ALEXANDRA CAPITAL CORP.
(An Exploration Stage Company)

FINANCIAL STATEMENTS

November 30, 2014 and 2013

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

To the Shareholders of Alexandra Capital Corp:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee is composed primarily of Directors who are neither management nor employees of Alexandra Capital Corp. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of Alexandra Capital Corp.'s external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

March 10, 2015

"Blake Olafson"
President and CEO

"Vivian Katsuris"
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **Alexandra Capital Corp.**

We have audited the financial statements of Alexandra Capital Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2014 and 2013 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with IFRS.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which discloses the conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

MNP LLP

Vancouver, British Columbia
March 10, 2015

Chartered Accountants

ALEXANDRA CAPITAL CORP.

(An Exploration Stage Company)

STATEMENTS OF FINANCIAL POSITION

EXPRESSED IN CANADIAN DOLLARS

	November 30, 2014	November 30, 2013
ASSETS		
CURRENT		
Cash	$ 52,859	$ 8,562
Sales tax receivable	9,214	365
Other receivables	250	4,575
Prepaid expenses	6,300	1,300
Short-term investment (Note 2)	305,000	441,500
	373,623	456,302
Exploration and evaluation assets (Note 3)	155,012	-
Total Assets	$ 528,635	$ 456,302
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 80,185	$ 8,000
SHAREHOLDERS' EQUITY		
Share Capital (Note 4)	633,109	503,109
Contributed Surplus	117,016	89,837
Deficit	(301,675)	(144,644)
	448,450	448,302
Total Liabilities and Shareholder's Equity	$ 528,635	$ 456,302

These financial statements are authorized for issuance by the Board of Directors on March 10, 2015.

Approved on behalf of the Board:

"Blake Olafson"	*"Vivian Katsuris"*
Director	Director

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

ALEXANDRA CAPITAL CORP.

(An Exploration Stage Company)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

EXPRESSED IN CANADIAN DOLLARS

	Year Ended November 30, 2014	Year Ended November 30, 2013
OPERATING EXPENSES		
General office expenses	$ 5,250	$ 907
Professional fees	85,669	24,415
Rent	1,200	1,200
Stock-based compensation	27,179	10,907
Transfer agent and filing fees	30,485	14,667
	(149,783)	(52,096)
OTHER INCOME (LOSS)		
Interest income	5,489	3,901
Write-off sales tax receivable (Note 8)	(12,737)	-
	(7,248)	3,901
NET (LOSS) AND COMPREHENSIVE (LOSS) FOR THE YEAR	$ (157,031)	$ (48,195)
LOSS PER SHARE, Basic and Diluted	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted	10,960,044	10,094,000

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

ALEXANDRA CAPITAL CORP.

(An Exploration Stage Company)

STATEMENTS OF CASH FLOWS

EXPRESSED IN CANADIAN DOLLARS

	Year Ended November 30, 2014	Year Ended November 30, 2013
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (loss) for the year	$ (157,031)	$ (48,195)
Non-cash items:		
Share-based payments	27,179	10,907
Changes in non-cash working capital items:		
Sales tax receivable	(8,849)	(64)
Prepaid expenses	(5,000)	(1,300)
Other receivables	4,326	(3,513)
Accounts payable and accrued liabilities	72,185	(1,600)
Net cash (used in) operating activities	(67,191)	(43,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued for cash, net of share issuance costs	120,000	-
Net cash provided by financing activities	120,000	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Deferred exploration costs	(145,012)	-
Short-term investments	136,500	40,000
Net cash provided by (used in) investing activities	(8,512)	40,000
CHANGE IN CASH	44,297	(3,765)
Cash, beginning of year	8,562	12,327
Cash, end of year	**$ 52,859**	**$ 8,562**

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

ALEXANDRA CAPITAL CORP.

(An Exploration Stage Company)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED NOVEMBER 30, 2014 and 2013

EXPRESSED IN CANADIAN DOLLARS

	Number of Shares	**Share Capital**	**Contributed Surplus**	**Deficit**	**Total**
Balance at November 30, 2012	10,094,000	$ 503,109	$ 78,930	$ (96,449)	$ 485,590
Stock Options granted during the year	-	-	10,907	-	10,907
Net loss and comprehensive loss for the year	-	-	-	(48,195)	(48,195)
Balance at November 30, 2013	10,094,000	503,109	89,837	(144,644)	448,302
Flow- through shares issued at a price of $0.05 per unit, net share issuance costs	2,400,000	108,000	-	-	108,000
Shares issued for Finder Fee	240,000	12,000	-	-	12,000
Shares issued per Option on SB Property valued at $0.05 per share	200,000	10,000	-	-	10,000
Stock Options granted during the year	-	-	27,179	-	27,179
Net loss and comprehensive loss for the year	-	-	-	(157,031)	(157,031)
Balance at November 30, 2014	**12,934,000**	**$ 633,109**	**$ 117,016**	**$(301,675)**	**$ 448,450**

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Alexandra Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 17, 2011. The head office, principal address and registered and records office of the Company are located at 2075 West 37th Avenue, Vancouver, B.C., V6M 1N7. The Company does not have any subsidiaries. The Company was a capital pool company as defined by the rules of the TSX Venture Exchange ("TSX-V" or the "Exchange") in Policy 2.4 of the Exchange.

On August 11, 2014 the Company completed its qualifying transaction with arm's length vendor (the "Vendor") Eastland Management Limited ("Eastland") and on August 13, 2014 commenced trading on the Exchange as a Tier 2 Mining Issuer**.** Effective August 11, 2014, the Company's principal business activity is the exploration of mineral resources on the Southern Belle or "SB" Property.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The recoverability of capitalized costs on the Southern Belle property is uncertain and dependent upon projects achieving commercial production or sale. The ability of the Company to carry out its business objectives dependent on the Company's ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future.

	November 30, 2014	November 30, 2013
Working capital	$ 293,438	$ 448,302
Deficit	$(301,675)	$(144,644)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

These financial statements are authorized for issue by the Board of Directors on March 10, 2015.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL") and available-for-sale which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information.

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity of IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates includes:

- the inputs used in accounting for share-based payments such as stock options;
- the inputs used in assessing the recoverability of exploration expenditures incurred

Significant judgments used in the preparation of these financial statements include, but are not limited to:

- those relating to the assessment of the Company's ability to continue as a going concern.

Cash

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

Short-term investments

Short-term investments are investments which are transitional or current in nature with an original maturity greater than three months and less than twelve months. As at November 30, 2014, short-term investments consist of $10,000 in Guaranteed Investment Certificates ("GICs") with a variable rate of Prime minus 1.95% and maturing on April 28, 2015 and $295,000 GICs with a variable rate of Prime minus1.95% maturing on November 10, 2015. (2013 : $146,500 in GICs with a variable rate of Prime minus 1.80% and maturing on April 30, 2014 and $295,000 GICs with a variable rate of Prime minus 1.95% maturing on November 10, 2014.)

Share-based payment

The Company recognizes share-based payment expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation expense is recognized when the options are granted with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Share-based payment calculations have no effect in the Company's cash position.

Exploration and evaluation expenditures

The Company is in the exploration stage with respect to its investment in mineral interests. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures (continued)

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 administrative overhead costs, are expensed in the period in which they occur. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. The recoverability of amounts shown for exploration and evaluation assets is dependent up on the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognized as income any costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

Decommissioning, restoration and similar liabilities (“Asset retirement obligation”)

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As at November 30, 2014, the Company has no asset retirement obligations and accordingly, has not recorded an asset retirement obligation in the financial statements.

Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy:

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the “flow-through commitment”) as follows:

- Share capital – the fair market price at the date of the issue;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature, i.e. the portion in excess of the market value of the shares without the flow-through features at the time of issue; and
- Fair value of warrants – if warrants are being issued, based on the valuation derived using the residual method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares (continued)

In the case that the Company doesn't issue non flow-through units together with the flow-through units, the flow-through share premium is determined by using the residual method, whereby the fair value of warrants will be valued based on the Black-Scholes option-pricing model, and the flow-through share premium equal to any residual balance after the fair market price of the common shares and fair value of warrants.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, The Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period). Additionally, the Company reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Share purchase warrants

The Company bifurcates units consisting of common shares and share purchase warrants using the residual value approach whereby it first measures the common share component of the unit at fair value using market prices as input values and then allocates any residual amount to the warrant component of the unit. The residual value of the warrant component is credited to reserves. When warrants are exercised, the corresponding residual value is transferred from reserves to share capital.

Earnings / loss per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and its related risks and rewards are transferred. Financial liabilities are derecognized when they expire, are discharged or cancelled. Financial instruments are classified into five categories:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

- Loans and receivables
- Held-to-maturity investments
- Available-for-sale
- Financial assets at fair value through profit and loss ("FVTPL")
- Financial liabilities at amortized cost

All financial instruments except the FVTPL and derivatives are measured initially at fair value plus transaction costs. Financial assets at FVTPL and derivatives are recognized initially at fair value while the transaction costs are expensed in the consolidated statement of income. The classification determines how the asset is subsequently measured and whether the resulting gains or losses are recognized in profit or loss or in other comprehensive income.

After initial recognition, loans and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method. Any changes to the carrying amounts of the held-to-maturity investments including impairment charges are recognized in profit and loss. Available-for-sale financial assets are measured at fair value with gains and losses recognized in other comprehensive income. Financial assets at FVTPL include financial assets that are classified either as held-for-trading or those are designated at FVTPL upon initial recognition. Gains or losses in these financial assets are recorded in profit and loss.

The Company classified its cash and short-term investment as FVTPL which is measured at fair value. Other receivables is classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities which is measured at amortized cost.

Financial liabilities are measured subsequently at amortized cost except for those held-for-trading which are carried subsequently at fair value with gains or losses recorded in profit and loss.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Adoption of new accounting standards and amendments

The Company has adopted the following new standards and their consequential amendments effective December 1, 2013: IFRS 10, 'Consolidated Financial Statements', IFRS 11, 'Joint Arrangements', IFRS 12, 'Disclosure of Interest in Other Entities', IFRS 13, 'Fair Value Measurement'; and those effective January 1, 2014: IAS 36, 'Impairment of Assets', and IFRIC 21, 'Levies' . The adopted standards and amendments have not had any impact on the Company's financial statements.

New and Revised IFRS Issued but Not Effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below except those which the Company does not expect any impacts on the financial statements.

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The effective date of this new standard has recently been deferred by the IASB. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

3. EXPLORATION AND EVALUATION ASSETS

Southern Belle ("SB") Property, British Columbia

On February 17, 2014, the Company entered into an Option Agreement with Qualitas Holdings Corp. whereby the Company acquired an option to earn an undivided 100% interest in and to the eight (8) mineral claims comprising the Southern Bell ("SB") Project, located approximately 25 kilometres west of Merritt, British Columbia totaling 3,517 hectares. The Option Agreement was amended on May 2, 2014 to substitute Eastland Management Ltd. for Qualitas Holdings Corp. as optionor of the claims.

In order to maintain the Option in good standing and earn a 100% interest in the SB Project, the Company is required to incur exploration expenditures totaling $100,000 on or before August 11, 2015 and make the following payments and share issuance:

(EXPRESSED IN CANADIAN DOLLARS)

3. EXPLORATION AND EVALUATION ASSETS (continued)

		Cash	Shares
Upon receipt of Technical Report from Eastland (paid)	$	10,000	-
Upon exchange acceptance of the Agreement (paid and issued)		15,000	200,000
On or before August 11, 2015		-	200,000
On or before August 11, 2016		-	300,000
	$	25,000	700,000

Expenditures

Expenditures for the year ended November 30, 2014 are as follows:

Southern Belle Property– British Columbia		**November 30, 2014**
Acquisition costs		35,000
Balance, end of year	**$**	**35,000**
Analysis – assay costs		23,614
Field Supplies and expenses		10,022
Contractors – field crew, supervision and reports		73,625
Travel, accommodation & meals		12,751
Balance, end of year	**$**	**120,012**
Total	**$**	**155,012**

4. SHARE CAPITAL

(a) *Authorized: Unlimited number of common shares without par value.*

On August 11, 2014, concurrent with the completion of the Qualifying Transaction, the Company completed a non-brokered private placement (the “Offering”) of an aggregate of 2,400,000 flow-through units (the “Units”) at a price of $0.05 per Unit for gross proceeds of $120,000. Each Unit consists of one flow-through common share and one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for five years from closing of the Offering. A finder’s fee of 240,000 non flow-through units was paid in connection with the private placement. The common shares granted as the finder’s fee were assigned a value of $0.05 a share ($12,000) being the deemed fair market value of the stock on the date that the shares were issued. All securities issued with respect to the Offering are subject to a hold period expiring December 11, 2014. The fair value of the common share component of the Units at the date of issuance was $0.05 being equal to market price therefore the Company allocated the entire $132,000 to common shares and nil to warrants.

Pursuant to the Option Agreement, on August 11, 2014 the Company issued 200,000 common shares to Eastland Management Ltd. The shares were recorded at the fair market value of $0.05 per share for a total of $10,000 (Note 3).

(EXPRESSED IN CANADIAN DOLLARS)

4. SHARE CAPITAL (continued)

(b) Escrowed shares

In accordance with the TSX Venture Exchange CPC policy guidelines, all seed shares issued at a price lower than the price of the Initial Public Offering (IPO) shares, all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person are held in escrow and will be released over a period of three years from the acceptance of the Company's Qualifying Transaction.

As at November 30, 2014, the Company has 7,200,000 (2013: 8,000,000) common shares held in escrow. These common shares held in escrow are released as follows: 10% (800,000 common shares) released on the date of the acceptance of the Company's Qualifying Transaction and 15% (1,200,000 common shares) released every six months thereafter.

(c) Stock Options

On July 30, 2013, the Company granted 125,000 stock options to a new director, exercisable at a price of $0.15 per share for a period of ten years from date of grant. These options vested immediately upon granting.

On November 12, 2014 the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, nontransferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares in the capital of the Company at the time of granting of options.

Pursuant to the Option Plan, on November 12, 2014, the Company granted 250,000 stock options to a new director and a new officer, exercisable at a price of $0.30 per share for a period of five years from date of grant. These options vested immediately upon granting.

The Company recorded share-based payment expense of $27,179 (2013: $10,907) in the statements of loss and comprehensive loss.

Stock option transactions and the number of stock options outstanding as at November 30, 2014 are summarized as follows:

	Number of Options	**Weighted Average Exercise Price**
Balance, November 30, 2012	1,000,000	$ 0.10
Cancelled	(125,000)	0.10
Granted	125,000	0.15
Balance, November 30, 2013	1,000,000	0.12
Granted	250,000	0.30
Balance, November 30, 2014	**1,250,000**	**$ 0.15**

(EXPRESSED IN CANADIAN DOLLARS)

4. SHARE CAPITAL (continued)

(c) Stock Options (continued)

Expiry Date	Exercise Price	Number of Options outstanding and exercisable	Weighted average remaining contractual life(year)	Weighted average exercise price
	$			$
November 11, 2019	0.30	250,000	4.95	0.30
May 1, 2022	0.10	875,000	7.42	0.10
July 30, 2023	0.15	125,000	8.67	0.15
		1,250,000	7.05	0.15

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessary provide reliable measure of the fair value of the Company's stock options.

The fair value of the options granted during the year determined using the Black-Scholes option-pricing model was $0.11 per option (2013: $0.09) with the following assumptions:

	November 30, 2014	November 30, 2013
Risk-free interest rate	1.11%	1.15%
Expected life of stock options	3 years	3 years
Annualized volatility	116%	92%

(d) Flow-through shares

Proceeds from common shares issued pursuant to flow-through financings are credited to capital stock. Once incurred, these expenditures are included in exploration and evaluation assets, but are not available as a tax deduction to the Company as the tax expenditures have been renounced to the investors.

During the year ended November 30, 2014, a cash total of $120,000 of the private placement funds derived during the year ended November 30, 2014 was by way of flow-through common shares issuances. There was no premium paid for flow through shares that is in excess of the market value of the shares without the flow through features at the time of issuance.

As of November 30, 2014, the Company has incurred $120,000 in qualifying exploration expenditures (as defined in the Canadian Income Tax Act). All commitments required pursuant to the terms of issuance of the flow-through shares have been met.

(EXPRESSED IN CANADIAN DOLLARS)

4. SHARE CAPITAL (continued)

(e) Share purchase warrants

On August 11, 2014, the Company completed of a non-brokered private placement (the "Offering") of an aggregate of 2,400,000 flow-through units (the "Units") at a price of $0.05 per Unit for gross proceeds of $120,000. Each Unit consists of one flow-through common share and one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for five years from closing of the Offering. A finder's fee of 240,000 non flow-through units was paid in connection with the private placement. All securities issued with respect to the Offering are subject to a hold period expiring December 11, 2014. The fair value of the common share component of the Units at the date of issuance was $0.05 being equal to market price therefore the Company allocated the entire $132,000 to common shares and nil to warrants.

Share purchase warrant transactions and the number of share purchase warrants outstanding as at November 30, 2014 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, November 30, 2013	**106,000**	**$0.10**	
Expired During the Year	(106,000)	$0.10	May 1, 2014
Granted During the Year	2,640,000	$0.10	August 11, 2019
Balance, November 30, 2014	**2,640,000**	**$0.10**	

As at November 30, 2014, the above noted share purchase warrants have a weighted average remaining contractual life of 4.70 years.

5. FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, other receivables and short-term investments. The estimated fair values of cash, other receivables and short-term investments approximate their respective carrying values due to the short period to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – inputs that are not based on observable market data.

For the years ended November 30, 2014 and 2013, all the Company's cash and short term investments are classified as Level 1.

5. FINANCIAL RISK MANAGEMENT (continued)

The Company is exposed to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements. The Company's cash is currently invested in business accounts which is available on demand by the Company for its operations.

Interest Rate Risk

The Company invests part of the cash balance in variable rate GICs at rate of Prime minus 1.95% (2013: Prime minus 1.80%). Any changes to market rates result in interest rate risk. The exposure to interest rate risk, however, is limited due to the short term nature of variable rate GIC.

Credit Risk

Credit risk is the risk of a loss in a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and short-term investments. The Company limits its exposure to credit risk by holding its cash and short-term investments in deposits with high credit quality Canadian financial institutions.

6. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents.

The property in which the Company currently has an interest is in the exploration stage. As such the Company has historically relied on equity financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended November 30, 2014 and 2013.

(EXPRESSED IN CANADIAN DOLLARS)

7. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss for the years ended November 30, 2014 and 2013:

		2014		2013
Combined federal and provincial statutory tax rate		26%		25.67%
Loss for the year	$	(157,031)	$	(48,195)
Expected income tax (recovery)		(40,828)		(12,372)
Non-deductible items		7,067		2,799
Change in estimates		(6,704)		(706)
Change enacted tax rate		-		(1,408)
Share issuance cost		(11,732)		-
Exploration and evaluation assets		31,200		-
Change in deferred tax asset not recognized		20,997		11,687
Total deferred tax recovery	$	-	$	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at November 30, 2014 and 2013 are comprised of the following:

		November 30, 2014		November 30, 2013
Deferred tax assets:				
Non-capital loss carry forwards	$	77,197	$	28,579
Cumulative eligible capital		70		75
Financing costs		20,229		16,645
Exploration and evaluation assets		(31,200)		-
		66,296		45,299
Deferred tax asset not recognized		(66,296)		(45,299)
Net deferred tax assets	$	-	$	-

The Company does not recognize the deferred tax liabilities on $120,000 taxable temporary difference related to the flow through share renouncement because the Company has control on the timing of the reversal of the temporary difference and the temporary difference will not reverse in the foreseeable future.

The Company has non capital loss carryforwards of approximately $297,000 (2013: $109,000) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

(EXPRESSED IN CANADIAN DOLLARS)

7. INCOME TAXES (continued)

Expiry	$
2031	3,000
2032	73,000
2033	60,000
2034	161,000
Total	297,000

The Company did not recognize deferred tax assets because the Company has a history of losses as evidenced by its accumulated deficit.

8. WRITE-OFF SALES TAX RECEIVABLE

The sales tax previously determined to be deductible was written off as a result of information received from the CRA during the year ended 2014. As a capital pool company, the Company was not eligible to claim ITC's until the Company identified and completed its Qualifying Transaction.

9. RELATED PARTY TRANSACTIONS

Balances and transactions with related parties not disclosed elsewhere in these financial statements are as follows:

(a) From December 1, 2013 to August 31, 2014, the Company incurred accounting and administrative services of $11,000 to a company owned by one of its former directors (2013 - $6,000). Additionally, the former director provided us with office space in which we conducted business on our behalf. The Company was charged $100 per month for use of the office space with a total of $800 paid to the company owned by one of its former directors during the period (2013 - $1,200).

(b) During the year ended November 30, 2014 the Company paid $1,500 to an officer for consulting services rendered (2013 - $nil).

(c) During the year ended November 30, 2014, the Company paid $8,000 to a company owned by a director for technical services and reporting in relation to the 2014 work program on the SB Property.

(d) See Note 4 (c).

10. COMMITMENT

See Note 3.