

Financial Statements of

Mountain Lake Minerals Inc.

For the three and six months ended May 31, 2015 and 2014

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice to this effect.

The accompanying unaudited condensed interim financial statements have been prepared by management of the Company. Management have compiled the condensed interim statement of financial position of Mountain Lake Minerals Inc. as at May 31, 2015, the condensed interim statements of loss and comprehensive loss for the three and six months ended May 31, 2015 and 2014, the condensed interim statement of changes in equity as at May 31, 2015 and 2014, and the condensed interim statement of cash flows for the six months ended May 31, 2015 and 2014. The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the May 31, 2015 and 2014 condensed interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

Mountain Lake Minerals Inc.
Unaudited Condensed Interim Statements of Financial Position

As at May 31, 2015 and November 30, 2014 (in Canadian dollars)

	May 31, 2015	November 30, 2014
	\$	\$
ASSETS		
Current assets		
Cash	32,464	31,932
Input taxes receivable	5,139	6,986
Prepaid expenses	9,691	13,830
Marketable securities	-	22,360
	<u>47,294</u>	<u>75,108</u>
Equipment	13,926	16,738
Exploration and evaluation assets (Note 6)	<u>2,946,855</u>	<u>2,941,058</u>
Total Assets	<u><u>3,008,075</u></u>	<u><u>3,032,904</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	171,173	144,360
Notes payable (Note 7)	66,000	66,000
	<u>237,173</u>	<u>210,360</u>
SHAREHOLDERS' EQUITY		
Total Shareholders' Equity	<u>2,770,902</u>	<u>2,822,544</u>
Total Liabilities and Shareholders' Equity	<u><u>3,008,075</u></u>	<u><u>3,032,904</u></u>

Going concern – Note 2

See accompanying notes to unaudited condensed interim financial statements.

Mountain Lake Minerals Inc.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss

For the three and six months ended May 31 (in Canadian dollars)

	Three months ended May 31		Six months ended May 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
Expenses				
Management fees	9,000	(18,333)	18,000	9,167
Shareholder information and communications	-	1,448	-	1,493
Professional fees	8,575	4,887	12,825	19,787
Office and general	3,965	7,260	9,852	14,322
Travel and business development	-	1,589	459	2,935
Share transfer, listing and filing fees	3,445	3,513	8,029	7,959
Amortization	514	265	1,028	531
	25,499	629	50,193	56,194
Loss (gain) on marketable securities	(1,480)	20,804	1,449	56,586
Net loss and comprehensive loss for the period	24,019	21,433	51,642	112,780
Loss per share – basic and diluted (Note 9)	0.00	0.00	0.00	0.00

See accompanying notes to unaudited condensed interim financial statements.

Mountain Lake Minerals Inc.
Unaudited Condensed Interim Statements of Changes in Equity

For the periods ended May 31 (in Canadian dollars)

	Common shares		Contributed Surplus	Share-based payments reserve	Deficit	Total Shareholders' Equity
	Number	\$				
Balance, November 30, 2014	27,673,011	4,892,127	211,148	274,178	(2,554,909)	2,822,544
Expiration of options	-	-	118,108	(118,108)	-	-
Net loss and comprehensive loss	-	-	-	-	(51,642)	(51,642)
Balance, May 31, 2015	27,673,011	4,892,127	329,256	156,070	(2,606,551)	2,770,902

	Common shares		Warrants	Contributed Surplus	Share-based payments reserve	Convertible Notes	Deficit	Total Shareholders' Equity
	Number	\$						
Balance, November 30, 2013	23,473,011	4,832,127	92,900	51,400	355,426	68,000	(1,072,322)	4,327,531
Repayment of convertible notes	-	-	-	-	-	(2,000)	-	(2,000)
Net loss and comprehensive loss	-	-	-	-	-	-	(112,780)	(112,780)
Balance, May 31, 2014	23,473,011	4,832,127	92,900	51,400	355,426	66,000	(1,185,102)	4,212,751

See accompanying notes to unaudited condensed interim financial statements.

Mountain Lake Minerals Inc.
Unaudited Condensed Interim Statements of Cash Flows

For the six months ended May 31 (in Canadian dollars)

	2015	2014
Cash provided by (used in)	\$	\$
Operating activities		
Net loss for the period	(51,642)	(112,780)
Adjustments for:		
Amortization	1,028	531
Loss on marketable securities	1,449	56,586
	(49,165)	(55,663)
Net change in non-cash working capital balances related to operations		
(Increase) decrease in input taxes receivable	1,847	879
Decrease in prepaid expenses	4,139	608
Increase in accounts payable and accrued liabilities	28,002	16,277
	(15,177)	(37,899)
Financing activities		
Proceeds of disposition of exploration and evaluation assets	-	175,000
Proceeds from sale of marketable securities	20,911	13,929
Repayment of convertible notes	-	(2,000)
	20,911	186,929
Investing activities		
Exploration and evaluation expenditures	(5,202)	(157,095)
	(5,202)	(157,095)
Increase (decrease) in cash for the period	532	(8,065)
Cash – beginning of period	31,932	41,010
Cash – end of period	32,464	32,945

See Supplemental cash flow information (Note 10)

See accompanying notes to unaudited condensed interim financial statements.

Mountain Lake Minerals Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three and six months ended May 31, 2015 and 2014

NOTE 1 – ARRANGEMENT, INCORPORATION AND BASIS OF PRESENTATION

Mountain Lake Minerals Inc. (“Mountain Lake Minerals” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on May 16, 2012, as a wholly-owned subsidiary of Mountain Lake Resources Inc. (“MLR”). The address of the Company’s head office is 1853 Sunken Lake Road, RR2, Wolfville, Nova Scotia, Canada, B4P 2R2. Its registered office is Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

NOTE 2 – NATURE OF OPERATIONS AND GOING CONCERN

The Company is a junior exploration company exploring for precious and base metal deposits. Mountain Lake’s current projects are located in the provinces of Newfoundland, New Brunswick and Ontario Canada and include: a 100% interest in the Glover Island gold exploration property and a 100% interest in the Little River gold-antimony exploration property as well as interests in other properties (note 6).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. However, there is significant doubt as to the Company’s ability to continue as a going concern. The Company has experienced losses and negative cash flow from operations since incorporation. As at May 31, 2015, the Company has cash of \$32,464 to settle current liabilities of \$237,173 (of which \$141,500 is to related parties). As disclosed in note 6, the Company has filed an application to reduce and surrender a portion of its mining lease on the Glover Island property, which is subject to government approval. While the Company is confident that the lease application will be approved, there can be no certainty that the Company can maintain claim to the Glover Island property.

The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements should be read in conjunction with the Company’s annual financial statements and accompanying notes for the period ended November 30, 2014. These unaudited condensed interim financial statements have been prepared using the same accounting policies and judgments and estimates as described in the Company’s November 30, 2014 annual financial statements.

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

The financial statements were authorized for issue by the Board of Directors on July 28, 2015.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for cash and marketable securities which are measured at fair value.

c) Functional and presentation currency

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

Mountain Lake Minerals Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three and six months ended May 31, 2015 and 2014

d) Accounting standards adopted in the current period

The following accounting standards, effective for annual periods beginning on or after January 1, 2014 were adopted in the current year and have had no material impact on the Company's financial results.

International Accounting Standard 32, Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) ("IAS 32"), clarifies the application of the offsetting requirements.

In May 2013, the IASB issued International Financial Reporting Interpretations Committee (IFRIC) 21, Levies. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

e) Accounting standards issued but not effective:

The following standards are effective for annual periods as disclosed and have not yet been adopted by the Company. The Company is currently evaluating the impact of these new standards.

IFRS 9, Financial instruments, introduces new requirements for the classification, measurement and derecognition of financial instruments. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

NOTE 4 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. The Company's definition of capital is shareholders' equity, which as at May 31, 2015 was \$2,770,902 (2014 - \$4,212,751).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

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

NOTE 5 – FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities and notes payable. Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash is designated as held-for-trading and measured at fair value. Marketable securities are carried at fair value as it is comprised of common shares in a publicly-traded company which have a quoted market price in an active market. Accounts payable and accrued liabilities and notes payable are designated as other financial liabilities and measured at amortized cost. The recorded values of all financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Mountain Lake Minerals Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three and six months ended May 31, 2015 and 2014

Fair values of financial instruments

During the three months ended May 31, 2015, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities. The fair values of the Company's financial instruments are considered to approximate the carrying amounts. The following table provides the disclosures of the fair value and the level in the hierarchy:

	May 31, 2015		
	\$		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	32,464	-	-
Accounts payable and accrued liabilities	-	-	(171,173)
Convertible notes (a)	-	-	(66,000)

(a) Convertible notes

As described in note 7, the convertible notes that matured on November 30, 2014 are non-interest bearing with no set terms of repayment. The fair value of these notes are indeterminable and as such are classified within level 3 of the fair value hierarchy. The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 2). The Company's accounts payable and accrued liabilities are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at May 31, 2015, the Company has cash of \$32,464 to settle current liabilities of \$237,173 (of which \$141,500 is to related parties). To maintain the planned leases and licenses on its mineral properties, the Company has payment obligations of approximately \$29,000 over the next twelve months.

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Mountain Lake Minerals Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three and six months ended May 31, 2015 and 2014

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

	Balance, November 30, 2014	Expenditures	Balance, May 31, 2015
Glover Island	2,100,000	4,012	2,104,012
Little River	841,058	1,785	842,843
	<u>2,941,058</u>	<u>5,797</u>	<u>2,946,855</u>

Glover Island, Newfoundland and Labrador, Canada

The Company has an undivided 100% interest in the Glover Island property, a gold exploration property in Newfoundland and Labrador consisting of mineral licenses and a mining lease. The property is subject to a net smelter returns royalty (“NSR”) of 1% of commercial production, which reduces to 0.5% after the payment of the first \$1.0 million. The NSR becomes effective after payment of the South Coast Royalty. The South Coast Royalty is a 3% NSR paid either from production of the Glover Island property or the production of certain other mineral interests known as the Pine Cove property (held and operated by Anaconda Mining Inc.) to an aggregate of \$3.0 million.

On April 21, 2015, the payment for the Company’s mining lease on the Glover Island property was due, and the Company submitted an application for reduction and partial surrender of the mining lease to reduce the lease area from 1925 hectares to 25 hectares. The revised lease area includes approximately 95% of the Lunch Pond South Extension gold deposit and all of the proposed open pit area, for which a resource estimate was issued in April 2012. Approval of the application is subject to completion of a registered survey of the proposed new lease area (by the Company) and an inspection of the lease area to ensure compliance with environmental regulations (by the Department of Natural Resources), both of which management expects will be complete by August 31, 2015. Upon formal acceptance of the application, the revised lease area will be in good standing to April 20, 2016; however, the application is subject to government approval. While the Company is confident that the lease will be approved, it is subject to the review process and there can be no certainty that the Company can maintain claim to the Glover Island property. Management considered the application for a reduction in the lease area and the continued depressed gold prices to be an indicator of impairment and accordingly, performed an assessment of the estimated recoverable amount as required under the Company’s accounting policy for exploration and evaluation assets. The valuation methodology applied was consistent with the in-situ value approach used in the fairness opinion issued for the acquisition of the Company’s properties in 2012 and resulted in a fair value of \$2.1 million.

Little River, Newfoundland and Labrador, Canada

The Company has a 100% interest in other mineral claims in Newfoundland and Labrador. The third party option holders have retained a 2% net smelter return royalty and the Company has the exclusive right and option to acquire half of the net smelter return royalty for \$1.5 million.

Other Properties

Hong Kong Claims, Ontario, Canada

The Company has a 41.8% interest in a mineral property known as Hong Kong Claims in Ontario. At this time the Company and the other owner have decided not to carry out further exploration. Ongoing maintenance costs are expensed as incurred.

NOTE 7 – NOTES PAYABLE

On April 17, 2013, the Company received gross proceeds of \$88,000 pursuant to an interim bridge loan financing (the “Convertible Notes”) from various directors, officers, and other private investors. The convertible notes are non-interest bearing and matured on November 30, 2014 (amended by agreement of the Company and all note-holders from the original maturity date of September 30, 2013). Pursuant to the terms of the convertible notes, the notes could be converted into common shares of the Company at any time before the maturity date, at the sole election of the Company, at a conversion price of \$0.025 per share and consequently they were accounted for as equity instruments. To November 30, 2014, \$22,000 of notes were repaid in cash. After maturity, the notes can no longer be converted into common shares at the election of the Company and, accordingly, were reclassified from equity to current liabilities on November 30, 2014.

Mountain Lake Minerals Inc.**Notes to the Unaudited Condensed Interim Financial Statements**

For the three and six months ended May 31, 2015 and 2014

NOTE 8 – SHARE CAPITAL

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

Stock Options

The Company has a Stock Option Plan (the "Plan") which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

For the three months ended May 31, 2015, share-based payments expense of \$Nil (2014 - \$Nil) was charged to the statement of loss. During the period, 200,000 options at an exercise price of \$0.20 per share expired unexercised.

As at May 31, 2015, the Company has 925,000 share purchase options outstanding at an exercise price of \$0.20 per share, expiring October 30, 2017.

NOTE 9 – LOSS PER SHARE

Basic loss per share is calculated based on the weighted average number of shares outstanding during the three and six months ended May 31, 2015 of 27,673,011 (2014: 26,473,011). Diluted earnings per share is based on the assumption that dilutive options under the stock option plan have been exercised on the later of the beginning of the period and the date granted. Basic and diluted loss per share are equal for the periods presented as all outstanding options and warrants were anti-dilutive.

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

The following is the supplementary disclosure of non-cash activities during the six months ended May 31, 2015 and 2014:

	2015	2014
	\$	\$
Amortization charged to exploration and evaluation assets	1,784	5,375
Change in accounts payable for exploration and evaluation assets	<u>(1,189)</u>	<u>(433)</u>