



**Condensed Interim Financial Statements**

**28 February 2015**

(Unaudited)

(Expressed in Canadian dollars)

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Alberta Star Development Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgements based on information currently available.

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

**Alberta Star Development Corp.**  
**Condensed Interim Statements of Financial Position**  
**(Unaudited)**  
(Expressed in Canadian dollars)

	Notes	As at 28 February 2015	As at 30 November 2014 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 3,823,725	\$ 3,890,409
Trade and other receivables	4	9,559	8,109
Prepaid expenses	5	3,500	8,472
Marketable securities	6	4,840,144	3,527,786
		<b>\$ 8,676,928</b>	<b>\$ 7,434,776</b>
<b>Exploration and evaluation properties</b>	7	<b>19,618</b>	<b>19,618</b>
<b>Property, plant and equipment</b>	8	<b>3,920</b>	<b>4,132</b>
<b>Total assets</b>		<b>\$ 8,700,466</b>	<b>\$ 7,458,526</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	\$ 26,085	\$ 34,174
<b>Total liabilities</b>		<b>\$ 26,085</b>	<b>\$ 34,174</b>
<b>Equity</b>			
Common shares	10	44,461,252	44,653,865
Contributed surplus		13,772,905	13,772,905
Deficit		(49,559,776)	(51,002,418)
<b>Total equity</b>		<b>\$ 8,674,381</b>	<b>\$ 7,424,352</b>
<b>Total liabilities and equity</b>		<b>\$ 8,700,466</b>	<b>\$ 7,458,526</b>

**APPROVED ON BEHALF OF THE BOARD:**

<u>“ Stuart Rogers ”</u>	Director	<u>“ Guido Cloetens ”</u>	Director
Stuart Rogers		Guido Cloetens	

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

# Alberta Star Development Corp.

## Condensed Interim Statements of Earnings (Loss) and Comprehensive Earnings (Loss) (Unaudited)

(Expressed in Canadian dollars)

		Three month period ended 28 February	
	Notes	2015	2014
<b>General and administrative expenses</b>			
Advertising and promotion		\$ -	\$ 1,849
Bank charges and interest		308	887
Depreciation	8	212	269
Director fees	15	4,500	9,000
Filing fees		1,396	7,654
Legal and accounting	15	12,587	19,330
Management fees	15	30,000	30,000
Meals and entertainment		-	80
Office and miscellaneous		9,171	8,267
Rent and utilities		794	1,792
Share-based payments	11 & 15	-	8,763
Telephone and internet		70	498
Travel		-	2,256
<b>Total general and administrative expenses</b>		<b>\$ (59,038)</b>	<b>\$ (90,645)</b>
<b>Other items</b>			
Interest income		12,641	19,522
Realized gain on sale of marketable securities	6	101,470	-
Unrealized gain on marketable securities	6	1,053,047	388,408
Unrealized foreign exchange gain		158,097	68,269
<b>Net earnings and comprehensive earnings for the period</b>		<b>\$ 1,266,217</b>	<b>\$ 385,554</b>
<b>Basic and diluted earnings per share</b>			
Earnings per share	12	<b>\$ 0.059</b>	<b>\$ 0.018</b>

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

**Alberta Star Development Corp.**  
**Condensed Interim Statements of Cash Flows**  
**(Unaudited)**  
(Expressed in Canadian dollars)

		<b>Three month period ended 28 February</b>	
	Notes	2015	2014
<b>OPERATING ACTIVITIES</b>			
Income for the period		\$ 1,266,217	\$ 385,554
Adjustments for:			
Accrued interest income		(7,779)	(18,785)
Depreciation	8	212	269
Share-based payments	11 & 15	-	8,763
Realized gain on sale of marketable securities	6	(101,470)	-
Unrealized gain on marketable securities	6	(1,053,047)	(388,408)
Operating cash flows before movements in working capital			
Decrease (increase) in trade and other receivables		1,568	(875)
Decrease in prepaid expenses		4,973	7,097
Decrease in trade and other payables		(8,091)	(35,071)
<b>Cash from (used in) operating activities</b>		<b>\$ 102,583</b>	<b>\$ (41,456)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditures	7	-	(14,749)
Purchase of marketable securities	6	(442,649)	(585,000)
Proceeds from sale of marketable securities	6	289,570	-
<b>Cash used in investing activities</b>		<b>\$ (153,079)</b>	<b>\$ (599,749)</b>
<b>FINANCING ACTIVITIES</b>			
Purchase of shares to be returned to treasury	10	(16,188)	(22,525)
<b>Cash used in financing activities</b>		<b>\$ (16,188)</b>	<b>\$ (22,525)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(66,684)</b>	<b>(663,730)</b>
Cash and cash equivalents, beginning of year		3,890,409	6,700,938
<b>Cash and cash equivalents, end of period</b>		<b>\$ 3,823,725</b>	<b>\$ 6,037,208</b>

**Supplemental cash flow information** (Note 16)

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

**Alberta Star Development Corp.**  
**Condensed Interim Statements of Changes in Equity**  
**(Unaudited)**  
(Expressed in Canadian dollars)

	Notes	Number of shares	Common shares	Contributed surplus	Deficit	Total
Balances, 30 November 2013 (audited)		21,788,979	\$ 45,372,258	\$ 13,715,857	\$ (53,464,816)	\$ 5,623,299
Common shares returned to treasury	10	(133,000)	(296,332)	-	273,807	(22,525)
Share-based payments	11	-	-	8,763	-	8,763
Net earnings for the period		-	-	-	385,554	385,554
Balances, 28 February 2014		21,655,979	\$ 45,075,926	\$ 13,724,620	\$ (52,805,455)	\$ 5,995,091
<b>Balances, 30 November 2014</b> (audited)		21,443,979	\$ 44,653,865	\$ 13,772,905	\$ (51,002,418)	\$ 7,424,352
Common shares returned to treasury	10	(92,500)	(192,613)	-	176,425	(16,188)
Net earnings for the period		-	-	-	1,266,217	1,266,217
<b>Balances, 28 February 2015</b>		21,351,479	\$ 44,461,252	\$ 13,772,905	\$ (49,559,776)	\$ 8,674,381

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

**1. CORPORATE INFORMATION**

Alberta Star Development Corp. (the “Company”) was incorporated under the laws of the province of Alberta on 6 September 1996 and is in the exploration stage.

The Company is in the business of acquiring and exploring mineral properties. The recoverability of the amounts expended by the Company on acquiring and exploring mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to complete the acquisition and/or development of the properties and upon future profitable production.

The head office, principal address and registered and records office is located at Suite 2300 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

The Company’s financial statements as at 28 February 2015 and for the three month period then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has net comprehensive earnings of \$1,266,217 for the three month period ended 28 February 2015 (28 February 2014 - net comprehensive earnings of \$385,554) and had working capital of \$8,650,843 as at 28 February 2015 (30 November 2014 - \$7,400,602).

The Company had cash and cash equivalents of \$3,823,725 at 28 February 2015 (30 November 2014 - \$3,890,409), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

**2. BASIS OF PREPARATION**

The condensed interim financial statements of the Company for the three month period ended 28 February 2015 were approved and authorized for issue by the Board of Directors on 23 April 2015.

**Basis of presentation**

The Company’s condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 14, and are presented in Canadian dollars except where otherwise indicated.

**Statement of compliance**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, “*Interim Financial Reporting*” using accounting policies consistent 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 condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s annual financial statements for the year ended 30 November 2014.

**3. CASH AND CASH EQUIVALENTS**

The Company's cash and cash equivalents are denominated in the following currencies:

	As at 28 February 2015	As at 30 November 2014 (Audited)
Denominated in Canadian dollars	\$ 1,975,070	\$ 2,198,351
Denominated in U.S. dollars	1,848,655	1,692,058
<b>Total cash and cash equivalents</b>	<b>\$ 3,823,725</b>	<b>\$ 3,890,409</b>

At 28 February 2015 and 30 November 2014, all the Company's cash and cash equivalents were classified as cash.

**4. TRADE AND OTHER RECEIVABLES**

The Company's trade and other receivables arise from Goods and Services Tax / Harmonized Sales Tax ("GST/HST") receivable due from the government taxation authorities and interest receivable. These are as follows:

	As at 28 February 2015	As at 30 November 2014 (Audited)
GST/HST receivable	\$ 1,780	\$ 3,354
Interest receivable	7,779	4,755
<b>Total trade and other receivables</b>	<b>\$ 9,559</b>	<b>\$ 8,109</b>

**5. PREPAID EXPENSES**

The Company's prepaid expenses are as follows:

	As at 28 February 2015	As at 30 November 2014 (Audited)
Insurance	\$ 3,401	\$ 8,373
Other	99	99
<b>Total prepaid expenses</b>	<b>\$ 3,500</b>	<b>\$ 8,472</b>

**Alberta Star Development Corp.**  
**Notes to the Condensed Interim Financial Statements**  
28 February 2015  
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**6. MARKETABLE SECURITIES**

The Company's marketable securities are as follows:

	TerraX Minerals Inc. 1,300,000 shares	TerraX Minerals Inc. 650,000 warrants	NioCorp Developments Ltd. shares	NioCorp Developments Ltd. warrants	Other marketable securities	Convertible debentures	Total	Total gain
<b>COST</b>								
30 November 2013	-	-	-	-	-	-	-	-
Additions	\$ 585,000	\$ -	\$ 1,540,000	\$ -	\$ 59,317	\$ 520,496	\$ 2,704,813	
Proceeds on sale	-	-	-	-	-	(329,646)	(329,646)	
Realized gain	-	-	-	-	-	9,103	9,103	
30 November 2014 (audited)	\$ 585,000	\$ -	\$ 1,540,000	\$ -	\$ 59,317	\$ 199,953	\$ 2,384,270	\$ 9,103
Additions	-	-	325,000	-	-	117,649	442,649	
Proceeds on sale	-	-	(289,570)	-	-	-	(289,570)	
Realized gain	-	-	101,470	-	-	-	101,470	
<b>28 February 2015</b>	<b>\$ 585,000</b>	<b>\$ -</b>	<b>\$ 1,676,900</b>	<b>\$ -</b>	<b>\$ 59,317</b>	<b>\$ 317,602</b>	<b>\$ 2,638,819</b>	<b>\$ 101,470</b>
<b>FAIR VALUE</b>								
30 November 2013	-	-	-	-	-	-	-	-
Additions	\$ 585,000	\$ -	\$ 1,540,000	\$ -	\$ 59,317	\$ 520,496	\$ 2,704,813	
Cost of disposals	-	-	-	-	-	(320,541)	(320,541)	
Unrealized gain (loss)	(234,000)	34,379	364,000	990,752	(4,317)	(7,300)	1,143,514	
30 November 2014 (audited)	\$ 351,000	\$ 34,379	\$ 1,904,000	\$ 990,752	\$ 55,000	\$ 192,655	\$ 3,527,786	\$ 1,143,514
Additions	-	-	325,000	-	-	\$ 117,649	\$ 442,649	
Interest accrued	-	-	-	-	-	4,762	4,762	
Warrants exercised	-	-	176,920	(176,920)	-	-	-	
Cost of disposals	-	-	(188,100)	-	-	-	(188,100)	
Unrealized gain (loss)	104,000	14,989	533,120	346,242	30,000	24,696	1,053,047	
<b>28 February 2015</b>	<b>\$ 455,000</b>	<b>\$ 49,368</b>	<b>\$ 2,750,940</b>	<b>\$ 1,160,074</b>	<b>\$ 85,000</b>	<b>\$ 339,762</b>	<b>\$ 4,840,144</b>	<b>\$ 1,053,047</b>
<b>Total gain</b>								<b>\$ 1,154,517</b>

The valuation of the shares has been determined in whole by reference to the bid price of the shares on the TSX Venture Exchange (the "Exchange") at each period end date. The warrants were received as attachments to various share purchase units and do not trade in an active market. At the time of purchase the per unit cost was allocated in full to each common share. Values are subsequently determined at measurement date using the Black-Scholes Option Pricing Model.

The Company's significant marketable securities are as follows:

On 24 February 2014, the Company entered into an agreement with TerraX Minerals Inc. ("TerraX"), a company with a director and officer in common, pursuant to which the Company can earn up to a 60% interest in TerraX's wholly-owned Central Canada gold project in Ontario and subscribed for 1,300,000 units of TerraX (the "Units") at \$0.45 per Unit for gross proceeds of \$585,000. Each Unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.57 per common share exercisable until 28 February 2016.

On 24 October 2014, the Company entered into an agreement with NioCorp Developments Ltd. ("NioCorp"), pursuant to which the Company can earn up to a 60% interest in NioCorp's wholly-owned Archie Lake project in Saskatchewan and subscribed for 2,800,000 special warrants of NioCorp (the "Special Warrants") at \$0.55 per Special Warrant for gross proceeds of \$1,540,000. Each Special Warrant was exchanged on 19 January 2015 for no additional consideration into one unit of NioCorp ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of \$0.65 per common share exercisable until 10 November 2016.

During the three month period ended 28 February 2015, the Company realized a gain of \$101,470 on the sale of NioCorp shares.

**Alberta Star Development Corp.**  
**Notes to the Condensed Interim Financial Statements**  
28 February 2015  
(Unaudited)  
(Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION PROPERTIES**

The Company's exploration and evaluation properties expenditures for the three month period ended 28 February 2015 are as follows:

	Archie Lake Property	Contact Lake Property	Glacier Lake Property	Total
<b>ACQUISITION COSTS</b>				
Balance, 30 November 2014 (audited)	\$ -	\$ -	\$ -	\$ -
Additions	-	-	-	-
Write-down	-	-	-	-
<b>Balance, 28 February 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPLORATION AND EVALUATION COSTS</b>				
Balance, 30 November 2014 (audited)	\$ -	\$ 19,618	\$ -	\$ 19,618
Claim maintenance and permitting	-	-	-	-
<b>Balance, 28 February 2015</b>	<b>\$ -</b>	<b>\$ 19,618</b>	<b>\$ -</b>	<b>\$ 19,618</b>
<b>Total costs</b>	<b>\$ -</b>	<b>19,618</b>	<b>\$ -</b>	<b>\$ 19,618</b>

The Company's exploration and evaluation properties expenditures for the year ended 30 November 2014 are as follows:

	Central Canada Gold Property	Contact Lake Property	Glacier Lake Property	Other Properties	Total
<b>ACQUISITION COSTS</b>					
Balance, 30 November 2013	-	-	-	-	-
Additions	\$10,000	-	-	-	\$10,000
Write-down	(10,000)	-	-	-	(10,000)
Balance, 30 November 2014	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPLORATION AND EVALUATION COSTS</b>					
Balance, 30 November 2013	\$ -	\$ 10,120	\$ 6,227	\$ 893	\$ 17,240
Claim maintenance and permitting	2,600	9,498	6,227	-	18,325
Camp removal	-	-	52,833	-	52,833
Write-down	(2,600)	-	(65,287)	(893)	(68,780)
Balance, 30 November 2014	\$ -	\$ 19,618	\$ -	\$ -	\$ 19,618
<b>Total costs</b>	<b>\$ -</b>	<b>\$ 19,618</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,618</b>

### **Contact Lake Property – Contact Lake, Northwest Territories**

During the year ended 30 November 2005, the Company acquired a 100% undivided right, title and interest, subject to a 1% net smelter return royalty (“NSR”), in five mineral claims located eight kilometres (“km”) southeast of Port Radium on Great Bear Lake, Northwest Territories (“NT”), for cash payments of \$60,000 (paid) and 60,000 common shares (issued and valued at \$72,000) of the Company. The Company may purchase the NSR for a one-time payment of \$1,000,000. The Company completed additional staking in the area in order to increase the project size to sixteen contiguous claims. Collectively the properties are known as the Contact Lake Mineral Claims.

### **Port Radium – Glacier Lake Property, Northwest Territories**

During the year ended 30 November 2005, the Company acquired a 100% undivided right, title and interest, subject to a 2% NSR, in four mineral claims (the “Glacier Lake Mineral Claims”) located 1.6 km east of Port Radium on Great Bear Lake, NT, for cash payments of \$30,000 (paid) and 72,000 common shares (issued and valued at \$72,000) of the Company. The Company may purchase one-half of the NSR for a one-time payment of \$1,000,000.

The Company did not renew these leases and all associated costs have been written off. During the year ended 30 November 2014, the Company recorded provision for write-down of \$65,287 (2013 - \$Nil) related to the Glacier Lake Property.

### **Port Radium – Crossfault Lake Property, Northwest Territories**

During the year ended 30 November 2005, the Company acquired a 100% undivided right, title and interest, subject to a 2% NSR, in five mineral claims (the “Port Radium – Crossfault Lake Mineral Claims”) located north of Port Radium on Great Bear Lake, NT, for cash payments of \$60,000 (paid) and 90,000 common shares (issued and valued at \$297,000) of the Company. The Company may purchase one-half of the NSR for a one-time payment of \$1,000,000.

### **North Contact Lake Mineral Claims – Great Bear Lake, Northwest Territories**

During the year ended 30 November 2006, the Company acquired a 100% right, interest and title, subject to a 2% NSR, in eleven mineral claims (the “North Contact Lake Mineral Claims”), for cash payments of \$75,000 and the issuance of 50,000 common shares of the Company valued at \$182,500. The Company may purchase one-half of the NSR for a one-time payment of \$1,000,000. The North Contact Lake Mineral Claims are situated north of Contact Lake on Great Bear Lake approximately 680 km north of Yellowknife, NT.

### **Eldorado South IOCG & Uranium Project, Northwest Territories**

During the year ended 30 November 2007, the Company staked twenty-four claims (the “Eldorado South Uranium Mineral Claims”) and four additional claims (the “Eldorado West Uranium Mineral Claims”) located 16 km south of the Eldorado uranium mine on the east side of Great Bear Lake, NT and 680 km north of the city of Yellowknife, NT, collectively known as the Eldorado South Uranium Project.

During the year ended 30 November 2009, fourteen claims were allowed to lapse, on 23 February 2013, three claims were allowed to lapse, on 23 February 2014, three claims were allowed to lapse and on 23 February 2015, two more claims were allowed to lapse. The Eldorado South IOCG & Uranium Project now consists of six mineral claims.

### **Central Canada Gold Property – Ontario**

The Central Canada Gold Property consists of seven claims totaling 24 claim units located approximately 20 km east of the town of Atikokan and 190 km west of the City of Thunder Bay in the Province of Ontario.

The Company held its interest in the Central Gold Property under an Option Agreement dated 24 February 2014 pursuant to which the Company could have earned a 60% interest in the Central Canada Gold Property from TerraX. In order to exercise the Option, the Company was to make cash payments to TerraX totaling \$85,000 over a three year period, with \$10,000 paid upon execution of the Option Agreement, \$25,000 due on the second anniversary of the execution of the Option Agreement and a further \$50,000 due on the third anniversary date. The Company was to also incur an aggregate of \$500,000 in exploration expenditures over a three year period, with \$100,000 to be incurred by 31 March 2015, a further \$150,000 to be incurred by 31 March 2016 and the remaining \$250,000 to be incurred by 31 March 2017. The Company was also responsible for payment of the annual pre-production royalty of \$10,000 to the original vendors of the Central Canada Property due annually in December beginning with the next payment due on 11 December 2014.

During the year ended 30 November 2014, the Company terminated the agreement and all associated costs were written off. During the year ended 30 November 2014, the Company recorded a provision for write-down of \$12,600 (2013 - \$Nil) related to the Central Canada Gold Property.

### **Archie Lake Property – Saskatchewan**

The Archie Lake Property consists of one claim located approximately 50 km west of Uranium City and approximately 5 km north of Lake Athabasca, in the Province of Saskatchewan.

The Company holds its interest in the Archie Lake Property under an Option Agreement dated 24 October 2014 pursuant to which the Company may earn a 60% interest in the Archie Lake Property from NioCorp. In order to exercise the Option, the Company must incur an aggregate of \$1,750,000 in exploration expenditures prior to 20 October 2017. The expenditures include completion of a minimum of \$250,000 prior to 20 October 2015, a further \$500,000 on or before 20 October 2016 and a further \$1,000,000 on or before 20 October 2017. The Property is subject to a 2% NSR royalty in favour of past owners (Note 18).

**8. PROPERTY, PLANT AND EQUIPMENT**

The Company's property, plant and equipment as at 28 February 2015 are as follows:

	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 5,300	\$ 5,068	\$ 232
Furniture and fixtures	25,706	22,018	3,688
<b>Total</b>	<b>\$ 31,006</b>	<b>\$ 27,086</b>	<b>\$ 3,920</b>

The changes in the Company's property, plant and equipment for the three month periods ended 28 February 2015 and year ended 30 November 2014 are as follows:

	Computer equipment	Furniture and fixtures	Total
<b>COST</b>			
Balance, as at 30 November 2013 (audited)	\$ 5,300	\$ 25,706	\$ 31,006
As at 30 November 2014 (audited)	\$ 5,300	\$ 25,706	\$ 31,006
<b>As at 28 February 2015</b>	<b>\$ 5,300</b>	<b>\$ 25,706</b>	<b>\$ 31,006</b>

	Computer equipment	Furniture and fixtures	Total
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>			
Balance, as at 30 November 2013 (audited)	4,942	20,854	25,796
Depletion and depreciation	107	971	1,078
As at 30 November 2014 (audited)	5,049	21,825	26,874
Depletion and depreciation	19	193	212
<b>As at 28 February 2015</b>	<b>\$ 5,068</b>	<b>\$ 22,018</b>	<b>\$ 27,086</b>
<b>NET BOOK VALUES</b>			
At 30 November 2014 (audited)	251	3,881	4,132
<b>At 28 February 2015</b>	<b>\$ 232</b>	<b>\$ 3,688</b>	<b>\$ 3,920</b>

**9. TRADE AND OTHER PAYABLES**

The Company's trade and other payables are broken down as follows:

	<b>As at 28 February 2015</b>	As at 30 November 2014 (Audited)
Trade payables	<b>\$ 1,340</b>	<b>\$ 7,967</b>
Accrued liabilities	<b>24,745</b>	<b>26,207</b>
<b>Total trade and other payables</b>	<b>\$ 26,085</b>	<b>\$ 34,174</b>

**10. SHARE CAPITAL**

**Authorized share capital**

The Company has authorized an unlimited number of voting common shares with no par value. Authorized share capital also consists of an unlimited number of preferred shares with no par value, to be issued in series, with the directors being authorized to determine the designation, rights, privileges, restrictions and conditions attached to all of the preferred shares. At 28 February 2015, the Company had 21,351,479 common shares outstanding (30 November 2014 - 21,443,979) and no preferred shares outstanding (30 November 2014 - Nil).

**Shares issuances and repurchases**

During the three month period ended 28 February 2015, 92,500 (30 November 2014 – 345,000) shares were repurchased at a cost of \$16,188 (30 November 2014 - \$60,544) and were returned to capital pursuant to the Normal Course Issuer Bid (the "Bid").

During the three month period ended 28 February 2015, the Company did not issue any common shares.

**Normal Course Issuer Bid**

On 1 May 2013, the Company received approval from the Exchange for the Bid. Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,800,000 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The Bid commenced on 3 May 2013 and was renewed on 6 May 2014. Pursuant to the renewed Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,700,000 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The renewed Bid commenced on 7 May 2014 and will terminate on 6 May 2015, or such earlier time as the renewed Bid is completed or at the option of the Company. Jordan Capital Markets of Vancouver, British Columbia will conduct the renewed Bid on behalf of the Company. During the three month period ended 28 February 2015, the Company purchased 92,500 shares (30 November 2014 – 345,000 shares) at a total cost of \$16,188 (30 November 2014 - \$60,544) (Note 12.2). The difference between the share repurchase price and the original share issuance of \$176,425 (30 November 2014 - \$657,849) has been included in equity. As at 28 February 2015, 727,500 common shares have been returned to treasury and have been cancelled.

From 1 March 2015 to 23 April 2015, the Company repurchased 52,500 shares of the Company (Note 19).

**Share purchase warrants**

There were no share purchase warrants outstanding for the three month period ended 28 February 2015 and for the year ended 30 November 2014.

**Stock options**

The Company grants share options in accordance with the policies of the Exchange. Under the general guidelines of the Exchange, the Company may reserve up to 20% of its issued and outstanding shares for its employees, directors or consultants to purchase shares of the Company. The exercise price for options granted under the plan will not be less than the market price of the common shares less applicable discounts permitted by the Exchange and options will be exercisable for a term of up to five years, subject to earlier termination in the event of death or the cessation of services.

The following is a summary of the changes in the Company's stock option plan for the three month period ended 28 February 2015 and the year ended 30 November 2014:

	<b>Three month period ended 28 February 2015</b>		Year ended 30 November 2014 (Audited)	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	Number of options	Weighted average exercise price
Outstanding, beginning of year	2,000,000	\$ 0.20	1,845,000	\$ 0.27
Granted	-	-	750,000	0.20
Expired/cancelled	(75,000)	0.21	(595,000)	0.44
<b>Outstanding, end of period</b>	<b>1,925,000</b>	<b>\$ 0.20</b>	<b>2,000,000</b>	<b>\$ 0.20</b>

On 30 September 2014, the Company granted 750,000 options to directors and officers, exercisable at \$0.20 per share until 30 September 2016. The weighted average fair value of the options granted and vested during the year ended 30 November 2014 was estimated at \$0.064 (2013 - \$0.10) per option at the grant date using the Black-Scholes Option Pricing Model.

	<b>For the three month period ended 28 February 2014</b>	For the year ended 30 November 2014 (Audited)
Risk free interest rate	-	<b>1.09%</b>
Expected life	-	<b>2.00 years</b>
Expected volatility	-	<b>70.78%</b>
Expected dividend per share	-	<b>-%</b>

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The following table summarizes information regarding stock options outstanding and exercisable as at 28 February 2015:

<b>Grant date</b>	<b>Expiry date</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Exercise price</b>	<b>Remaining contractual life (years)</b>
10 July 2012	10 July 2015	75,000	75,000	\$ 0.165	0.36
12 October 2012	12 October 2015	100,000	100,000	\$ 0.20	0.62
18 July 2013	18 July 2016	1,000,000	1,000,000	\$ 0.20	1.38
30 September 2014	30 September 2016	750,000	750,000	\$ 0.20	1.59
<b>Total options</b>		<b>1,925,000</b>	<b>1,925,000</b>		

**11. SHARE-BASED PAYMENTS**

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$Nil was recognized in the three month period ended 28 February 2015 (2014 - \$8,763) (Note 15):

<b>Grant date</b>	<b>Fair value</b>	<b>Amount vested during the three month period ended 28 February 2015</b>	<b>Amount vested during the three month period ended 28 February 2014</b>
18 July 2013	\$ 66,523	\$ -	\$ 8,763
<b>Total</b>	<b>\$ 66,523</b>	<b>\$ -</b>	<b>\$ 8,763</b>

**12. EARNINGS (LOSS) PER SHARE**

The calculation of basic and diluted earnings (loss) per share is based on the following data:

<b>Three month period ended 28 February</b>	<b>2015</b>	<b>2014</b>
Net comprehensive earnings for the period	\$ 1,266,217	\$ 385,554
Weighted average number of shares – basic and diluted	21,421,507	21,714,018

The basic earnings (loss) per share is computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the period. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options were anti-dilutive for the periods ended 28 February 2015 and 28 February 2014.

### 13. CAPITAL RISK MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, contributed surplus and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

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 three month period ended 28 February 2015. The Company is not subject to externally imposed capital requirements.

### 14. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

	<b>As at 28 February 2015</b>	As at 30 November 2014 (Audited)
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash and cash equivalents	<b>\$ 3,823,725</b>	\$ 3,890,409
Marketable securities	<b>4,840,144</b>	3,527,786
<b>Loans and receivables, at amortized cost</b>		
Trade and other receivables	<b>7,779</b>	4,755
<b>Total financial assets</b>	<b>\$ 8,671,648</b>	\$ 7,422,950
<b>FINANCIAL LIABILITIES</b>		
<b>Other liabilities, at amortized cost</b>		
Trade and other payables	<b>26,085</b>	34,174
<b>Total financial liabilities</b>	<b>\$ 26,085</b>	\$ 34,174

#### Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

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The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 28 February 2015, the Company does not have any Level 3 financial instruments.

	Level 1	Level 2	Level 3	Total
<b>As at 28 February 2015</b>				
Cash and cash equivalents	\$ 3,823,725	\$ -	\$ -	\$ 3,823,725
Marketable securities	3,630,702	-	-	3,630,702
Warrants	-	1,209,442	-	1,209,442
<b>Total financial assets at fair value</b>	<b>\$ 7,454,427</b>	<b>\$ 1,209,442</b>	<b>\$ -</b>	<b>\$ 8,663,869</b>

	Level 1	Level 2	Level 3	Total
<b>As at 30 November 2014 (audited)</b>				
Cash and cash equivalents	\$ 3,890,409	\$ -	\$ -	\$ 3,890,409
Marketable securities	2,502,655	-	-	2,502,655
Warrants	-	1,025,131	-	1,025,131
<b>Total financial assets at fair value</b>	<b>\$ 6,393,064</b>	<b>\$ 1,025,131</b>	<b>\$ -</b>	<b>\$ 7,418,195</b>

**Management of financial risks**

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and trade receivables. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at 28 February 2015, trade receivables were comprised of GST/HST receivable of \$1,780 (30 November 2014 - \$3,354), and interest receivable of \$7,779 (30 November 2014 - \$4,755). As a result, credit risk is considered insignificant.

**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 by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash and cash equivalents of \$3,823,725 to settle current liabilities of \$26,085, therefore liquidity risk is considered insignificant.

**Interest rate risk**

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

A 1% change in short-term rates would have changed the interest income and net earnings of the Company, assuming that all other variables remained constant, by approximately \$4,938 for the three month period ended 28 February 2015.

**Currency risk**

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars (Note 4). The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

**Commodity price risk**

The Company is in the exploration stage and is not subject to commodity price risk.

**15. RELATED PARTY TRANSACTIONS**

For the three month period ended 28 February 2014, the Company had related party transactions with Max Resource Corp., a company related by way of an officer and director in common for rent expense.

**Related party expenses**

The Company's related party expenses (recovery) are broken down as follows:

<b>Three month period ended 28 February</b>	<b>2015</b>	<b>2014</b>
Rent expense	\$ -	\$ 1,000
<b>Total related party expenses</b>	<b>\$ -</b>	<b>\$ 1,000</b>

**Key management personnel compensation**

The remuneration of directors and other members of key management were as follows:

<b>Three month period ended 28 February</b>	<b>2015</b>	<b>2014</b>
Short-term benefits	<b>\$ 46,500</b>	\$ 54,000
Share-based payments (Note 11)	-	8,763
<b>Total key management personnel compensation</b>	<b>\$ 46,500</b>	\$ 62,763

**Other related party transactions**

During the three month period ended 28 February 2014, the Company entered into an Option Agreement with TerraX, a company with a director and officer in common, pursuant to which the Company can earn up to a 60% interest in TerraX's Central Canada Gold Property in Ontario (Note 7). The Company also subscribed for 1,300,000 Units of TerraX at \$0.45 per Unit for gross proceeds of \$585,000. Each Unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.57 per common share exercisable until 28 February 2016 (Note 6).

**16. SUPPLEMENTAL CASH FLOW INFORMATION**

During the three month period ended 28 February 2015, exploration costs in trade payables were \$Nil (30 November 2014 - \$4,359) (Note 7).

During the three month period ended 28 February 2015, the amount credited to deficit on the repurchase of the Company shares was \$176,425 (30 November 2014 - \$657,849) (Note 10).

**Cash payments for interest and taxes**

The Company made cash payments for interest of \$Nil (28 February 2014 - \$Nil) and income taxes of \$Nil (28 February 2014 - \$Nil) during the three month period ended 28 February 2015.

**17. SEGMENTED INFORMATION**

The Company's business activity is acquiring and exploring mineral properties. During the three month period ended 28 February 2015, the Company operated in three geographical areas, being British Columbia, the Northwest Territories and Saskatchewan. The following is an analysis of the net comprehensive earnings (loss), current assets and non-current assets by reportable segment:

	British Columbia	Northwest Territories	Saskatchewan	Total
<b>Net comprehensive earnings</b>				
For the period ended 28 February 2015	<b>\$ 1,266,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,266,217</b>
For the period ended 28 February 2014	385,554	-	-	385,554
<b>Current assets</b>				
As at 28 February 2015	<b>\$ 8,676,928</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,676,928</b>
As at 30 November 2014 (audited)	7,434,776	-	-	7,434,776
<b>Exploration and evaluation properties</b>				
As at 28 February 2015	<b>\$ -</b>	<b>\$ 19,618</b>	<b>\$ -</b>	<b>\$ 19,618</b>
As at 30 November 2014 (audited)	-	19,618	-	19,618
<b>Property, plant and equipment</b>				
As at 28 February 2015	<b>\$ 3,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,920</b>
As at 30 November 2014 (audited)	4,132	-	-	4,132

**18. COMMITMENTS AND OTHER OBLIGATIONS**

As at 28 February 2015, the Company had recognized a general provision of \$Nil (30 November 2014 - \$Nil) related to prior flow-through transactions and supplementary tax filings. Management of the Company was of the opinion that this obligation no longer existed as at 30 November 2014 and accordingly, the Company recognized a gain on reversal of the previously recorded provision during the year ended 30 November 2014. However, there is no certainty that additional amounts related to the prior flow-through transaction and tax filing will not be assessed or deemed payable in future periods.

The Company has certain obligations related to its exploration and evaluation properties (Note 7).

**19. SUBSEQUENT EVENT**

The following event occurred subsequent to 28 February 2015:

- i. For the period from 1 March 2015 to 23 April 2015, the Company repurchased 52,500 shares of the Company (Note 10).