FAIRMONT RESOURCES INC.

Condensed Interim Financial Statements

For the three months ended
January 31, 2015 and 2014

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 31, 2015

The accompanying unaudited condensed interim financial statements of Fairmont Resources Inc. (the "Company") for the period ended January 31, 2015, have been prepared by, and are the responsibility of, the Company's management.

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

FAIRMONT RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	January 31, 2015	October 31, 2014
ASSETS		
CURRENT		
Cash	$ 13,474	$ 155,065
Amounts receivable	8,447	21,576
Prepaid expenses	1,198	16,198
TOTAL CURRENT ASSETS	23,119	192,839
Exploration and evaluation assets (Note 4)	442,721	329,910
TOTAL ASSETS	$ 465,840	$ 522,749
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 40,664	$ 70,635
Due to related parties (Note 6)	11,594	12,647
TOTAL CURRENT LIABILITIES	52,258	83,282
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	4,435,698	4,358,601
Equity reserves (Note 5)	696,935	696,935
Deficit	(4,719,051)	(4,616,069)
TOTAL SHAREHOLDERS' EQUITY	413,582	439,467
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 465,840	$ 522,749

Nature and continuance of operations (Note 1)

Approved on behalf of the Board March 24, 2015:

"Greg Ball" — Director

"Michael Dehn" — Director

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

FAIRMONT RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
Unaudited - Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended January 31,	
	2015	**2014**
EXPENSES		
Administration	$ 9,500	$ 7,500
Advertising and promotion	7,851	21
Audit and accounting	9,000	10,500
Consulting	41,800	7,500
Investor relations	-	465
Legal	1,604	7,817
Management	25,500	3,000
Office and miscellaneous	474	5,522
Registration and transfer fees	7,253	7,421
Loss for the period	$(102,982)	$ (49,746)
LOSS PER SHARE, basic and diluted	$ (0.01)	$ (0.00)
Weighted average number of shares outstanding	17,640,536	10,785,001

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

FAIRMONT RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
Unaudited - Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended January 31,	
	2015	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (102,982)	$ (49,746)
Changes in non-cash working capital items		
Amounts receivable	13,129	(695)
Prepaid expenses	15,000	-
Accounts payable and accrued liabilities	(29,971)	(4,866)
Due to related parties	(1,053)	(78,915)
Net cash used in operating activities	(105,877)	(134,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	-	264,500
Net cash from financing activities	-	264,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(35,714)	(51,465)
Net cash used in investing activities	(35,714)	(51,465)
Change in cash and cash equivalents during the period	(141,591)	78,813
Cash and cash equivalents, beginning of the period	155,065	3,567
Cash and cash equivalents, end of the period	13,474	$ 82,380

SUPPLEMENTAL INFORMATION

NON CASH TRANSACTIONS		
Shares issued for exploration and evaluation asset (Note 5)	$ 77,097	$ 105,000
Shares issued as finders fee for private placement (Note 5)	-	$ 14,750
Exploration and evaluation assets included in due to related parties	-	$ 4,380

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

FAIRMONT RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED JANUARY 31, 2015 AND 2014
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Equity Reserves	Deficit	Total equity
Balance at October 31, 2013	5,106,360	3,320,679	$ 696,935	$ (3,342,460)	$ 675,154
Private placement	5,290,000	264,500	-	-	264,500
Finders fees for private placement	295,000	14,750	-	-	14,750
Share issuance cost		(14,750)	-	-	(14,750)
Shares issued for exploration and evaluation assets	2,100,000	105,000	-	-	105,000
Loss for the period	-	-	-	(49,746)	(49,746)
Balance at January 31, 2014	12,791,360	3,690,179	696,935	(3,392,206)	994,908
Private placement	4,291,667	643,150	-	-	643,150
Finders fees for private placement	141,000	21,150	-	-	21,150
Share issuance cost		(27,628)	-	-	(27,628)
Shares issued for exploration and evaluation assets	125,000	19,750	-	-	19,750
Shares issued on cancellation of property commitments	100,000	12,000	-	-	12,000
Loss for the period	-	-	-	(1,223,863)	(1,223,863)
Balance at October 31, 2014	17,449,027	4,358,601	696,935	(4,616,069)	439,467
Shares issued for exploration and evaluation assets	479,962	77,097	-	-	77,097
Loss for the year	-	-	-	(102,982)	(102,982)
Balance at January 31, 2015	17,928,989	$ 4,435,698	$ 696,935	$ (4,719,051)	$ 413,582

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act as Strike Explorations Corp. On April 23, 2009, the Company changed its name to Fairmont Resources Inc. The Company's head office address is Suite 810 – 789 West Pender Street, Vancouver, BC V6C 1H2, Canada. The registered and records office address is Suite 704 – 595 Howe Street, Vancouver, BC V6C 2T5, Canada. The Company is listed on the TSX Venture Exchange under the symbol "FMR". The Company is primarily engaged in the acquisition, exploration and development of exploration and evaluation assets. At October 31, 2014, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

At January 31, 2015 and October 31, 2014, the Company had an accumulated deficit of $4,719,051 and $4,616,069 respectively, which has been funded by the issuance of equity. The Company expects to incur further losses in the development of its business, all of which cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

	January 31, 2015	October 31, 2014
Working capital (deficiency)	$ (29,139)	$ 109,557
Deficit	$ (4,719,051)	$ (4,616,069)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The unaudited condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited annual financial statements for the year ended October 31, 2014. The unaudited condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

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

These condensed interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Use of estimates

The preparation of condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting 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:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position;

2) the inputs used in the accounting for the deferred tax assets / liabilities; and

3) the inputs used in the accounting for share-based payment expense included in profit or loss.

c) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.
Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Impairment

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at January 31, 2015 and October 31, 2014.

g) Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

i) 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 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 expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

j) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in earnings. The Company's amounts receivable are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not be recognized.

3. ADOPTED AND FUTURE ACCOUNTING STANDARDS

New accounting policies adopted

The following accounting policies were adopted and effective November 1, 2013

IFRS 10 – *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 – Consolidation – Special Purpose Entities and IAS 27 – Consolidated and Separate Financial Statements.

IFRS 11 – *Joint Arrangements* requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 *Fair Value Measurement* defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

IAS 27 *Separate Financial Statements* has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 *Investments in Associates and Joint Ventures* prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

3. ADOPTED AND FUTURE ACCOUNTING STANDARDS (continued)

IAS 32, *Financial Instruments: Presentation* - is amended to clarify requirements for offsetting of financial assets and financial liabilities.

The adoption of the above standards did not have an impact on the condensed interim financial statements.
New standards, interpretations and amendments not yet effective
Effective for annual periods beginning on or after January 1, 2015:

IFRS 7, Financial Instruments – Disclosure
Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Lac Elan Property (Quebec)

On November 26, 2013, the Company entered into a letter agreement with an arm's length party (the "Optionor") to earn a 40% interest in certain mineral claims known as the Lac Elan property in the province of Quebec. To acquire the 40% interest, the Company agreed to issue a total of 1,000,000 common shares in the capital stock of the Company within five days of December 6, 2013 (issued at a value of $50,000) and incur a total of $100,000 in exploration expenditures before the second anniversary of the agreement, with $25,000 of that being spent before the first anniversary.

On November 24, 2014, the Company and the optionor agreed to amend the agreement and the minimum expenditure requirement to be spent by the first anniversary was removed.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. To acquire the 100% interest, the Company agreed to pay $50,000 (paid) to certain suppliers of the Vendor, issue a total of 1,000,000 common shares (issued at a value of $50,000) and pay a total of $150,000 to the Vendor. The $150,000 payment is to be paid in an installment of $50,000 within 60 days of receiving final permits to commence commercial production on the property and $100,000 to be paid on commencement of commercial production. Further the net profits from production will be split 80% to the Vendor and 20% to the Company until the Vendor has received a total payment of $3,000,000. Thereafter the Vendor will receive 5% of the net profits and the Company will receive 95%. The Company also issued 100,000 common shares in the capital stock of the Company (issued at a value of $5,000) as a finders fee for the property.

Hearth Property (Quebec)

On February 20, 2014, the Company announced that it staked 96 claims, for $4,380, the Hearth Property, in the Buttercup-Lac Elan area.

Lac Bouchette Property (Quebec)

On October 24, 2014, the Company entered into an agreement with an arm's length party (the "Optionor") to earn a 100% interest in certain mineral claims known as the Lac Bouchette property in the province of Quebec. Under the terms of the option agreement, the Company will be required to make the following payments to the Vendors in order to exercise its option:

(i) $50,000 (of which $25,000 may be settled in shares of the Company) within five days of TSX Venture Exchange acceptance of the agreement (paid $25,000 and issued 135,135 common shares at a price of $0.175 per share subsequent to year end),
(ii) $50,000 on or before December 31, 2014,
(iii) $50,000 on or before June 1, 2015, and
(iv) $50,000 on or before December 1, 2015. (Note 5)

At the election of the Company, the payments set out in paragraphs (ii) to (iv) may be settled by the issuance of common shares of the Company, subject to TSX Venture Exchange Acceptance. The Vendors will also receive a $2 per tonne royalty for all ore currently stockpiled on the Lac Bouchette Quartz Property and a 2% production royalty for any new mined ore. The option agreement and the transactions contemplated therein are subject to the acceptance of the TSX Venture Exchange.

The Optionor agreed with the Company to extend the December 31, 2014 payment until January 2015. On January 14, 2015 344,827 common shares were issued at a price of $0.155 per share.

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The Forestville Quartzite property is located 20 kilometres north-northwest of the town of Forestville, Quebec. The Baie Comeau Quartzite property is 8 kilometres northwest of Baie Comeau, Quebec, and partially crosses highway 389. The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as potential raw material source of high purity glass, fibre optics, ferrosilicon and silica metal.

4. EXPLORATION AND EVALUATION ASSETS (continued)
Forestville – Baie Comeau Property (Quebec) (continued)

To acquire 100% of the Property, the Company will:

i) pay to the Optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid);
ii) pay $6,000;
iii) pay $100,000 in shares on or before January 21, 2016;
iv) pay $50,000 in shares on or before July 21, 2016; and
v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015.

The Optionee shall be responsible for keeping the Property in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction.

Clay and Powell Properties (Ontario)

On September 14, 2010, the Company entered into a Letter of Intent with Rainy Mountain Royalty Corp. and Mega Uranium Ltd. (the "Optionors") for an option to purchase a 70% undivided interest in certain mineral tenures comprising the Powell property and the Clay property (the "Properties") located near Thunder Bay, Ontario.

Under the original agreement the Company may exercise the option by the issuance to the Optionors of 100,000 common shares in the capital stock of the Company, and by incurring a total of $1,000,000 in exploration and development expenditures on the properties. On March 31, 2014 the Company agreed to issue an additional 100,000 shares to extend the option to purchase the property to December 31, 2014. Minimum expenditure obligations for the year ended October 31, 2013 were extended by the optionors to December 31, 2014.

In the event that the Company decides to abandon the Option and the Properties, the Company will provide thirty days prior written notice and will provide payment of rental fees for a period of at least six months from the effective date of such abandonment.

Pursuant to the Letter of Intent, the Clay and Powell properties are subject to a 2% net smelter return ("NSR") royalty of which 1% can be purchased for $500,000 and the other 1% for $1,000,000. The Company and the Optionors will pay the amount in proportion to their respective interest in the Properties.

On July 31, 2014 the property was written down to a value of $1,000 pursuant to an agreement with the Optionors that the option on the property could be bought back by them for $1,000 if they find a bona fide third party offer for the property.

On November 28, 2014 the Company terminated its option for the Clay Powell property in order to focus on its Quebec properties. All remaining capitalized costs were written-off as of October 31, 2014.

Houghton Creek Property (Ontario)

On July 25, 2012, the Company entered into a letter agreement with an arm's length party (the "Optionor") to earn a 100% interest in certain mineral claims known as the Houghton Creek property. The property is located in the Patricia Mining Division, Ontario. To acquire the 100% interest, the Company agreed to pay $22,000, issue a total of 56,250 common shares and incur a total of $150,000 in exploration expenditures.

On July 31, 2014 the Company abandoned its mineral claims of the Houghton Creek Property so that it can focus its resources on those properties that show more promising results. All capitalized costs were written-off.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Total exploration and evaluation assets

The following acquisition and deferred exploration costs were incurred on the Company's exploration and evaluation assets:

Current year	Lac Elan	Buttercup	Hearth
Acquisition costs, October 31, 2014	$ 50,000	$ 107,672	$ 4,380
Additions during the period	-	-	-
Acquisition costs, January 31, 2015	50,000	107,672	4,380
Deferred exploration costs, October 31, 2014	-	167,858	-
Additions during the period	-	10,714	-
Deferred exploration cost January 31, 2015	-	178,572	-
Total exploration and evaluation assets,January 31, 2015	$ 50,000	$ 286,244	$ 4,380

Current year (continued)	Lac Bouchette	Total
Acquisition costs, October 31, 2014	$ -	$ 162,052
Additions during the period	102,097	102,097
Acquisition costs, January 31, 2015	102,097	264,149
Deferred exploration costs, October 31, 2014	-	167,858
Additions during the period	-	10,714
Deferred exploration costs, January 31, 2015	-	178,572
Total exploration and evaluation assets, January 31, 2015	$ 102,097	$ 442,721

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Prior year	Lac Elan	Buttercup	Hearth
Acquisition costs, October 31, 2013	$ -	$ -	$ -
Additions during the period	50,000	107,672	4,380
Acquisition costs, October 31, 2014	50,000	107,672	4,380
Deferred exploration costs, October 31, 2013	-	-	-
Additions during the period	-	167,858	-
Deferred exploration cost October 31, 2014	-	167,858	-
Total exploration and evaluation assets, October 31, 2014	$ 50,000	$ 275,530	$ 4,380

Prior year (continued)	Clay and Powell	Houghton Creek	Total
Acquisition costs, October 31, 2013	$ 52,000	$ 13,036	$ 65,036
Impairment during the period	(71,750)	(13,036)	(84,786)
Additions during the period	19,750	-	181,802
Acquisition costs, October 31, 2014	-	-	162,052
Deferred exploration costs, October 31, 2013	729,042	51,028	780,070
Impairment during the period	(729,042)	(51,028)	(780,070)
Additions during the period	-	-	167,858
Deferred exploration costs, October 31, 2014	-	-	167,858
Total exploration and evaluation assets, October 31, 2014	$ -	$ -	$ 329,910

5. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares without par value.

Private Placements

Three months ended January 31, 2015

On November 5, 2014 the Company issued a total of 135,135 common shares at a price of $0.175 as the first payment for a 100% interest in the Lac Bouchette property (Note 4).

On January 14 2015 the Company issued a total of 344,827 common shares at a price of $0.155 as the second payment for a 100% interest in the Lac Bouchette property (Note 4).

Year ended October 31, 2014

On November 21, 2013 5,290,000 common shares were issued in a private placement at a price of $0.05 per common share for gross proceeds of $264,500. In conjunction with the private placement 295,000 shares at a price of $0.05 per common shares were issued as a finder’s fee.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

Year ended October 31, 2014 (continued)

On December 6, 2013, the Company issued a total of 1,000,000 common shares at a price of $0.05 in payment for a 40% option on the Lac Elan property (Note 4).

On December 13, 2013, the Company issued a total of 100,000 common shares at a price of $0.05 as a finder's fee for the Lac Elan property (Note 4).

On January 28 2014, the Company issued a total of 1,000,000 common shares at a price of $0.05 in payment for a 100% option on the Buttercup property (Note 4).
On February 26, 2014 the Company issued 100,000 common shares at a price of $0.12, to the optionors of the Marmion South Contact property (Note 4).

On May 2, 2014, the Company issued a total of 25,000 common shares at a price of $0.15 in payment for a 70% option on the Clay and Powell properties (Note 4).

On June 17, 2014, the Company issued a total of 100,000 common shares at a price of $0.16 in payment for an extension of the option on the Clay and Powell properties (Note 4).

On June 23, 2014, the Company issued in a private placement a total of 1,291,667 units at a price of $0.15 per unit, 766,667 units were issued for gross proceeds of $115,000, and 525,000 units were issued in payment for consulting fees. Each unit consists of one common share and one half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at $0.25 before the expiry date of June 23, 2015.

On September 5, 2014, 3,000,000 common shares were issued in a private placement at a price of $0.15 per common share for gross proceeds of $449,400. In conjunction with the private placement 141,000 shares at a price of $0.15 were issued as a finder's fee.

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2013 and October 31, 2014	362,500	$ 0.60
Expired	(75,000)	0.60
Balance at January 31, 2015	287,500	0.60
Exercisable at January 31, 2015	287,500	$ 0.60

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)
Stock Options (continued)

As at January 31, 2015, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
12,500	1.24	November 3, 2015
262,500	0.60	February 8, 2017
12,500	0.60	February 14, 2017
287,500		

Share-based payments

For the three months ended January 31, 2015 there were no stock options granted.

Warrants

The following table summarizes the warrants and agent warrants activity.

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2013	945,666	0.80
Expired	(945,666)	0.80
Issued	2,145,833	0.25
Balance at October 31, 2014	2,145,833	0.25
Balance at January 31, 2015	2,145,833	0.25

As at January 31, 2015 there are a total of 2,145,833 warrants outstanding at an exercise price of $0.25 with 645,833 expiring on June 23, 2015 and 1,500,000 expiring on September 5, 2015.

6. RELATED PARTY TRANSACTIONS

In the three months ended January 31, 2015 and 2014 the following amounts were paid or accrued to related parties:

a) Paid or accrued $22,500 (2014 – $nil) in management fees and $6,500 (2014 - $nil) in administrative fees to a company controlled by the CEO and president of the Company.
b) Paid or accrued $3,000 (2014 – $3,000) in management fees to a director of the Company.

At January 31, 2015, the following amounts were outstanding to related parties:

a) $Nil (October 31, 2014 – $1,052) in due to related parties was outstanding to a director of the Company.

b) $1,000 (October 31, 2014 – $1,000) in due to related parties was outstanding to a director of the Company.

c) $10,594 (October 31, 2014 – $10,594) in due to related parties was outstanding to a company controlled by two directors of the Company.

The amounts owing are unsecured, non-interest bearing and with no stated payment date.

The total remuneration for directors fees and to other key management personnel (included in amounts disclosed above) during the three months ended January 31, 2015 was $25,500 (2014 – $3,000).

(Expressed in Canadian Dollars)

7. CAPITAL MANAGEMENT

The Company considers its capital to be a component of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS

a) Fair Values

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	January 31, 2015	October 31, 2014
Fair value through profit or loss (i)	$ 13,474	$ 155,065
Loans and receivables (ii)	$ 8,447	$ 21,576
Other financial liabilities (iii)	$ 52,258	$ 83,282

(i) Cash
(ii) Amounts receivable
(iii) Accounts payable and accrued liabilities and due to related parties

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy 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 the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 13,474	-	-	$ 13,474

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

8. FINANCIAL INSTRUMENTS (continued)

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. 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 the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

9. SEGMENT INFORMATION

The Company conducts all of its business activities in Canada, in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

10. SUBSEQUENT EVENTS

Subsequent to the quarter end on February 17, 2015 the company announced the issuance of 1,000,000 stock options to its directors, officers and certain consultants. Each option entitles the holder to purchase one share at $0.25 per share.

Subsequent to the quarter end on February 17, 2015 the Company issued 500,000 shares of our common stock in payment for the Forestville and Baie Comeau Properties. The shares were issued at a fair value of $0.15 per share.