CANADIAN OREBODIES

Financial Statements

January 31, 2015

(expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Canadian Orebodies Inc.

We have audited the accompanying financial statements of Canadian Orebodies Inc., which comprise the statements of financial position as at January 31, 2015 and 2014, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MNP LLP

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Orebodies Inc. as at January 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Canadian Orebodies Inc.'s ability to continue as a going concern.

Other matters

The statement of financial position as at February 1, 2013 has been derived from the statement of financial position as at January 31, 2013 (not presented herein). The financial statements as at January 31, 2013 and for the year then ended (prior to the restatement due to a change in accounting policy described in Note 2(b)) were audited by MSCM LLP, prior to its merger with MNP LLP. MSCM LLP expressed an unmodified opinion on those statements on May 22, 2013.

We have audited the adjustments described in Note 2(b) that were applied to the statement of financial position and the statements of comprehensive loss, changes in (deficit) equity, and cash flows as at, and for the year ended, January 31, 2014 and to derive the statement of financial position as at February 1, 2013. In our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
May 26, 2015

MNP LLP

Canadian Orebodies Inc.
Statements of Financial Position

As at	January 31, 2015	*restated (note 2(b))* January 31, 2014	*restated (note 2(b))* February 1, 2013
Assets			
Current assets			
Cash and cash equivalents *(note 2(e))*	$ 199,778	$ 348,427	$ 2,070,814
Accounts receivable	3,510	51,326	90,910
Prepaid expenses	6,045	11,205	15,315
Exploration advances	-	105,000	150,000
Marketable securities *(note 3)*	189,808	175,800	226,000
Total Assets	$ 399,141	$ 691,758	$ 2,553,039
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 37,006	$ 38,031	$ 125,234
Deferred premium on flow-through shares *(note 10)*	-	-	318,600
Due to related party *(note 11)*	233,035	233,035	233,035
	270,041	271,066	676,869
Shareholders' Equity			
Share capital *(note 5)*	20,647,230	20,629,680	20,597,180
Contributed surplus *(note 6)*	4,898,210	4,552,962	2,295,068
Warrants *(note 7)*	-	236,898	2,311,590
Accumulated other comprehensive loss	(27,692)	(200,000)	(175,000)
Deficit *(note 2(b))*	(25,388,648)	(24,798,848)	(23,152,668)
	129,100	420,692	1,876,170
Total Equity and Liabilities	$ 399,141	$ 691,758	$ 2,553,039

See accompanying notes to the financial statements

Approved by the Board

Signed: *"Gordon McKinnon"*

Director

Signed: *"Chris Hodgson"*

Director

Canadian Orebodies Inc.
Statements of Operations and Comprehensive Loss
For the years ended January 31, 2015 and 2014

	2015	*restated (note 2(b))* 2014
Expenses		
Management and administrative services *(note 11)*	$ 363,208	$ 358,407
Impairment of marketable securities *(note 3)*	252,500	-
Investment loss	104,870	25,200
Share based compensation *(note 6 and 11)*	108,350	183,202
Office and administration	70,346	91,920
Professional and consulting fees	46,968	97,205
Shareholder information	31,640	79,375
Exploration expenditures *(notes 2(b) & 4)*	18,202	1,141,646
Representation and travel	4,616	14,226
Interest income	(2,429)	(10,212)
Recovery of exploration expenditures *(note 4)*	(8,471)	(16,189)
Recovery on sale of mineral property *(note 4)*	(400,000)	-
Premium on flow-through shares income *(note 10)*	-	(318,600)
	589,800	1,646,180
Net loss for the year	(589,800)	(1,646,180)
Other comprehensive income (loss)		
Items that will subsequently be reclassified to profit or loss:		
Unrealized loss on available-for-sale marketable securities arising during the year	(132,692)	(25,000)
Items reclassified to profit or loss:		
Realized loss	52,500	-
Other than temporary loss *(note 3)*	252,500	-
	172,308	(25,000)
Total comprehensive loss for the year	$ (417,492)	$ (1,671,180)
Basic and diluted net loss per share *(note 8)*	$ (0.004)	$ (0.010)

See accompanying notes to the financial statements

Canadian Orebodies Inc.
Statements of Cash Flows
For the years ended January 31, 2015 and 2014

	2015	*restated (note 2(b))* 2014
Operating Activities		
Net loss	**$ (589,800)**	**$ (1,646,180)**
Items not affecting cash and cash equivalents from operating activities:		
Interest income	**(2,429)**	**(10,212)**
Share based compensation	**108,350**	**183,202**
Marketable securities received from sale of mineral property	**(400,000)**	**-**
Shares issued for mineral properties	**13,000**	**32,500**
Investment loss	**104,870**	**25,200**
Impairment of marketable securities	**252,500**	**-**
Premium on flow-through shares income	**-**	**(318,600)**
Changes in non-cash working capital items		
Accounts receivable	**47,816**	**39,584**
Prepaids and deposits	**5,160**	**4,110**
Exploration advances	**105,000**	**45,000**
Accounts payable and accrued liabilities	**(1,025)**	**(87,203)**
	(356,558)	**(1,732,599)**
Financing Activities		
Recovery of share issue costs	**4,550**	**-**
Investing Activities		
Sale of marketable securities	**200,930**	**-**
Interest income	**2,429**	**10,212**
	203,359	**10,212**
Net change in cash and cash equivalents	**(148,649)**	**(1,722,387)**
Cash and cash equivalents, beginning of year	**348,427**	**2,070,814**
Cash and cash equivalents, end of year	**$ 199,778**	**$ 348,427**

See accompanying notes to the financial statements

Canadian Orebodies Inc.
Statements of Changes in Equity
For the years ended January 31, 2015 and 2014

	Share Capital		Reserves		Deficit		
	Number of shares	Amount	Contributed surplus	Warrants	Accumulated other comprehensive (loss) income	Deficit	Total
Balance, February 1, 2013 *(restated - note 2(b))*	**162,545,290**	**$ 20,597,180**	**$ 2,295,068**	**$ 2,311,590**	**$ (175,000)**	**$(23,152,668)**	**$ 1,876,170**
Issued for mineral properties	625,000	32,500	-	-	-	-	32,500
Fair value of warrants expired	-	-	2,074,692	(2,074,692)	-	-	-
Share-based compensation	-	-	183,202	-	-	-	183,202
Unrealized loss on marketable securities	-	-	-	-	(25,000)	25,000	-
Comprehensive loss for the year	-	-	-	-	-	(1,671,180)	(1,671,180)
Balance, January 31, 2014 *(restated - note 2(b))*	**163,170,290**	**$ 20,629,680**	**$ 4,552,962**	**$ 236,898**	**$ (200,000)**	**$(24,798,848)**	**$ 420,692**
Recovery of cost of issue of private placements	-	4,550	-	-	-	-	4,550
Issued for mineral properties *(note 4)*	450,000	13,000	-	-	-	-	13,000
Fair value of warrants expired	-	-	236,898	(236,898)	-	-	-
Share-based compensation	-	-	108,350	-	-	-	108,350
Unrealized loss on marketable securities	-	-	-	-	(132,692)	132,692	-
Reclassification of realized loss and impairment on marketable securities	-	-	-	-	305,000	(305,000)	-
Comprehensive loss for the year	-	-	-	-	-	(417,492)	(417,492)
Balance, January 31, 2015	**163,620,290**	**$ 20,647,230**	**$ 4,898,210**	**$ -**	**$ (27,692)**	**$(25,388,648)**	**$ 129,100**

See accompanying notes to the financial statements

1. Nature of Operations and Going Concern

Canadian Orebodies Inc. (the "Company") was incorporated pursuant to the provision of the Business Corporations Act (of Alberta) on January 28, 2008 ("Inception Date"). On July 21, 2008, the Company was authorized to continue its operations from the jurisdiction of Alberta to Ontario. Its principal business activity is the exploration of mineral properties. The address of the Company's registered office is 141 Adelaide Street West, Suite 301, Toronto, Ontario M5H 3L5. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount expended on mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties.

The accompanying financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company is currently in the exploration stage and has not commenced commercial operations. As at January 31, 2015, the Company had working capital of $129,100 (2014 – $420,692), an accumulated deficit of $ 25,388,648 (2014 – $ 24,798,848) and is not yet generating operating cash flows. As such, there is significant doubt regarding the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mining interest expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Accordingly, the financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. Significant Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements were approved by the Board of Directors on May 26, 2015.

2. Significant Accounting Policies - continued

(b) Changes in accounting policies

During the year ended January 31, 2015, the Company retrospectively changed its accounting policy for exploration expenditures to a more relevant and reliable accounting policy. Prior to the year ended January 31, 2015, the Company capitalized exploration expenditures and acquisition costs related to mineral properties. Effective February 1, 2014 (and retrospectively applied effective February 1, 2013) exploration and evaluation expenditures, including acquisition costs of mineral properties, property option payments and evaluation activities, are now charged to earnings as they are incurred until the mineral property has been established as commercially viable and technically feasible, at which point related development expenditures are capitalized. The impact of this change on the previously reported January 31, 2014 financial statements is as follows:

	As previously reported	Adjustment	**As restated**
Statement of financial position as at February 1, 2013			
Mineral properties and deferred exploration costs	$ 15,897,758	$ (15,897,758)	**$ -**
Deficit	(7,254,910)	(15,897,758)	**(23,152,668)**
Statement of financial position as at January 31, 2014			
Mineral properties and deferred exploration costs	17,008,863	(17,008,863)	**-**
Deficit	(7,789,985)	(17,008,863)	**(24,798,848)**
Statement of comprehensive loss for the year ended January 31, 2014			
Exploration expenditures	-	1,125,457	**1,125,457**
Write-off (recovery) of mineral properties and deferred exploration expenditures	14,352	(14,352)	**-**
Net loss before other comprehensive loss	(535,075)	(1,111,105)	**(1,646,180)**
Total comprehensive loss	(560,075)	(1,111,105)	**(1,671,180)**
Basic and diluted net loss per share	(0.003)	(0.007)	**(0.010)**
Statement of cash flows for the year ended January 31, 2014			
Net loss	(535,075)	(1,111,105)	**(1,646,180)**
Shares issued for mineral properties	-	32,500	**32,500**
Write-off (recovery) of mineral properties and deferred exploration expenditures	14,352	(14,352)	**-**
Cash flow from operating activities	(639,642)	(1,092,957)	**(1,732,599)**
Mineral properties and deferred exploration expenditures	(1,092,957)	1,092,957	**-**
Cash flow from investing activities	$ (1,082,745)	$ 1,092,957	**$ 10,212**

2. Significant Accounting Policies - continued

(c) Significant accounting estimates and judgements

The preparation of these financial statements requires management to make judgments and estimates 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. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

(d) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Loans and receivables - These assets are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held to maturity investments - These assets are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Available for sale - These assets are non derivative financial assets not included in the above categories. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available for sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is

2. Significant Accounting Policies - continued

(d) Financial instruments - continued

any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the corresponding asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes all other financial liabilities, all of which are recognized at amortized cost.

The Company’s financial instruments consist of the following:

Financial assets:	**Classification:**
Cash and cash equivalents	Fair value through profit and loss
Accounts receivable	Loans and receivables
Marketable securities - equity securities	Available for sale
Marketable securities - share purchase warrants	Fair value through profit and loss
Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Due to related party	Other financial liabilities

Fair value hierarchy

The Company classifies its financial instruments according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company’s cash and cash equivalents and equity securities held as marketable securities are classified within level 1 of the fair value hierarchy and share purchase warrants held as marketable securities are classified within level 2 of the fair value hierarchy.

2. Significant Accounting Policies - continued

(e) Cash and cash equivalents

Cash and cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days. The breakdown of cash and cash equivalents was:

	January 31, 2015	**January 31, 2014**
Cash	$ 39,620	$ 61,702
Money market instruments	160,158	286,725
	$ 199,778	**$ 348,427**

(f) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(g) Income taxes

Income tax on the profit or loss for the periods presented consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized either profit or loss and comprehensive income or loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent their future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

2. Significant Accounting Policies - continued

(h) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(i) Share issue costs

Costs incurred for the issue of common shares and warrants are deducted from share capital and warrants respectively.

(j) Share-based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(k) Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made.

2. Significant Accounting Policies - continued

(k) Asset retirement obligation - continued

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

(l) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti dilutive.

(m) Future changes in accounting standards not yet adopted

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 - Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace *IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39")*. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

3. Marketable Securities

During the year ended January 31, 2015 the Company sold a portion of its equity securities for gross proceeds of $200,930, and recognized an other than temporary loss on the value of a portion of its stock holdings by reclassifying $252,500 from Other Comprehensive Loss to the Statement of Operations. The following is a summary of the Company's marketable securities:

	January 31, 2015	**January 31, 2014**
Equity securities	$ 189,808	$ 175,000
Share purchase warrants	-	800
	$ 189,808	**$ 175,800**

4. Mineral Properties and Exploration Expenditures

The total expenditures on each property in the Company's mineral property portfolio are as follows:

	Belcher Islands Iron Project	Farley Lake Project	Lithium and Rare Metals Project	Trump & Hawkins Projects	Total
February 1, 2013	**$ 14,024,555**	**$ -**	**$ 1,233,548**	**$ 639,655**	**$ 15,897,758**
Expenditures	177,452	800,000	58,365	105,829	1,141,646
Recoveries	-	-	(16,189)	-	(16,189)
January 31, 2014	**14,202,007**	**800,000**	**1,275,724**	**745,484**	**17,023,215**
Expenditures	2,702	-	10,000	5,500	18,202
Recoveries	(8,471)	(400,000)	-	-	(408,471)
Disposals *	-	(400,000)	-	-	(400,000)
January 31, 2015	**$ 14,196,238**	**$ -**	**$ 1,285,724**	**$ 750,984**	**$ 16,232,946**

** Disposal indicates the Company no longer holds an interest in the respective property and, as such, the cumulative expenditure has been eliminated.*

Belcher Islands Iron Project

On February 14, 2011 the Company entered into a non-arm's length Purchase Agreement (the "Agreement") to acquire up to a 100% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Project with an area of approximately 2,685 hectares, located on the Belcher Islands, Nunavut, Canada (the "Property"). On June 15, 2011, the Company acquired an initial 10% interest in the Property, which was increased to 25% on June 15, 2012, and on November 5, 2012, the Company acquired the remaining 75% interest in the Property. In total, the Company issued 28,000,000 common shares valued at $4,759,500 under the Agreement and now holds a 100% interest in the Property. The vendors retain a 3% Gross Overriding Royalty ("GOR"), of which one-third can be purchased by the Company for a maximum of $3,000,000.

In addition to the lands acquired under the Agreement, the Company staked 29 claims covering 21,816 hectares of Municipal Land.

During the year ended January 31, 2015, the Company reduced its Inuit Owned Land packages to 1,226 hectares by relinquishing its interest in certain properties that had seen limited exploration work in order to minimize holding costs.

4. Mineral Properties and Exploration Expenditures - continued

Farley Lake Project

On November 12, 2013, the Company executed an option agreement with Carlisle Goldfields Ltd. (TSX:CGJ) ("Carlisle") pursuant to which the Company was granted the option to acquire a 10% non-diluting interest in the mining claims and mining leases comprising the Farley Lake Mine Project located near the town of Lynn Lake, Manitoba, in which Carlisle held a 100% interest.

In order to acquire its interest in the property, the Company was required to incur aggregate exploration expenditures on the property of $800,000 by December 31, 2013 (completed). Upon the Company acquiring its interest, the parties entered into a joint venture agreement pursuant to which Carlisle shall incur all further expenditures on the property until it reaches commercial production.

At any time prior to April 30, 2016, the Company was entitled to transfer such interest back to Carlisle upon 15 days prior written notice (the "Put Right") in exchange for the issuance to the Company of Carlisle shares with an aggregate value of $800,000, with each Carlisle share being valued at the greater of $0.10 per Carlisle share and the volume weighted average trading price of the Carlisle shares traded on the TSX for the twenty (20) days where transactions have been recorded on those shares immediately preceding the date of the Back-In Notice or Put Notice (the "Reference Price"). Further, at any time after December 31, 2014 and on or prior to April 30, 2016, Carlisle had right (the "Back-In Right") to require that the Company transfer such interest back to Carlisle upon 15 days prior written notice to the Company, in exchange for the issuance to the Company of Carlisle Shares with an aggregate value of $800,000, with each Carlisle share being valued at the Reference Price, provided that if: (a) the Reference Price of Carlisle's shares for purposes of such issuance is less than the minimum price permissible by the TSX; or (b) such issuance would result in the issuance to the Company of a number of Carlisle Shares that would be equal to 10% or more of the outstanding Carlisle Shares, Carlisle shall not be permitted to exercise the Back-In Right.

On April 28, 2014, the Company exercised its Put Right to transfer its interest back to Carlisle. The Company received 8,000,000 Carlisle shares on May 1, 2014 with an aggregate value of $400,000.

Lithium & Rare Metals

Falcon Lake Property

On November 20, 2009, the Company entered into an option agreement to acquire a 100% interest in various mining claims known as the Falcon Lake and Barbara Lake Properties that make up its lithium and rare metals properties, for 1,600,000 shares of the Company valued at $160,000 and 1,600,000 warrants of the Company valued at $104,000, all of which were exercised. The vendor retains a 2% Net Smelter Return Royalty ("NSR") on the property, one-half of which can be purchased for $1,000,000.

4. Mineral Properties and Exploration Expenditures - continued

Zig Zag Property

On March 3, 2010, the Company signed a property acquisition agreement with Ultra Lithium Inc. ("Ultra") and the underlying property owners (the "Owners") to acquire an 80% interest in 129 mining claim units located approximately 60 kilometers northeast of Armstrong, Ontario. On March 8, 2013, the Company made its final option payment to Ultra by issuing 125,000 shares valued at $17,500. The Company fulfilled its obligations under the option and acquired an 80% interest in the Zig Zag Property. On October 15, 2013, the Company acquired Ultra's remaining 20% interest in the Zig Zag Property in exchange for the issuance of 500,000 common shares of the Company, valued at $15,000. The Owners retain a 2% NSR, one-half of which can be purchased by the Company for $1,000,000. Commencing on the fourth anniversary, the Company will be required to pay $10,000 per annum in pre-production royalties in either cash or shares. During the year ended January 31, 2015, the Company issued 250,000 shares to the Owners, valued at $10,000, to pay the pre-production royalty.

Hawkins Property

The Hawkins property is comprised of 111 claim units covering 1,776 hectares located in the Hawkins and Walls Townships, approximately 200 kilometers east of Timmins. On August 11, 2014 the Company signed an Exploration Agreement with the Missanabie Cree First Nation ("MCFN"), relating to the Company's continuing exploration work on the Hawkins Property. Pursuant to the agreement, the company issued 200,000 common shares valued at $3,000 to the MCFN and contributed $2,000 toward the MCFN's legal fees as consideration for unobstructed access to certain portions of the MCFN's traditional lands.

Trump Property (Webequie)

Trump Property

On July 8, 2008, the Company announced it had entered into a letter of intent with Rainy Mountain Royalty Corp. ("Rainy Mountain", formally East West Resource Corporation) granting the Company the option to acquire an 80% legal and beneficial interest in 96 claim units comprising more than 1,536 hectares in the James Bay Lowlands. In order to earn its 80% legal and beneficial interest, the Company was required to:

1. Pay to Rainy Mountain $10,000 (paid);

2. Issue to Rainy Mountain an aggregate amount of 280,000 common shares of Orebodies (issued);

3. Commission a VTEM airborne survey on the property (completed);

4. Rainy Mountain will hold a 20% carried interest in the property until a Bankable Feasibility study is produced.

5. Share Capital

Authorized share capital

At January 31, 2015, the authorized share capital consisted of an unlimited number of common shares and the issued share capital amounted to $ 20,647,230. The common shares do not have a par value. All issued shares are fully paid.

6. Share Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statements of operations and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following table reflects the continuity of share options for the period ended January 31, 2015:

	Options	**Weighted Avg. Exercise Price**
Balance, January 31, 2013	8,325,000	0.19
Granted	3,125,000	0.10
Expired	(2,675,000)	0.17
Balance, January 31, 2014	8,775,000	0.16
Granted	4,925,000	0.05
Expired	(1,400,000)	0.14
Balance, January 31, 2015	**12,300,000**	**0.12**

On April 28, 2014, the Company granted to Directors, Officers and consultants of the Company 4,925,000 share options vesting immediately, and exercisable at $0.05 per share for a period of five years from the date of issuance. The value ascribed to the 4,925,000 share options granted was estimated at $108,350 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: stock price - $0.03; expected dividend yield - 0%; weighted expected volatility - 114%; risk-free interest rate - 1.05% and an expected life of 5 years.

6. Share Options - continued

The following table reflects the actual share options issued and outstanding as at January 31, 2015.

Options	Exercise Price	Expiry Date
1,625,000	0.100	July 28, 2015
925,000	0.335	March 24, 2016
200,000	0.265	August 5, 2016
1,500,000	0.250	April 5, 2017
3,125,000	0.100	May 22, 2018
4,925,000	0.050	April 28, 2019
12,300,000	**$ 0.119**	

7. Warrants

A summary of the Company's outstanding warrants, for the years ended January 31, 2015 and 2014 are as follows:

	2015	2014
Balance, beginning of year	8,070,000	30,424,914
Issued	-	-
Exercised	-	-
Expired	(8,070,000)	(22,354,914)
Balance, end of year	**-**	**8,070,000**

8. Loss Per Common Share

The following table sets forth the computation of basic and diluted earnings per share for the years ended January 31, 2015 and 2014.

	2015	2014
Loss attributable to common shareholders	$ (589,800)	$ (1,646,180)
Weighted-average common shares outstanding - basic and diluted	163,395,290	162,857,790
Basic and diluted loss per common share	**$ (0.004)**	**$ (0.010)**

Diluted loss per share did not include the effect of the share options and warrants outstanding respectively as their effect was anti-dilutive.

9. Income Taxes

(a) Income taxes

The following table reconciles the expected income tax recovery at the combined Canadian Federal and Provincial statutory rates to the amount recognized in the statements of operations and comprehensive loss:

	2015	**2014**
Loss before recovery of deferred income taxes	$ (589,800)	$(1,646,180)
Expected income tax recovery	$ (156,300)	$ (436,240)
Tax rate changes and other adjustments	54,790	(232,520)
Non-deductible expenses	72,780	57,840
Effect of flow-through renunciation	-	328,400
Flow-through share premium	-	(84,430)
Expiry of warrants	45,970	-
Change in tax benefits not recognized	(17,240)	366,950
Income tax recovery reflected in the statements of operations and comprehensive loss	**$ -**	**$ -**

(b) Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	**2014**
Mineral properties	$ 12,667,070	$ 13,070,340
Mining tax credits	510,880	510,880
Share issuance costs	294,930	552,450
Marketable securities	255,190	371,600
Property, plant and equipment	4,960	4,960
Non-capital losses carried forward	3,995,840	3,275,190

The Canadian non-capital loss carry fowards expire as noted in the table below. Share issue and finance costs will be fully amortized in 2017. Mining tax credits expire from 2032-2033. The remaining deductible temporary differences my be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

9. Income Taxes - continued

(c) Non-capital losses carried forward

The non-capital losses expire as follows:

2029	$ 67,900
2030	79,740
2031	67,900
2032	953,130
2033	1,241,970
2034	864,550
2035	720,650
	$ 3,995,840

10. Deferred Premium on Flow-through Shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is reduced and the reduction of premium liability is recorded in loss from operations on a pro-rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities. Accordingly, during the year ended January 31, 2015, $Nil (2014 - $Nil) was deferred and $Nil (2014 - $318,600) was recognized as income in the statements of operations and comprehensive loss.

As at January 31, 2015, the Company has no outstanding flow-through expenditure commitments.

11. Related Party Transactions and Balances

(a) Director and Executive Management Compensation

Directors and executive management's compensation for the years ended January 31, 2015 and 2014 consisted of the following:

	2015	**2014**
Cash compensation	$ 355,800	$ 348,000
Fair value of stock options	106,700	178,350
	$ 462,500	**$ 526,350**

11. Related Party Transactions and Balances - continued

(a) Director and Executive Management Compensation - continued

Directors and executive management received the following stock options during the year ended January 31, 2015:

Expiry date	Number of options	Exercise price	Stock price at grant	Risk-free interest rate	Expected life	Volatility factor	Fair value
April 28, 2019	4,850,000	$ 0.05	$ 0.03	1.05 %	5.0	114 %	$ 0.022

(b) Director and Executive Management Transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

Account	Note	Transaction value Year ended January 31, 2015	Transaction value Year ended January 31, 2014	Balance outstanding as at January 31, 2015	Balance outstanding as at January 31, 2014
Due to related party	(i)	$ -	$ -	$ 233,035	$ 233,035

(i) The Company has a loan from 695202 Ontario Limited, a corporation controlled by a relative of Gordon McKinnon, the Chief Executive Officer and a director of the Board, in the amount of $233,035 and is due on demand as at January 31, 2015. The loan is interest free and unsecured.

12. Capital Risk Management

The Company's capital is composed of shareholders' equity. 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, exploration and development 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 properties in which the Company currently has an interest are in in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2015. The Company is not subject to externally imposed capital requirements.

12. Capital Risk Management - continued

Financial Risk Factors

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

(a) Credit risk

The Company's credit risk is primarily attributable to accounts receivable which consist primarily of Harmonized Sales Tax receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(b) Liquidity risk

The Company is currently in the exploration stage and has not commenced commercial operations. As at the date of issue of these financial statements, the Company had an accumulated deficit of $25,388,648.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. As at January 31, 2015, the Company was not yet generating operating cash flows, but has working capital of $129,100. Within this amount, it had a cash balance of $199,778 (January 31, 2014: $348,427) to settle current liabilities of $270,041 (January 31, 2014: $271,066). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company will be required to obtain additional capital to continue its progress toward recovering the amount expended on its mineral properties, and although success in this regard is not assured, management is of the opinion that additional capital can be raised as required for the foreseeable future.

(c) Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(ii) Price risk

The Company is indirectly exposed to price risk with respect to the price of base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

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.

12. Capital Risk Management - continued

Financial Risk Factors - continued

(d) Fair Value

The fair values of the Company's cash and cash equivalents, accounts receivable and accounts payables approximate their carrying values because of the short term-nature of these instruments.

(e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period. The Company's investments in public companies are sensitive to a plus or minus 50% change in Canadian equity prices which would affect comprehensive income (loss) by approximately $94,904.

13. Subsequent Events

On March 3, 2015, the Company issued 1,000,000 shares, valued at $10,000, to the underlying owners of the Zig Zag Property as payment of the pre-production royalty.