-interest bearing loans the Company borrowed from or loaned to the directors. The loans are uncollateralized and are repayable on demand.

10. COMMITMENTS

On June 1, 2010, the Company entered into a management and administration agreement for a 12 month term with Zimtu Capital Corp. ("Zimtu"). Under the terms of the agreement, Zimtu provides the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space for $12,500 a month. On June 1, 2013, this agreement was extended for an additional 12 month term. On June 1, 2014, the Company renewed the management and administrative agreement with Zimtu for an additional 6 month term, expiring November 30, 2014. See Note 12

11. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. All of the Company's assets are located in Canada.

12. SUBSEQUENT EVENTS

a) In December 2014, the Company closed a private placement with gross proceeds of $441,200. The Company issued 6,624,000 flow-through units ("FT Units"). Each FT Unit consists of one common share priced at $0.05 and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of $0.10, expiring 2 years after closing. The Company also issued 2,200,000 units ("Units"), priced at $0.05 per Unit. Each Unit consists of one common share and one share purchase warrant, priced at $0.10 and expiring in 2 years. Finders fees of $21,200 and 424,000 share purchase warrants exercisable for 2 years at $0.10, were paid and issued respectively.

b) On December 1, 2014, the Company renewed its management services agreement with Zimtu for an additional 12 month period.