



# **VIPER GOLD LTD.**

## **FINANCIAL STATEMENTS**

For the Three Months Ended March 31, 2015 and 2014

*(Unaudited – Expressed in Canadian Dollars)*

### **Notice to Readers:**

These unaudited condensed interim financial statements of Viper Gold Ltd. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - *Continuous Disclosure Obligations*.

**Viper Gold Ltd.****Condensed Interim Statements of Financial Position***(Unaudited - Expressed in Canadian Dollars)*

		<b>As at March 31, 2015</b>	<b>As at December 31, 2014</b>
	<b>Notes</b>		
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 86,180	\$ 49,437
Amounts receivable		4,552	5,574
<b>Total current assets</b>		<b>90,732</b>	<b>55,011</b>
Exploration and evaluation assets	5	-	-
<b>Total assets</b>		<b>\$ 90,732</b>	<b>\$ 55,011</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	12	\$ 42,687	\$ 17,430
<b>Shareholders' Equity</b>			
Share capital	6	1,634,879	1,566,920
Warrants	6	5,137	4,598
Share-based payments reserve	7	134,862	134,862
Deficit		(1,726,833)	(1,668,799)
<b>Total shareholders' equity</b>		<b>48,045</b>	<b>37,581</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 90,732</b>	<b>\$ 55,011</b>

*Going concern (note 2)**Commitments and contingencies (note 11)*

Approved on Behalf of the Board:

Joseph Del Campo  
DirectorPaul C. Davis  
Director*The accompanying notes are an integral part of these condensed interim financial statements.*

**Viper Gold Ltd.****Condensed Interim Statements of Loss and Comprehensive Loss***(Unaudited - Expressed in Canadian Dollars)*

		For the three months ended	
		March 31,	
	Notes	2015	2014
<b>Expenses</b>			
Management and consulting	11	\$ 9,500	\$ 3,000
Filing fees and communications		3,228	6,410
Insurance		1,743	1,743
Legal	11	43,377	5,154
General and administrative expenses		186	152
<b>Total expenses</b>		<u>58,034</u>	<u>16,459</u>
<b>Net loss and comprehensive loss for the period</b>		<u>\$ (58,034)</u>	<u>\$ (16,459)</u>
Basic and diluted loss per share	8	\$ (0.03)	\$ (0.01)
Weighted average number of common shares		<u>2,293,867</u>	<u>1,827,200</u>

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

**Viper Gold Ltd.**  
**Condensed Interim Statements of Changes in Equity**  
*(Unaudited - Expressed in Canadian Dollars)*

	Notes	Capital stock		Warrants	Share-based payments reserve	Deficit	Total Equity
		Number of shares	Amount				
Balance at December 31, 2014		1,827,200	\$ 1,566,920	\$ 4,598	\$ 134,862	\$ (1,668,799)	\$ 37,581
Issued on private placement	6 (a)(i)	1,500,000	75,000	-	-	-	75,000
Fair value of issued finder's warrants	6 (b)		-	539			539
Share issuance costs			(7,041)				(7,041)
Net loss		-	-	-	-	(58,034)	(58,034)
<b>Balance at March 31, 2015</b>		<b>3,327,200</b>	<b>\$ 1,634,879</b>	<b>\$ 5,137</b>	<b>\$ 134,862</b>	<b>\$ (1,726,833)</b>	<b>\$ 48,045</b>
Balance at December 31, 2013		1,827,200	\$ 1,566,920	\$ 4,598	\$ 134,862	\$ (1,580,256)	\$ 126,124
Net loss		-	-	-	-	(16,459)	(16,459)
<b>Balance at March 31, 2014</b>		<b>1,827,200</b>	<b>\$ 1,566,920</b>	<b>\$ 4,598</b>	<b>\$ 134,862</b>	<b>\$ (1,596,715)</b>	<b>\$ 109,665</b>

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

**Viper Gold Ltd.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	<i>Notes</i>	<b>For the three months ended March 31,</b>	
		<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
Net loss for the period		\$ (58,034)	\$ (16,459)
<b>Working capital adjustments:</b>			
Decrease in amounts receivable		1,022	6,387
Increase in prepaid expenses		-	(2,260)
Increase in accounts payable and accrued liabilities		25,257	13,554
<b>Net cash flows from operating activities</b>		<b>(31,755)</b>	<b>1,222</b>
<b>Cash flows from financing activities</b>			
Proceeds on private placement - gross	6 (a)(i)	75,000	-
Share issue costs		(6,502)	-
<b>Net cash flows from financing activities</b>		<b>68,498</b>	<b>-</b>
<b>Net increase in cash</b>		<b>36,743</b>	<b>1,222</b>
Cash - Beginning of year		49,437	5,664
<b>Cash - End of the period</b>		<b>\$ 86,180</b>	<b>\$ 6,886</b>
<b>Supplemental information:</b>			
Finders' warrants issued for services	6 (b)	\$ 539	\$ -
Interest paid		\$ -	\$ -

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

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS

Viper Gold Ltd. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on January 29, 2008. The Company's executive office is located at 25 Wakem Court, Whitby, Ontario L1P 1T8, Canada.

The Company is in the business of acquiring and exploring mineral properties with a view to finding and developing mineable deposits of precious and base metals.

### 2. GOING CONCERN

The Company is in the exploration and evaluation stage and up to May 8, 2014, it held an interest in certain mineral claims in Peru from which no revenue had been generated. The exploration and development of mineral properties involves significant financial risk, with recoverability of costs incurred being subject to future profitable production from economically recoverable reserves and/or financing through issuance of shares or sale of property interests.

These condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in these financial statements. Such adjustments could be material. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet ongoing administration expenses and related liabilities as they fall due.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management believes they have sufficient working capital to continue current operations for the next twelve months, but is aware, in making its going concern assessment, of material uncertainties related to events or conditions that cast doubt upon the entity's ability to continue as a going concern. The Company has incurred a loss in the current and prior periods, with a loss of \$58,034 for the three month period ended March 31, 2015, (2014 - \$16,459), and as at March 31, 2015 has an accumulated deficit of \$1,726,833 (December 31, 2014 - \$1,668,799) and a working capital of \$48,045 (December 31, 2014 - \$37,581).

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 3. BASIS OF PRESENTATION

#### (a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies set out in Note 4 have been consistently applied to all periods presented.

These financial statements were approved and authorized for issue by the Board of Directors on May 14, 2015.

#### (b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information.

#### (c) Recently adopted accounting standards and interpretations issued but not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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. Earlier adoption is permitted.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 3. BASIS OF PRESENTATION (continued)

#### (d) Significant accounting judgments and use of estimates

The preparation of these condensed interim financial statements requires management to make 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. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*i. Capitalization of exploration and evaluation costs*

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See note 5 for details of capitalized exploration and evaluation costs.

*ii. Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

*iii. Impairment of exploration and evaluation assets*

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.



# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

### 3. BASIS OF PRESENTATION (continued)

#### (d) Significant accounting judgments and use of estimates (continued)

##### iv. *Income taxes and recoverability of potential deferred tax assets*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. Future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these condensed interim financial statements are summarized in the audited financial statements of the Company for the year ended December 31, 2014. These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2014.

### 5. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2013	2014 Disposition	Balance December 31, 2014	2015 Additions	Balance March 31, 2015
Corongo Property	\$ 212,000	\$ (212,000)	\$ -	\$ -	\$ -

On March 17, 2010, the Company entered into an option agreement ("Option Agreement") with Duran Ventures Inc. ("Duran"), an arm's length resources company, and its subsidiary Minera Aguila de Oro S.A.C. ("Minera"), providing for the right to acquire a 50% interest in certain mineral claims comprising a prospective gold property known as the Corongo Property in Peru. The Option Agreement was subsequently amended June 22, 2010 and August 5, 2010. The Option Agreement, as amended, provides for the acquisition of a 50% interest in certain mineral claims comprising the Corongo Property in consideration for: (i) the payment of US\$25,000 (\$25,247 paid) in cash upon execution of the Agreement, (ii) the Company incurring not less than US\$1,000,000 in exploration expenditures on the Corongo Property (US\$1,000,000 has been incurred) prior to March 10, 2012; and (iii) the issuance of 100,000 common shares in the capital of the Company as to: (a) 30,000 common shares on or prior to the closing of the Qualifying Transaction (issued and valued at \$45,000); (b) 30,000 common shares on or prior to March 10, 2011 (issued and valued at \$72,000); and (c) 40,000 common shares on or prior to March 10, 2012 (issued and valued at \$32,000). The Company has earned its 50% interest in the property, however, a definitive joint venture agreement was not signed.

#### *2014 Disposition*

On March 3, 2014, the Company entered into a Conditional Termination Agreement (the "Termination Agreement") with Duran which would effectively terminate the Option Agreement between the Company and Duran resulting in the disposition of the Company's 50% interest in the Corongo Property in Peru (the "Proposed Disposition"). The Proposed Disposition closed on May 8, 2014, and the Company received proceeds of \$215,500 (US\$200,000).

# Viper Gold Ltd.

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014  
(Unaudited - Expressed in Canadian dollars)**

## 6. SHARE CAPITAL AND OTHER EQUITY

### (a) Authorized, issued and outstanding shares

Authorized:

- unlimited number of common shares without par value
- unlimited number of preferred shares issuable in series

Issued:

3,327,200 common shares as at March 31, 2015; 1,827,200 common shares as at December 31, 2014.

Transactions during the first three months of 2015 and for the year ended December 31, 2014 are as follows:

	<u>Number of Shares</u>	<u>Amount</u>
Balance, December 31, 2013 and 2014	1,827,200	\$1,566,920
Private placement (i)	1,500,000	75,000
Share issue costs		<u>(7,041)</u>
Balance, March 31, 2015	<u>3,327,200</u>	<u>\$1,634,879</u>

### (i) Private placement

On March 4, 2015, the Company closed a non-brokered private placement of 1,500,000 common shares in the capital of the Company at a price of \$0.05 per common share, for aggregate gross proceeds of \$75,000 (the "Private Placement").

The Company paid cash commissions to certain registered dealers pursuant to the Private Placement in the aggregate amount of \$2,800 and issued 56,000 common share purchase warrants. Each warrant is exercisable for one common share at a price of \$0.10 per share prior to March 4, 2016.

### (b) Warrants

Details of common share purchase warrants outstanding at March 31, 2015 are as follows:

	<b>Number of Warrants</b>	<b>Exercise price</b>	<b>Expiry Date</b>	<b>Grant Date Fair Value</b>
Share purchase warrants				
Issued on private placement	550,000	\$1.00	July 10, 2015	\$ 4,224
Finders' warrants	45,000	\$1.00	July 10, 2015	374
Finders' warrants	56,000	\$0.10	Mar 4, 2016	539
	<u>651,000</u>			<u>\$ 5,137</u>

# Viper Gold Ltd.

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014  
(Unaudited - Expressed in Canadian dollars)**

## 6. SHARE CAPITAL AND OTHER EQUITY (continued)

(b) Warrants (continued)

Common share purchase warrant transactions during the three months ended March 31, 2015 and for the year ended December 31, 2014 are as follows:

	March 31, 2015			December 31, 2014		
		Weighted average	Grant Date		Weighted average	Grant Date
	Number of Warrants	exercise price	Fair Value	Number of Warrants	exercise price	Fair Value
Outstanding – beginning of the year	595,000	\$ 1.00	\$ 4,598	595,000	\$ 0.50	\$ 4,598
Issued	56,000	0.10	539	-	-	-
Expired	-	-	-	-	-	-
Outstanding – end of the period	651,000	\$ 0.92	\$ 5,137	595,000	\$ 1.00	\$ 4,598

The warrants issued in 2014 were exercisable at \$0.50 to July 10, 2014 and thereafter at \$1.00 until July 10, 2015.

The grant date fair value of the 56,000 finders' warrants issued in connection with the private placement that closed on March 4, 2015 has been estimated at \$539, using the Black-Scholes option pricing model. The following weighted average assumptions were used: Risk-free interest rate – 0.59%; Expected volatility – 100%; Expected dividend yield – nil; Expected life – 1 year.

The weighted average remaining contractual life of the issued and outstanding warrants as at March 31, 2015 was 0.35 years.

## 7. SHARE - BASED PAYMENTS – SHARE OPTION PLAN

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the options are determined by the Board of Directors.

The aggregate number of common stock options shall not exceed 10% of the issued and outstanding common shares of the Company, with no one individual being granted more than 5% of the issued and outstanding common shares. In addition, the exercise price of options granted under the plan shall not be lower than the exercise price permitted by the TSX Venture Exchange, and all options granted under the plan will have a term not to exceed five years.

# Viper Gold Ltd.

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014  
(Unaudited - Expressed in Canadian dollars)**

## 7. SHARE - BASED PAYMENTS – SHARE OPTION PLAN (continued)

A summary of the status of the Plan as at March 31, 2015 and December 31, 2014, and changes during periods ended on those dates are presented below:

	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
	<b>Number of stock options</b>	<b>Weighted average exercise price</b>	<b>Number of stock options</b>	<b>Weighted average exercise price</b>
Outstanding – beginning of the year	65,600	\$ 3.40	65,600	\$ 3.40
Granted	-	-	-	-
Expired	-	\$ -	-	\$ -
Outstanding – end of the period	65,600	\$ 3.40	65,600	\$ 3.40

As at March 31, 2015, the Company had stock options issued to directors, officers, employees and consultants of the Company outstanding as follows:

<b>Date of grant</b>	<b>Number of options issued</b>	<b>Exercisable</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining contractual life</b>
August 17, 2010	20,000	20,000	\$2.00	August 17, 2015	0.38 years
January 26, 2011	45,600	45,600	\$4.00	January 26, 2016	0.83 years
	<u>65,600</u>	<u>65,600</u>			<u>0.69 years</u>

No options were granted during the three month period ended March 31, 2015 and for the year ended December 31, 2014.

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 8. LOSS PER SHARE

#### (a) Basic

Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year.

	For the three months ended	
	March 31,	
	2015	2014
Net loss attributable to common shareholders	\$ (58,034)	\$ (16,459)
Weighted average number of ordinary shares in issue	2,293,867	1,827,200
Basic loss per share	\$ (0.03)	\$ (0.01)

#### (b) Diluted

Diluted loss per share is the same as basic loss per share as issued and outstanding warrants and options are considered to be anti-dilutive.

### 9. FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

#### (a) Credit risk management

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivables. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss is remote. Financial instruments included in amounts receivable consist of harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

#### (b) Liquidity risk

As at December 31, 2014, the Company had a working capital of \$48,045 (December 31, 2014 – \$37,581). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company does have sufficient cash to settle current liabilities.

#### (c) Market risk

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to productions costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at March 31, 2015, the Company had cash balances of \$Nil (2014 - \$Nil) in U.S. dollars. Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have had a material effect to the net loss for the three month period ended March 31, 2015.

The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

#### (e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and currently does not carry interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. It is management's opinion that the Company is not exposed to significant interest rate risk.

#### (f) Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

#### (g) Fair value of financial assets and liabilities

The book values of the cash, amounts receivable, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

The fair values together with the carrying amounts shown in the statements of financial position are as follows:

	As at March 31, 2015		As at December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash	\$ 86,180	\$ 86,180	\$ 49,437	\$ 49,437
Amounts receivable	4,552	4,552	5,574	5,574
Accounts payable and accrued liabilities	42,687	42,687	17,430	17,430

# Viper Gold Ltd.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (Unaudited - Expressed in Canadian dollars)

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### 10. CAPITAL RISK MANAGEMENT

The Company defines capital as Shareholders' Equity which at March 31, 2015 was \$48,045 (December 31, 2014 - \$37,581). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration, development and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at March 31, 2015, the Company had no bank debt. As discussed in Note 2, the Company's ability to continue to carry out its planned operations is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the three month period ended March 31, 2015 and for the year ended December 31, 2014. The Company is not subject to externally imposed capital requirements.

### 11. COMMITMENTS AND CONTINGENCIES

#### (a) Consulting agreements

The Company has entered into a consulting agreement with Paul C. Davis, the Company's President and Chief Executive Officer, to provide management services to the Company. The Company will pay Mr. Davis a per diem rate of \$650 to a maximum of \$4,000 monthly, along with a vehicle allowance of \$55 per day to a maximum of \$330 per month. The agreement is for a one year term, expiring December 31, 2015.

The Company has entered into a consulting agreement with Joseph Del Campo, the Company's Interim Chief Financial Officer, to provide management services to the Company. The Company will pay Mr. Del Campo a monthly fee of \$1,000. The agreement is for a one year term, expiring December 31, 2015.

#### (b) Environmental matters

The Company's exploration activities are subject to various federal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

# Viper Gold Ltd.

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014  
(Unaudited - Expressed in Canadian dollars)**

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## 12. COMPENSATION OF KEY MANAGEMENT AND RELATED PARTY TRANSACTIONS

The remuneration of directors and members of key management personnel during the three month period ended March 31, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Compensation	\$ 9,500	\$ 3,000
Share-based payments	-	-
	<u>\$ 9,500</u>	<u>\$ 3,000</u>

No options were granted during the three month period ended March 31, 2015 and for the year ended December 31, 2014.

During the three month period ended March 31, 2015, the Company incurred legal fees and share issue costs in the amount of \$43,377 and \$3,702, respectively (2014 – legal fees of \$5,154) from a law firm of which a director of the Company is a partner. As at March 31, 2015, the Company owed the law firm \$34,553 (December 31, 2014 - \$565). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the three month period ended March 31, 2015, the Chief Executive Officer of the Company charged the Company a total of \$6,500 (2014 - \$Nil) for services rendered as disclosed in the compensation table above. As at March 31, 2015, the Company owed the Chief Executive Officer of the Company \$Nil (December 31, 2014 - \$Nil). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the three month period ended March 31, 2015, the Interim Chief Financial Officer of the Company charged the Company a total of \$3,000 (2014 - \$3,000) for services rendered as disclosed in the compensation table above. As at March 31, 2015, the Company owed the Interim Chief Financial Officer of the Company \$Nil (December 31, 2014 - \$1,000). These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

See also Note 11(a).