

GOLDEN CARIBOO RESOURCES LTD.

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

FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

These unaudited condensed interim financial statements of Golden Cariboo Resources Ltd. for the three months ended December 31, 2014 have been prepared by management and approved by the Board of Directors. These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	December 31, 2014	December 31, 2014 (Audited)
ASSETS		
Current		
Cash	\$ 36,605	\$ 124,670
Receivables	2,386	3,574
Prepaid expenses (Note 3 and 7)	<u>50,383</u>	<u>50,383</u>
	89,374	178,627
Exploration and evaluation asset (Note 3)	177,321	177,321
Investments (Note 4)	<u>575,792</u>	<u>427,201</u>
	<u>\$ 842,487</u>	<u>\$ 783,149</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 455,200	\$ 460,177
Related party loans payable (Note 7)	<u>7,904</u>	<u>19,215</u>
	<u>463,104</u>	<u>479,392</u>
Shareholders' equity		
Share capital (Note 5)	11,612,480	11,612,480
Reserves (Note 5)	1,701,997	1,701,997
Accumulated other comprehensive income	148,591	-
Deficit	<u>(13,083,685)</u>	<u>(13,010,720)</u>
	<u>379,383</u>	<u>303,757</u>
	<u>\$ 842,487</u>	<u>\$ 783,149</u>

Nature and continuance of operations (Note 1)

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

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED DECEMBER 31,
(Unaudited)
(Expressed in Canadian Dollars)

	2014	2013
EXPENSES		
Consulting	\$ 8,592	\$ -
Management fees (Note 7)	15,000	15,000
Office and miscellaneous	5,574	652
Professional fees	5,000	-
Public relations and advertising	13,814	962
Rent (Note 7)	2,165	2,153
Salaries and benefits (Note 7)	5,639	13,071
Transfer agent and regulatory fees	1,316	2,487
Travel and related costs	<u>15,865</u>	<u>2,263</u>
Loss from operations	<u>(72,965)</u>	<u>(36,586)</u>
OTHER ITEM		
Other than temporary impairment on investments	<u>-</u>	<u>(616,655)</u>
Loss for the period	<u>\$ (72,965)</u>	<u>\$ (653,241)</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gain on investments	<u>148,591</u>	<u>-</u>
Loss and comprehensive loss for the period	<u>\$ 75,626</u>	<u>\$ (653,241)</u>
Basic and diluted net income (loss) per common share	<u>\$ 0.01</u>	<u>\$ (0.05)</u>
Weighted average number of common shares outstanding	<u>13,856,930</u>	<u>13,856,930</u>

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

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	<u>Share Capital</u>			Accumulated Other Comprehensive Income	Reserves	Total Shareholders' Equity
	Common Shares	Amount	Deficit			
Balance, September 30, 2013	13,856,930 \$	11,612,480 \$	(11,811,769)	\$ -	\$ 1,701,997	\$ 1,502,708
Loss and comprehensive loss for the period	-	-	(653,241)	-	-	(653,241)
Balance, December 31, 2013	13,856,930 \$	11,612,480 \$	(12,465,010)	\$ -	\$ 1,701,997	\$ 849,467
Balance, September 30, 2014	13,856,930 \$	11,612,480 \$	(13,010,720)	\$ -	\$ 1,701,997	\$ 303,757
Loss for the period	-	-	(72,965)	-	-	(72,965)
Change in value of investments	-	-	-	148,591	-	148,591
Balance, December 31, 2014	15,037,885 \$	21,210,420 \$	(13,083,685)	\$ 148,591	\$ 1,701,997	\$ 379,383

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

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31,
(Unaudited)
(Expressed in Canadian Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (72,965)	\$ (653,241)
Item not affecting cash:		
Other than temporary impairment on marketable securities	-	616,655
Changes in non-cash working capital items:		
Receivables	1,188	(1,196)
Accounts payable and accrued liabilities	<u>(4,977)</u>	<u>(111,018)</u>
Net cash used in operating activities	<u>(76,754)</u>	<u>(148,800)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Related party loans payable	<u>(11,311)</u>	<u>(3,970)</u>
Net cash provided by financing activity	<u>(11,311)</u>	<u>(3,970)</u>
Decrease in cash during the period	(88,065)	(152,770)
Cash, beginning of period	<u>124,670</u>	<u>491,578</u>
Cash, end of period	<u>\$ 36,605</u>	<u>\$ 338,808</u>

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

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2014
(Unaudited)
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on October 6, 1988 under the Company Act (British Columbia). The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The Company is listed on the NEX Board of the TSX Venture Exchange, under the symbol GCC-H. The Company's head office, principal address and registered records office is located at 600 – 1100 Melville Street, Vancouver, British Columbia, Canada.

The Company's unaudited condensed interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended December 31, 2014, had an accumulated deficit of \$13,083,685 (September 30, 2014 - \$13,010,720). The unaudited condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company is in the process of exploring its exploration and evaluation asset and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation asset and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral property and upon future profitable production.

2. BASIS OF PRESENTATION

Statement of Compliance

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

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended September 30, 2014.

Approval of the financial statements

These unaudited condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 2, 2015.

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. EXPLORATION AND EVALUATION ASSET

On January 18, 2012 the Company entered into an option agreement with Golden Valley Mines Ltd. (“Golden Valley”) and Integra Gold Corp. (“Integra”) in respect of a portfolio consisting of twelve properties located in the Abitibi Greenstone Belt. Regulatory approval was received in April 2013.

Under the Agreement the Company can acquire a 70% interest in certain properties (the “GZZ Option”) located in the Abitibi Greenstone Belt of northwestern Québec and northeastern Ontario (the “GZZ Properties”) held by Golden Valley.

Subject to net smelter return royalty interests and advance royalty interests in favour of the original vendors (one of which is a director and officer of Golden Valley), the Company can acquire a 70% interest in certain properties located in the Abitibi Greenstone Belt of northwestern Québec (the “GZZ-I Option”); these properties are subject to a 30% interest held by Integra pursuant to a joint venture agreement between Integra and Golden Valley (the “GZZ-I Properties”). Golden Valley will be the operator during the option phase.

To maintain its Option the Company has to:

- i. Issue to Golden Valley 9.9% of Company’s issued share capital (the “Share Interest”); (Issued 770,961 common shares on May 1, 2013)
- ii. Incur expenditures in an aggregate amount of \$4,500,000 over a 6 year period from the initial date of signing at the option agreement as follows:
 - a) \$250,000 on January 11, 2014 (\$103,832 of this amount has been expensed to date)*
 - b) an additional \$500,000 on or before January 11, 2015*
 - c) an additional \$1,000,000 on or before January 11, 2016
 - d) an additional \$1,250,000 on or before January 11, 2017
 - e) an additional \$1,500,000 on or before January 11, 2018

to be allocated between the GZZ Properties and the GZZ-1 Properties as the Company may determine provided that no more than \$4,000,000 of the Expenditures shall be incurred with respect to the GZZ Properties and at least \$500,000 of the Expenditures shall be incurred with respect to the GZZ-1 Properties and:
- iii. Reimburse Golden Valley for all costs related to the preparation of any technical reports. Golden Valley has the right, but not the obligation to participate in future financings of the Company in order to maintain its Share Interest.

Upon the GZZ Option being exercised, Golden Valley shall retain a 30% free carried interest to production in respect of the GZZ Properties. Upon the GZZ-I Option being exercised, Golden Valley and Integra shall retain a combined 30% free carried interest to production (22.5% Golden Valley/7.5% Integra). During the year ended September 30, 2014, the Company advanced Golden Valley \$125,000 for expenditures to be incurred by the operator. As at December 31, 2014, \$50,383 (September 30, 2014: \$50,383) in prepaid expenditures remained unspent.

*The Company is in the process of negotiating an extension and amendment to the terms of the option agreement.

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4. INVESTMENTS

Available-for-sale investment consists of an investment in common shares of Barkerville Gold Mines Ltd. (“Barkerville”), and therefore has no fixed maturity date or coupon rate.

Barkerville Gold Mines Ltd.		
	Number of Shares	Fair Value
September 30, 2013	1,857,393	\$ 1,378,186
Revaluation	-	(950,985)
September 30, 2014	1,857,393	\$ 427,201
Unrealized gain	-	148,591
December 31, 2014	1,857,393	\$ 575,792

At September 30, 2012, the fair value of a Barkerville share was \$1.22 per share, which represented an unrealized mark-to-market gain of \$139,653 net of future income tax expense of \$4,669, recorded in other comprehensive loss.

As at August 14, 2012, Barkerville was subject to a cease trade order which prevented the Company from selling shares. Subsequent to September 30, 2013 the cease trade order was lifted, and Barkerville’s shares resumed trading. The fair value of the Company’s investment in Barkerville was estimated using the weighted average price of \$0.74 per share (2012: \$1.22), based on the five day trading period commencing on the sixth trading day after the reinstatement of the Company’s common shares for trading, which represented an unrealized mark-to-market loss of \$887,834. The 2013 revaluation was considered other than temporary and was recorded as a \$659,949 reversal of previously recorded accumulated other comprehensive gain and a \$227,885 less \$86,000 one-time tax expense (\$141,885) impairment included in the 2013 net loss for the year.

As at September 30, 2014, the fair value of Barkerville shares was \$0.23 per share. The revaluation during the year ended September 30, 2014 is considered other than temporary and an impairment of \$950,985 (2013:\$141,885) is included in the 2014 net loss.

As at December 31, 2014, the fair value of Barkerville shares was \$0.31 per share. The unrealized gain during the period ended December 31, 2014 of \$148,591 has been included in other comprehensive income and as accumulated other comprehensive income on the equity section of the balance sheet.

5. CAPITAL STOCK AND RESERVES

a) Share capital

Authorized: Unlimited common shares without par value

No common shares were issued in the year ended September 30, 2014 or during the three months ended December 31, 2014.

b) Stock options

The Company has a rolling stock option plan (the “plan”) that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant, subject to a minimum exercise price of \$0.05 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

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5. CAPITAL STOCK AND RESERVES (continued)

b) Stock options (continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, September 30, 2013, September 30, 2014 and December 31, 2014	663,597	\$ 0.285

These options will expire on February 15, 2016 and have a weighted average remaining contractual life of 1.13 years (September 30, 2014 – 1.38 years).

c) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, September 30, 2013	3,000,000	\$ 0.35
Issued	<u>(3,000,000)</u>	0.35
Outstanding, September 30, 2014 and December 31, 2014	-	\$ -

During the year ended September 30, 2014 all the warrants expired unexercised. There were no warrants issued or outstanding as at December 31, 2014.

d) Escrow shares

At December 31, 2014 a total of 6,250 (September 30, 2014 – 6,250) of the issued and outstanding common shares are held in escrow and may not be released without the consent of the regulatory authorities.

e) Flow-through shares

The Canada Revenue Agency (“CRA”) has reviewed Canadian exploration expenditures (“CEE”) incurred by the Company that were renounced on certain flow-through shares issued for taxation years 2000 through 2003. During the year ending September 30, 2008, upon completion of the review, the Company was assessed and has recorded in the financial statements approximately \$49,000 in additional Part XII.6 tax and accrued interest relating to flow-through share issuances for these fiscal years. The CRA has not indicated to Management it will be conducting an examination for taxation years after 2003. Between taxation years 2004 and 2008, the Company has estimated \$1.32 million flow-through share proceeds were raised in excess of qualifying flow-through share expenditures incurred over this period. The Company has failed to incur these expenditures within the time period required during the 2004 – 2008 fiscal years.

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5. CAPITAL STOCK AND RESERVES (continued)

e) Flow-through shares (continued)

The Company did not issue any flow through shares during the years ended September 30, 2014, 2013, 2012, 2011, 2010 and 2009. Per the flow-through subscription agreements with investors, the Company was to incur CEE by December 31, 2007 equal to the amount that was renounced. During the year ended September 30, 2014 the Company paid \$Nil (2013: \$Nil) to the CRA for part payment of penalties and interest outstanding, and accrued \$Nil in penalties and interest in 2014 (2013: \$Nil). Management, however, has estimated and recorded interest and penalties related to Part XII.6 taxes payable and unremitted amounts owing to the CRA of \$375,888 (2013:\$375,888). The Company is continuing to review its compliance with respect to flow through shares issuances and has filed voluntary disclosure with the CRA. The final outcome of the voluntary disclosure is unknown at the date of the financial statements.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and related party loan payable. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loan payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is no risk associated with receivables as this is GST due from the Canadian Government.

b) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2014. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

d) Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

7. RELATED PARTY TRANSACTIONS

- a) The Company incurred the following fees charged by key management personnel and companies controlled by key management personnel during the three months ended December 31:

	2014	2013
Management fees	\$ 15,000	\$ 15,000

The Company has entered into a management agreement with the Company's president whereby the Company agreed to pay a management fee of \$5,000 per month until the agreement is terminated. The agreement can be terminated by providing two months' notice.

- b) Included in other related party transactions at December 31, 2014 is \$7,804 (December 31, 2013 - \$13,618) paid to Companies that have common directors for salaries and wages, rent expense and office expense.
- c) Included in accounts payable at December 31, 2014 is \$7,904 (September 30, 2014 - \$19,215) owing to a director of the Company. These amounts are unsecured and non-interest bearing.

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8. CAPITAL MANAGEMENT

The Company is an exploration stage company and this involves a high degree of risk. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management from fiscal 2014.

9. SEGMENTED INFORMATION

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's chief operating decision maker, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition, exploration and development of mineral properties, all of which occurs within Canada. The Company's corporate head office earns nominal revenue that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment.