

LAMÉLÉE IRON ORE LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS As at December 31, 2014

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These condensed interim financial statements for the three-month period ended December 31, 2014 have not been reviewed by the auditor of the Company.

LAMÉLÉE IRON ORE LTD.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(unaudited, in Canadian dollars)

	Notes	December 31, 2014 \$	September 30, 2014 \$
ASSETS			
Current			
Cash		264,854	1,122,964
Term deposits, 1.15%, expiring in 2015		353,948	756,399
Taxes receivable		195,014	140,796
Other receivable		-	11,210
Deposit on contracts		-	51,608
Tax credits and credit on duties receivable		10,891	10,891
Prepaid expenses		15,913	27,994
		<u>840,620</u>	<u>2,121,862</u>
Non-current			
Exploration and evaluation assets	5	7,440,478	6,475,467
Property and equipment	6	2,250	2,386
		<u>7,442,728</u>	<u>6,477,853</u>
Total assets		<u>8,283,348</u>	<u>8,599,715</u>
LIABILITIES			
Current			
Trade and other payables		251,983	332,492
Other liabilities		101,063	358,382
		<u>353,046</u>	<u>690,874</u>
Total liabilities		<u>353,046</u>	<u>690,874</u>
EQUITY			
Share Capital		10,103,357	10,103,357
Warrants		163,800	163,800
Contributed surplus	7	824,543	708,109
Deficit		(3,161,398)	(3,066,425)
Total equity		<u>7,930,302</u>	<u>7,908,841</u>
Total liabilities and equity		<u>8,283,348</u>	<u>8,599,715</u>

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

On the behalf of the Board,

(s) Hubert Vallée
 President and Chief Executive Officer

(s) Marc Duchesne
 Chief Financial Officer

LAMÉLÉE IRON ORE LTD.
CONDENSED INTERIM FINANCIAL STATEMENT OF COMPREHENSIVE LOSS
(unaudited, in Canadian dollars)

	Notes	Three-months ended December, 31	
		2014	2013
		\$	\$
EXPENSES			
Professional fees		136,115	54,722
Share-based payments		103,350	-
Management fees		51,000	-
Exploration and evaluation expenses		16,352	282,474
Investors' relations		11,696	-
Shareholders relations		9,431	15,684
Rent		9,013	-
Travel expenses		5,053	9,659
Insurance		3,443	-
Office expenses		3,268	115
Taxes and permits		2,132	-
Trustees and registration fees		1,450	2,066
Consulting fees		1,388	-
Bank charges		222	199
Depreciation of non-financial assets		69	-
OPERATING LOSS		(353,982)	(364,919)
Interest income		1,690	708
LOSS BEFORE INCOME TAXES		(352,292)	(364,211)
Deferred income taxes		257,319	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		(94,973)	(364,211)
INCOME (LOSS) PER SHARE			
Basic and diluted income (loss) per share		(0,001)	(0,016)
Weighted average number of common shares outstanding		90,838,977	22,820,152

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

LAMÉE IRON ORE LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014 and 2013

	Notes	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance at October 1st, 2014		90,838,977	10,103,357	163,800	708,109	(3,066,425)	7,908,841
Share-based payments	7	-	-	-	116,434	-	116,434
Issuance cost of shares		-	-	-	-	-	-
Transactions with owners		<u>90,838,977</u>	<u>10,103,357</u>	<u>163,800</u>	<u>824,543</u>	<u>(3,066,425)</u>	<u>8,025,275</u>
Net loss and total comprehensive loss for the year		-	-	-	-	(94,973)	(94,973)
Balance at December 31, 2014		<u>90,838,977</u>	<u>10,103,357</u>	<u>163,800</u>	<u>824,543</u>	<u>(3,161,398)</u>	<u>7,930,302</u>
	Notes	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance at October 1st, 2013		13,104,000	1,310,400	-	77,232	(746,381)	641,251
Units issued by private placements		15,575,000	1,434,500	123,000	-	-	1,557,500
Shares issued by flow-through private placements		3,542,971	425,157	-	-	-	425,157
Shares issued for acquisition of mining rights		45,000,000	5,400,000	-	-	-	5,400,000
Issuance cost of shares		-	-	-	14,400	(80,844)	(66,444)
Transactions with owners		<u>77,221,971</u>	<u>8,570,057</u>	<u>123,000</u>	<u>91,632</u>	<u>(827,225)</u>	<u>7,957,464</u>
Net loss and total comprehensive loss for the year		-	-	-	-	(364,211)	(364,211)
Balance at December 31, 2013		<u>77,221,971</u>	<u>8,570,057</u>	<u>123,000</u>	<u>91,632</u>	<u>(1,191,436)</u>	<u>7,593,253</u>

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

LAMÉLÉE IRON ORE LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited, in Canadian dollars)
For the three-month period ended December 31, 2014 and 2013

	Notes	<u>2014</u>	<u>2013</u>
		\$	\$
OPERATING ACTIVITIES			
Loss before income taxes		(352,292)	(364,211)
Adjustments for:			
Share-based payments – directors		103,350	-
Share-based payments – consultants		1,388	-
Share-based payments – investors’ relations		11,696	-
Depreciation of non-financial assets		69	123
Changes in working capital items			
Taxes receivable		(54,218)	14,780
Other receivable		11,210	-
Deposits on contract		51,608	-
Tax credits receivable in reduction of evaluation and exploration expenses		-	(26,805)
Prepaid expenses		12,081	6,279
Trade and other payables		107,019	(1,996)
Cash flows used by operating activities		<u>(108,089)</u>	<u>(371,830)</u>
INVESTING ACTIVITIES			
Term deposits		402,451	(800,000)
Additions to exploration and evaluation assets		(1,152,472)	(123,696)
Tax credits received		-	777
Cash flows used by investing activities		<u>(750,021)</u>	<u>(922,919)</u>
FINANCING ACTIVITIES			
Issuance of units by private placements		-	1,557,500
Issuance cost of shares		-	(66,444)
Cash flows from financing activities		<u>-</u>	<u>1,491,056</u>
Net change in cash		(858,110)	196,307
Cash, beginning of year		1,122,964	156,104
Cash, end of year		<u>264,854</u>	<u>352,411</u>
Additional information on cash flows			
Non-cash investing activities:		\$	\$
Value of options granted to brokers accounted for in the deficit and contributed surplus		-	14,400
Issuance of shares in counterpart of exploration and evaluation assets		-	5,400,000
Issuance of shares in counterpart of subscriptions receivable		-	620,020
Fair value of warrants		-	123,000
Trade and other payables related to exploration and evaluation assets		98,577	-
Depreciation of property and equipment included in evaluation and exploration assets		67	-

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

LAMÉLÉE IRON ORE LTD.

Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014

1. **INCORPORATION AND NATURE OF OPERATIONS**

Lamêlée Iron Ore Ltd. (Formerly Gimus Resources Inc.) (the «Company») is an exploration Company with activities in Canada.

The Company's principal property is the 100% interest in the Lac Lamêlée South Property, Labrador Trough, in Northeastern Quebec, Canada. The Company has no income from production since all its properties are at the exploration stage.

The Company's financial year ends on September 30.

2. **GOING CONCERN**

These financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets accounted for at fair value through profit and loss.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, it has neither yet generated income nor cash flows from its operations. As at December 31, 2014, the Company has a deficit of \$3,161,398 (\$1,191,436 as at December 31, 2013). This material uncertainty may cast a significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

LAMÉLÉE IRON ORE LTD.

Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014

3. **GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS**

The Company's condensed interim financial statements have been prepared based on International Financial Reporting Standards (IFRS) in accordance with IAS 34 standard, Interim Financial Reporting. The condensed interim financial statements are presented in Canadian currency which is also the functional currency of the Company. The functional currency has remained unchanged during the reporting period.

The interim condensed financial statements must be read in conjunction with the most recent annual financial statements and the accompanying notes as at September 30, 2014 and for the period then ended.

The condensed interim financial statements for the reporting period ended December 31, 2014 (including comparatives) were approved and authorized for issue by the Board of Directors on February 26, 2015.

4. **SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended September 30, 2014, as they follow the same accounting policies and methods of application.

LAMÉLÉE IRON ORE LTD.**Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)**

For the three-month period ended December 31, 2014

5. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be analyzed as follows :

	Balance as at October 1 st , 2014	Additions	Tax credits	Balance as at December 31 2014
Quebec	\$	\$	\$	\$
Lake Lamêlée Property				
Mining rights	5,456,393	-	-	5,456,393
Exploration and evaluation	1,019,074	965,011	-	1,984,085
	<u>6,475,467</u>	<u>965,011</u>	<u>-</u>	<u>7,440,478</u>
Summary				
Mining rights	5,456,393	-	-	5,456,393
Exploration and evaluation	1,019,074	965,011	-	1,984,085
	<u>6,475,467</u>	<u>965,011</u>	<u>-</u>	<u>7,440,478</u>

All impairment charges (or reversals, if any) are included within Impairment of non-financial assets in profit or loss.

6. PROPERTY AND EQUIPMENT

	Corporate	Exploration		Total
	Equipment	Equipment	Rolling stock	
	\$	\$	\$	\$
Gross carrying amount				
Balance at September 30, 2014	1,524	500	1,100	3,124
Additions	-	-	-	-
Balance at December 31, 2014	<u>1,524</u>	<u>500</u>	<u>1,100</u>	<u>3,124</u>
Accumulated depreciation				
Balance at September 30, 2014	152	140	446	738
Depreciation	69	18	49	136
Balance at December 31, 2014	<u>221</u>	<u>158</u>	<u>495</u>	<u>874</u>
Carrying amount at December 31, 2014	<u>1,303</u>	<u>342</u>	<u>605</u>	<u>2,250</u>

LAMÉLÉE IRON ORE LTD.

Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014

7. SHARE-BASED PAYMENTS

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing services to the Company. Under this plan, options to purchase the common shares from time-to-time may be granted for a variable number whereby the number should never represent more than 10% of the issued and outstanding capital stock of the Company. Exercise price of options equals the market price of the Company's stock on the date of grant. Stock options are exercisable over a three year period: 33% after 12 months, 24 months and 36 months respectively from the date of grant for a maximum term of ten years. Among the options outstanding, none is subject to an escrow agreement.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

On December 4, 2014, the Company granted 500,000 stock options in the favor of directors at a price of \$0.05 per share, exercisable on a period of 10 years with a vesting period of three years at a rate of 33% per year after the first year. The fair value of these stock options amount to \$20,000 for an estimated fair value of \$0.04 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, an expected volatility of 136.9%, a risk-free interest rate of 1.91% and an expected life of options of 10 years.

An amount of \$103,350 (\$nil in 2013), of \$1,388 (\$nil in 2013) and of \$11,696 (\$nil in 2013) of the share-based payments was recorded respectively in earnings as share-based payments, consulting fees and investors' relation and credited to contributed surplus.

LAMÉLÉE IRON ORE LTD.**Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)**

For the three-month period ended December 31, 2014

7. SHARE-BASED PAYMENTS (Continued)

The Company's share options are as follows for the reporting periods presented:

<i>Administration</i>	<u>December 31, 2014</u>		<u>September 30, 2014</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>
		\$		\$
Outstanding, beginning of period	7,550,000	0.143	750,000	0.10
Granted	500,000	0.05	7,300,000	0.147
Expired	<u>(500,000)</u>	0.11	<u>(500,000)</u>	0.14
Outstanding, end of period	<u>7,550,000</u>	0.137	<u>7,550,000</u>	0.143
Exercisable, end of period	<u>2,495,000</u>	0.14	<u>2,510,000</u>	0.132

<i>Brokers</i>	<u>December 31, 2014</u>		<u>September 30, 2014</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>
		\$		\$
Outstanding, beginning of period	205,174	0.175	226,320	0.15
Granted	-	-	205,714	0.175
Expired	<u>-</u>	-	<u>(226,320)</u>	0.15
Outstanding, end of period	<u>205,174</u>	0.175	<u>205,714</u>	0.175

LAMÉLÉE IRON ORE LTD.**Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)**

For the three-month period ended December 31, 2014

7. SHARE-BASED PAYMENTS (Continued)

The table below summarizes the information related to share options as at December 31, 2014 :

	<u>Outstanding options</u>			<u>Exercisable options</u>	
	<u>Number of options</u>	<u>Exercise price</u>	<u>Remaining life (years)</u>	<u>Number of options</u>	<u>Exercise price</u>
		\$			\$
<i>Administration</i>	500,000	0.05	9.92	-	-
	650,000	0.10	5.65	300,000	0.10
	900,000	0.14	9.30	-	-
	4,400,000	0.145	7.20	2,195,000	0.145
	350,000	0.16	9.25	-	-
	<u>750,000</u>	0.19	9.10	<u>-</u>	<u>-</u>
	<u>7,550,000</u>			<u>2,495,000</u>	
<i>Brokers</i>	<u>205,714</u>	0.175	0.50	<u>205,714</u>	0.175

LAMÉLÉE IRON ORE LTD.

Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014

8. RELATED PARTY TRANSACTIONS

The Company's related parties include companies under common control and joint key management, as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

8.1 Transactions with key officers

The Company's key officers are the members of the Board of Directors and the Chief Financial Officer. Key officers remuneration includes the following expenses:

	<u>2014</u>	<u>2013</u>
	\$	\$
Share-based payments (Net loss)	58,177	-
Consulting fees	<u>36,000</u>	<u>-</u>
	<u>94,177</u>	<u>-</u>

As at December 31, 2014, trade and other payables include an amount payable to the officers of \$nil (\$nil in 2013).

8.2 Transactions with a company controlled by the past president

The Company has retained the services of a company controlled by a member of key management to conduct its exploration and evaluation programs. Amounts charged by this company correspond to market rates.

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	\$	\$
Exploration and evaluation expenses	-	196,251

As at December 31, 2014 and 2013, trade and other payables include an amount payable to a company controlled by the President, respectively of \$nil and \$nil.

LAMÉLÉE IRON ORE LTD.

Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)

For the three-month period ended December 31, 2014

9. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the previous period, the Company received \$1,736,550 following flow-through placements for which the Company renounced tax deductions.

The Company renounced \$1,736,550 as at December 31, 2014 to the investors and management is required to fulfil its commitments within the stipulated deadline of one year from this date.

As at December 31, 2014, exploration work of \$363,965 must be spent before December 31, 2015.

10. POST-REPORTING DATE EVENTS

On January 22, 2015, the Company granted 650,000 stock options in the favor of directors, officers and members of the advisory committee at a price of \$0.05 per share, exercisable for a period of 10 years.