TERRAX MINERALS INC.

FINANCIAL STATEMENTS

JANUARY 31, 2015

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TerraX Minerals Inc.

We have audited the accompanying financial statements of TerraX Minerals Inc. which comprise the statements of financial position as at January 31, 2015 and 2014, and the statements of comprehensive loss, changes in shareholders' 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, 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 the 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 the auditor's 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 entity'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 entity'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 TerraX Minerals Inc. as at January 31, 2015 and 2014, and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
May 28, 2015

TERRAX MINERALS INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes		January 31, 2015		January 31, 2014
ASSETS					
Current assets					
Cash and cash equivalents	4	$	2,486,412	$	1,655,703
Receivables	5		47,726		36,697
Prepaids and deposits			63,790		1,290
			2,597,928		**1,693,690**
Non-current assets					
Security deposit	7		70,000		-
Exploration and evaluation assets	8		5,410,707		2,613,035
TOTAL ASSETS		**$**	**8,078,635**	**$**	**4,306,725**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	9, 10	$	349,471	$	156,780
TOTAL LIABILITIES			**349,471**		**156,780**
SHAREHOLDERS' EQUITY					
Share capital	11		12,136,174		7,738,905
Share-based payment reserve	11, 12		2,275,505		1,230,819
Deficit			(6,682,515)		(4,819,779)
TOTAL SHAREHOLDERS' EQUITY			**7,729,164**		**4,149,945**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**8,078,635**	**$**	**4,306,725**

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

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

TERRAX MINERALS INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes		Year ended January 31, 2015		Year ended January 31, 2014
EXPENSES					
Consulting	10	$	153,910	$	71,494
Office, rent and miscellaneous	10		50,832		38,912
Professional fees			43,218		74,163
Share-based payments	10, 11		1,055,410		671,422
Transfer agent, filing fees and shareholder communications			455,108		214,453
Travel and related costs			121,077		81,537
			(1,879,555)		(1,151,981)
OTHER ITEMS					
Interest income			16,819		7,733
Gain on sale of marketable securities	6		-		65,873
Write-off of exploration and evaluation assets	8		-		(561,177)
NET AND COMPREHENSIVE LOSS FOR THE YEAR		$	(1,862,736)	$	(1,639,552)
Loss per share - basic and diluted		$	(0.04)	$	(0.05)
Weighted average number of common shares outstanding – basic and diluted			46,561,810		35,479,733

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

TERRAX MINERALS INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

		Share capital				
	Notes	Number of share	Amount	Share-based payment reserve	Deficit	Total
Balance at January 31, 2013		29,829,131	$ 5,024,404	$ 610,078	$ (3,180,226)	$ 2,454,256
Comprehensive loss:						
Loss for the year		-	-	-	(1,639,552)	(1,639,552)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued to acquire exploration and evaluation assets	8, 11	105,000	30,750	-	-	17,250
Shares issued on exercise of options	11	600,000	198,000	-	-	198,000
Shares issued for private placement	11	9,384,009	2,495,033	-	-	2,495,033
Share issuance costs	11	-	(91,951)	31,987	-	(59,964)
Reallocation of share-based payment reserves	12	-	82,668	(82,668)	-	-
Share-based payments	11	-	-	671,422	-	671,422
Balance at January 31, 2014		39,918,140	7,738,905	1,230,819	(4,819,779)	4,149,945
Comprehensive loss:						
Loss for the year		-	-	-	(1,862,736)	(1,862,736)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued to acquire exploration and evaluation assets	8, 11	215,000	134,450	-	-	134,450
Shares issued on exercise of options	11	1,050,000	105,000	-	-	105,000
Shares issued on exercise of warrants	11	2,210,900	292,270	-	-	292,270
Shares issued for private placements	11	10,727,786	4,034,725	-	-	4,034,725
Share issuance costs	11	-	(219,506)	39,606	-	(179,900)
Reallocation of share-based payment reserves	12	-	50,330	(50,330)	-	-
Share-based payments	11	-	-	1,055,410	-	1,055,410
Balance at January 31, 2015		54,121,826	$ 12,136,174	$ 2,275,505	$ (6,682,515)	$ 7,729,164

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

TERRAX MINERALS INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended January 31, 2015	**Year ended January 31, 2014**
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss	$ (1,862,736)	$ (1,639,552)
Items not involving cash		
Share-based payments	1,055,410	671,422
Gain on sale of marketable securities	-	(65,873)
Write-off of exploration and evaluation assets	-	561,177
Changes in non-cash working capital items:		
Receivables	(11,029)	(24,109)
Trade payables and accrued liabilities	(129,801)	4,872
Prepaids and deposits	(62,500)	(1,290)
Net cash used in operating activities	(1,010,656)	(493,353)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	-	265,873
Security deposit	(70,000)	-
Expenditures on exploration and evaluation assets	(2,340,730)	(1,136,444)
Net cash used in investing activities	(2,410,730)	(870,571)
FINANCING ACTIVITIES		
Issuance of common shares, net of share issuance costs	4,252,095	2,633,069
Net cash provided by financing activities	4,252,095	2,633,069
Increase in cash and cash equivalents	830,709	1,269,145
Cash and cash equivalents, beginning of year	1,655,703	386,558
Cash and cash equivalents, end of year	$ 2,486,412	$ 1,655,703

Supplemental cash flow information (Note 15)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

TerraX Minerals Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company trades on the TSX Venture Exchange ("TSX-V").

The head office of the Company is located at 2300-1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X2. The registered address and records office of the Company is located at 1000-840 Howe Street, Vancouver, British Columbia, Canada, V6Z 2M1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2015 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes that the Company has sufficient funds to finance operating costs over the next twelve months (Note 13).

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These financial statements were authorized for issue on May 28, 2015 by the directors of the Company.

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

Basis of presentation
These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments assumptions, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Exploration and evaluation expenditures
Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Farm outs
The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Impairment of assets
The carrying amount of the Company's long-lived assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Income taxes
<u>Current income tax:</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred income tax:</u>
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Income taxes (cont'd)

Flow-through shares:
The Company renounces qualifying Canadian exploration expenditures to certain share subscribers who subscribe for flow-through shares in accordance with the Income Tax Act (Canada). Under these provisions, the Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures.

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. A deferred tax liability is recognized and the flow-through tax liability will be reversed provided that the Company has renounced, or there is reasonable expectation that the Company will renounce, the tax benefits associated with the related expenditures. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

Restoration and environmental obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at January 31, 2015, the Company has no known material restoration and environmental obligations.

Adoption of new and revised standards
The following standards, amendments and interpretations have been adopted by the Company as of February 1, 2014. There was no impact on the financial statements as a result of the adoption of these standards, amendments and interpretations:

a) IFRS 8 Operating Segments;
b) IAS 32 Financial Instruments: Presentation;
c) IAS 36 Impairment of Assets; and
d) IFRIC 21 Levies.

(Expressed in Canadian dollars)

3. ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after February 1, 2015 or later periods.

a) IFRS 9 Financial Instruments; and
b) IAS 16 and IAS 38 Property, Plant and Equipment and Intangibles

The above new standards or amendments to existing standards that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements

4. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	January 31 2015	January 31, 2014
Cash at bank	$ 86,135	$ 330,703
Term deposits	2,400,277	1,325,000
	$ 2,486,412	$ 1,655,703

At January 31, 2015, the Company has variable rate investments of $2,400,277 (January 31, 2014 - $1,325,000) yielding a variable interest rate of prime less 1.70%. The term deposits allow for early redemption after the first 30 days of investment and mature on various dates.

5. RECEIVABLES

Receivables consist of the following:

	January 31, 2015	January 31, 2014
GST receivable	$ 42,680	$ 31,509
Interest receivable	5,046	5,188
	$ 47,726	$ 36,697

(Expressed in Canadian dollars)

6. MARKETABLE SECURITIES

In May 2013 the Company received an option payment, consisting of 20,000 shares with a market value of $200,000 from Virginia Mines Inc. The Company recorded these available for sale shares at their fair value. During the year ended January 31, 2014 the Company disposed of these shares and realized a gain of $65,873 on the sale of these marketable securities.

7. SECURITY DEPOSIT

During the year ended January 31, 2015, a security deposit of $70,000 was deposited with the Minister of Aboriginal Affairs and Northern Development Canada for a land use permit issued by the Mackenzie Valley Land and Water Board ("MVLWB") for the Company's exploration properties in the Northwest Territories. The deposit will be refunded once the land use permit ends and a final report describing land use activities during the term of the permit and subsequent reclamation activities has been submitted to the MVLWB.

8. EXPLORATION AND EVALUATION ASSETS

The following are details of the Company's exploration and evaluation assets:

	Northbelt	Walsh Lake	Stewart	Central Canada	Blackfly	Total
Balance, January 31, 2013	$ -	$ -	$1,262,493	$267,844	$ 550,309	$ 2,080,646
Acquisition costs	238,374	22,492	18,939	30,000	10,000	319,805
Recovery of costs (Note 6)	(200,000)	-	-	-	-	(200,000)
	38,374	22,492	18,939	30,000	10,000	119,805
Exploration costs						
Assays and drilling	107,261	-	-	-	-	107,261
Consulting (Note 10)	415,981	-	6,300	-	825	423,106
Field expenses	331,781	-	8,035	-	43	339,859
Geophysical	103,535	-	-	-	-	103,535
	958,558	-	14,335	-	868	973,761
Write-off	-	-	-	-	(561,177)	(561,177)
Balance, January 31, 2014	996,932	22,492	1,295,767	297,844	-	2,613,035
Acquisition costs	70,176	36,848	62,000	10,000	-	179,024
Recovery of costs	-	-	-	(10,000)	-	(10,000)
	70,176	36,848	62,000	-	-	169,024
Exploration costs						
Assays and drilling	938,482	1,920	-	-	-	940,402
Consulting (Note 10)	750,615	18,167	569	800	-	770,151
Field expenses	754,170	2,500	1,800	-	-	758,470
Geophysical	89,146	11,979	58,500	-	-	159,625
	2,532,413	34,566	60,869	800	-	2,628,648
Balance, January 31, 2015	$3,599,521	$ 93,906	$1,418,636	$ 298,644	$ -	$ 5,410,707

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold Project ("YCG") is comprised of the Northbelt and Walsh Lake properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt property, as described in more detail below.

Northbelt Property

On December 17, 2012, the Company submitted an offer to acquire a 100% interest in certain mineral leases, collectively known as the Northbelt Property located in the Northwest Territories. As consideration, the Company paid $211,000.

During the year ended January 31, 2014, the Company acquired a 100% interest in additional mineral claims for consideration of $10,000, which have been incorporated into the Northbelt Property and paid annual lease payments of $17,374.

During the year ended January 31, 2015, the Company acquired a 100% interest in additional mineral claims for consideration of $13,926, which have been incorporated into the Northbelt Property. The Company also acquired a 100% interest in additional mineral claims for consideration by way of issuance of 75,000 common shares (issued, with a fair value of $56,250), which have also been incorporated into the Northbelt Property. The vendor will retain a 1% Net Smelter Royalty ("NSR"), of which 0.5% can be purchased by the Company at any time for $1,000,000.

To January 31, 2015, the Company has incurred $3,490,970 (January 31, 2014 - $958,558) in exploration work on the Northbelt Property.

In May 2013, the Company granted Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) ("Osisko") an option to acquire a 2% smelter returns royalty on the Northbelt property. Osisko may exercise the option by payment of $2,000,000 within three months following the commencement of production. In consideration of granting the option, the Company received 20,000 common shares of Osisko at a market value of $10 per share, the value of which was applied to reduce the acquisitions costs recorded for Northbelt by $200,000 during the period. See Note 6.

Walsh Lake Property

On October 28, 2013, the Company entered into an option agreement to acquire a 100% interest in the Walsh Lake Property, which is contiguous with and immediately east of its Northbelt Property, for the following consideration:

- $5,000 (paid) and the issuance of 30,000 common shares (issued, with a fair value of $13,500) upon execution of the agreement;
- $10,000 (paid) and the issuance of 40,000 common shares (issued, with a fair value of $16,200) and incurring $25,000 in exploration work by October 28, 2014 (completed);
- $20,000, the issuance of 50,000 common shares and incurring an additional $55,000 in exploration work by October 28, 2015;
- $25,000, the issuance of 70,000 common shares and incurring an additional $70,000 in exploration work by October 28, 2016; and
- $30,000, the issuance of 70,000 common shares and incurring an additional $250,000 in exploration work by October 28, 2017.

The vendor will retain a 2% NSR, of which 1.5% can be purchased by the Company for $2,000,000.

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yellowknife City Gold Project, Northwest Territories (cont'd)

During the year ended January 31, 2015, the Company also recognized claim fees of $10,648 (January 31, 2014 - $3,992) in acquisition costs.

To January 31, 2015, the Company has incurred $34,566 (January 31, 2014 - $Nil) in exploration work on the Walsh Lake Property.

Stewart Property, Newfoundland

On June 28, 2010, and as last amended on September 26, 2012, the Company entered into an option agreement to acquire a 100% interest in the Stewart Property located in the Burin Peninsula of Newfoundland. In consideration, the Company was required to pay $80,000 (paid), issue 295,000 common shares (issued, with a fair value of $103,600, of which 100,000 common shares with a fair value of $62,000 were issued during the year ended January 31, 2015 and 75,000 common shares with a fair value of $17,250 were issued during the year ended January 31, 2014) and incur $525,000 (incurred) in exploration work over a period of four years.

To January 31, 2015, the Company has paid $3,789 (January 31, 2014 - $3,789) in staking costs and incurred $1,231,247 (January 31, 2014 - $1,170,378) in exploration work on the Stewart Property, net of a $100,000 government grant received in April 2012.

The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

Central Canada Property, Ontario

On December 11, 2009, and as amended on December 5, 2012, the Company entered into an option agreement to acquire a 100% interest in the Central Canada Property located in Northwest Ontario. In consideration, the Company was obligated to pay $68,000 (paid) (of which $20,000 was paid during the year ended January 31, 2014), issue 280,000 common shares (issued, with a fair value of $42,900) and incur $140,000 in exploration work over a period of four years.

On February 24, 2014, the Company had entered into an option agreement with Alberta Star Development Corp. ("Alberta Star"), a company related by a common director, whereby Alberta Star could earn up to a 60% interest in the Central Canada Property. In consideration, Alberta Star was obligated to make cash payments to the Company totaling $85,000 over a three year period (of which $10,000 was received during the year ended January 31, 2015) incur $500,000 in exploration work over a three year period. In December 2014 Alberta Star advised that, due to market conditions, it had elected not to continue with the exploration of the Central Canada property and abandoned its interest in the property.

To January 31, 2015, the Company has incurred $147,744 (January 31, 2014 - $146,944) in exploration work on the Central Canada Property.

The Central Canada Property is subject to a 2.5% NSR. The Company has the right, at any time, to purchase 1% of the 2.5% NSR for $1,000,000, or in increments of $500,000 per 0.5%. The Company is obligated to pay a pre-production royalty of $10,000 per year, which will continue annually until production commences on the Central Canada Property and this amount will be deducted from royalties payable by the Company. To January 31, 2015, the Company has paid $40,000 ($10,000 paid during each of January 31, 2015 and 2014) for the annual pre-production royalty.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Blackfly Property, Ontario

On July 2, 2009, the Company entered into an option agreement to acquire a 100% interest, subject to a 2.5% NSR in the Blackfly Property located in Northwest Ontario.

The Blackfly Property was written-off at January 31, 2014, as the Company did not intend to conduct any work on the property in the immediate future, due to market conditions.

9. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	January 31, 2015	January 31, 2014
Trade payables	$ 219,447	$ 58,303
Due to related parties (Note 10)	110,024	78,477
Accrued liabilities	20,000	20,000
	$ 349,471	$ 156,780

10. RELATED PARTY TRANSACTIONS

Related party balances
As at January 31, 2015 $110,024 (January 31, 2014 - $78,477) was due to directors or companies controlled by directors and recorded in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Related party transactions
The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration of the key management of the Company as defined above was as follows:

	Year ended	
	January 31, 2015	January 31, 2014
Rent and administrative services	$ 39,000	$ 28,500
Consulting fees	75,180	65,493
Geological consulting – exploration and evaluation assets	542,956	350,656
Share-based payments	409,622	136,636
	$ 1,066,758	$ 581,285

11. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

At January 31, 2015 there were 54,121,826 issued and fully paid common shares (January 31, 2014 – 39,918,140).

11. SHARE CAPITAL (cont'd)

Issued share capital (cont'd)

2015

a) During the year ended January 31, 2015, the Company issued 215,000 common shares at a fair value of $134,450 towards consideration for the acquisition of exploration and evaluation assets (Note 8).

b) The Company completed a private placement of 1,500,000 units at $0.45 per unit for gross proceeds of $675,000. 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 $0.51 per share until February 12, 2016. Finder's fees of $31,500 were paid with respect to a portion of this private placement along with the issuance of 70,000 finder's warrants exercisable at $0.51 until February 12, 2016, with a fair value of $25,462. The total fair value of $25,462 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, a risk-free interest rate of 1.03% and an expected volatility of 130.66%.

c) The Company completed a private placement of 1,300,000 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 share until February 28, 2016.

d) The Company completed a private placement of 7,927,786 units at $0.35 per unit for gross proceeds of $2,774,725. 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 $0.50 per share for a period of three years from closing. Finder's fees of $122,936 were paid with respect to a portion of this private placement along with the issuance of 54,845 finder's warrants exercisable at $0.50 until September 30, 2017 (as to 28,000 warrants), October 8, 2017 (as to 5,215 warrants) and October 16, 2017 (as to 21,630 warrants). The total fair value of $14,144 attributed to these warrants was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a risk-free interest rate of 1.09% and an expected volatility of 150.06%. The Company paid additional share issuance costs of $25,464 with respect to the private placement.

e) The Company received net proceeds of $105,000 from the exercise of 1,050,000 stock options at $0.10 per share and the fair value of these options of $39,977 was reclassified from share-based payment reserve to share capital.

f) The Company received net proceeds of $292,270 from the exercise of 355,900 warrants at $0.30 per share and 1,855,000 warrants at $0.10 per share. The fair value of a portion of these warrants of $10,353 was reclassified from share-based payment reserve to share capital.

2014

a) During the year ended January 31, 2014, the Company issued 105,000 common shares at a fair value of $30,750 towards consideration for the acquisition of exploration and evaluation assets (Note 8).

b) On May 30, 2013, the Company completed a non-brokered private placement of 6,911,085 units at a price of $0.20 per unit for gross proceeds of $1,382,217, of which 3,617,085 units were acquired by Osisko. Each unit consists of one common share and one-half of one share purchase warrant, exercisable to purchase an additional share at $0.30 until May 8, 2016 (as to 3,393,043 warrants) and May 30, 2016 (as to 62,500 warrants). Finders' fees of $21,840 were paid with respect to this placement along with the issuance of 109,200 finders' warrants exercisable at $0.30 until May 8, 2016, with a fair value of $18,118. The total fair value of $18,118 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a risk-free

11. SHARE CAPITAL (cont'd)

Issued share capital (cont'd)

2014 (cont'd)

b) (cont'd)

interest rate of 1.08% and an expected volatility of 155.06%. In connection with this private placement, the Company incurred an additional $6,786 of share issuance costs.

c) On December 20, 2013 the Company completed an initial closing of 2,261,812 units at $0.45 per unit for gross proceeds of $1,017,815. 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 $0.50 per share until December 20, 2015. Finder's fees of $25,773 were paid with respect to a portion of this placement along with the issuance of 56,574 finders warrants exercisable at $0.50 until December 20, 2015, with a fair value of $13,869. The total fair value of $13,869 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a risk-free interest rate of 1.14% and an expected volatility of 122.43%. In connection with this private placement, the Company incurred an additional $5,565 of share issuance costs.

d) On December 27, 2013 issued a further 211,112 units at $0.45 per unit, for gross proceeds of $95,000, bringing the aggregate gross proceeds raised in this private placement to $1,112,816. 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 $0.50 per share until December 27, 2015. In connection with these units subscribed, the Company issued additional 700 finders warrants exercisable at $0.50 until December 27, 2015.

e) During the year ended January 31, 2014 the Company received net proceeds of $198,000 from the exercise of 600,000 options at $0.33 per share and the fair value of these options of $82,668 was reclassified from share-based payment reserve to share capital.

Stock options

The Board of Directors of the Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable 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 and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities will not exceed 2% of the issued and outstanding common shares. Options granted typically vest on the grant date.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (cont'd)

Stock options (cont'd)

The changes in options during the years ended January 31, 2015 and 2014 are as follows:

	Year ended January 31, 2015		Year ended January 31, 2014	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of the year	3,955,000	$ 0.19	2,500,000	$ 0.20
Options granted	2,045,000	0.62	2,805,000	0.23
Options exercised	(1,050,000)	0.10	(600,000)	0.33
Options forfeited	(360,000)	0.29	-	-
Options expired	(100,000)	0.10	(750,000)	0.25
Options outstanding, end of the year	4,490,000	$ 0.40	3,995,000	$ 0.19
Options exercisable, end of the year	4,365,000	$ 0.40	3,637,500	$ 0.19

As January 31, 2015, the weighted average remaining life of options outstanding was 3.02 years.

2015

On March 14, 2014 the Company granted 1,050,000 stock options to directors and consultants that can be exercised at $0.75 per share until March 14, 2019. These options vested immediately. The total fair value of $661,698 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, a risk-free interest rate of 1.60% and an expected volatility of 123.81%. The vesting of these options resulted in a stock based compensation expense of $661,698 being recorded during the year ended January 31, 2015.

On May 5, 2014, the Company granted 500,000 stock options to consultants at an exercise price of $0.61 per share for a five year period. These options vested 25% upon grant and 25% every 3 months thereafter. The total fair value of $248,202 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, a weighted average risk-free interest rate of 1.64% and a weighted average expected volatility of 116.16%. The vesting of these options resulted in a stock based compensation expense of $128,712 being recorded during the year ended January 31, 2015.

On December 24, 2014, the Company granted 395,000 stock options to consultants at an exercise price of $0.35 per share for a three year period. These options vested immediately. The total fair value of $68,373 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a weighted average risk-free interest rate of 1.12% and a weighted average expected volatility of 108.33%. The vesting of these options resulted in a stock based compensation expense of $68,373 being recorded during the year ended January 31, 2015.

On January 29, 2015 the Company granted 100,000 stock options to a consultant at an exercise price of $0.38 per share for a three year period. These options vested immediately. The total fair value of $25,564 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a weighted average risk-free interest rate of 0.45% and a weighted average expected volatility of 112.60%. The vesting of these options resulted in a stock based compensation expense of $25,564 being recorded during the year ended January 31, 2015.

The Company recorded a further $171,063 relating to the vesting of previously issued stock options.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (cont'd)

Stock options (cont'd)

2014

On December 23, 2013 the Company granted 295,000 stock options to consultants at an exercise price of $0.45 per share for a three year period. These options vested immediately. The total fair value of $83,865 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a risk-free interest rate of 1.14% and an expected volatility of 115.07%. The vesting of these options resulted in a stock based compensation expense of $83,685 being recorded during the year ended January 31, 2014.

On September 30, 2013, the Company granted 100,000 stock options to consultants at an exercise price of $0.61 per share for a three year period. These options vested immediately. The total fair value of $43,346 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, a risk-free interest rate of 1.40% and an expected volatility of 120.78%. The vesting of these options resulted in a stock based compensation expense of $43,346 being recorded during the year ended January 31, 2014.

On August 29, 2013, the Company granted 360,000 stock options to a consultant at an exercise price of $0.29 per share for a five year period. These options vested 25% upon grant and 25% every 3 months thereafter. The total fair value of $155,708 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, a weighted average risk-free interest rate of 1.63% and a weighted average expected volatility of 130.62%. The vesting of these options resulted in a stock based compensation expense of $128,218 being recorded during the year ended January 31, 2014.

On June 28, 2013, the Company granted 550,000 stock options to consultants at an exercise price of $0.17 per share for a five year period. These options vested 25% upon grant and 25% every 3 months thereafter. As at January 31, 2014, the total fair value of $226,433 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, a weighted average risk-free interest rate of 1.74% and a weighted average expected volatility of 135.43%. The vesting of these options resulted in a stock based compensation expense of $211,220 being recorded during the year ended January 31, 2014.

On June 28, 2013, the Company also granted 1,500,000 stock options to directors, officers and consultants at an exercise price of $0.17 per share for a five year period. These options vested immediately upon grant. The total fair value of $204,953 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, a risk-free interest rate of 1.80% and an expected volatility of 152.82%. The vesting of these options resulted in a stock based compensation expense of $204,953 being recorded during the year ended January 31, 2014.

The following incentive stock options were outstanding and exercisable at January 31, 2015:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
2,050,000	2,050,000	$ 0.17	June 28, 2018
100,000	100,000	0.61	September 30, 2016
295,000	295,000	0.45	December 23, 2016
1,050,000	1,050,000	0.75	March 14, 2019
500,000	375,000	0.61	May 5, 2019
395,000	395,000	0.35	December 24, 2017
100,000	100,000	0.38	January 29, 2018
4,490,000	4,365,000		

(Expressed in Canadian dollars)

11. SHARE CAPITAL (cont'd)

Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance as at January 31, 2013	1,855,000	$ 0.10
Issued	4,858,479	0.35
Balance as at January 31, 2014	6,713,479	0.28
Issued	5,488,738	0.51
Exercised	(2,210,900)	0.13
Balance as at January 31, 2015	9,991,317	$ 0.44

The following warrants were outstanding and exercisable at January 31, 2015:

Number	Exercise Price	Expiry Date
3,146,343	$ 0.30	May 8, 2016
62,500	$ 0.30	May 30, 2016
1,187,480	$ 0.50	December 20, 2015
106,256	$ 0.50	December 27, 2015
820,000	$ 0.51	February 12, 2016
650,000	$ 0.57	February 28, 2016
2,803,000	$ 0.50	September 30, 2017
672,465	$ 0.50	October 8, 2017
543,273	$ 0.50	October 16, 2017
9,991,317		

As at January 31, 2015, the weighted average remaining life of warrants outstanding was 1.75 years (January 31, 2014 – 1.84 years).

12. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finders' warrants are exercised, at which time the corresponding amount will be transferred to share capital. During the year ended January 31, 2015, upon the exercise of stock options and warrants, the Company reallocated $50,300 (January 31, 2014 - $82,668) from share-based payment reserve to share capital.

13. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

13. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at January 31, 2015 and no-interest bearing debt, therefore, interest rate risk is nominal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian dollars)

13. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Classification of financial instruments

Financial assets included in the statements of financial position are as follows:

	January 31, 2015	January 31, 2014
FVTPL:		
Cash and cash equivalents	$ 2,486,412	$ 1,655,703

Financial liabilities included in the statements of financial position are as follows:

	January 31, 2015	January 31, 2014
Non-derivative financial liabilities:		
Trade payables	$ 219,447	$ 58,303
Due to related parties	110,024	78,477
	$ 329,471	$ 136,780

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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:

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

The following is an analysis of the Company's financial assets measured at fair value as at January 31, 2015 and January 31, 2014:

	As at January 31, 2015		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,486,412	$ -	$ -

	As at January 31, 2014		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,655,703	$ -	$ -

(Expressed in Canadian dollars)

14. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	January 31, 2015	January 31, 2014
Loss for the year	$ (1,862,736)	$ (1,639,552)
Statutory tax rate	26.00%	25.83%
Expected income tax recovery	(484,311)	(423,496)
Non-deductible items	254,869	149,437
Impact of tax rate change	(5,200)	(32,376)
Change in valuation allowance	234,643	306,435
Deferred income tax recovery	$ -	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	January 31, 2015	January 31, 2014
Exploration and evaluation assets	$ 619,408	$ 611,741
Loss carry-forwards	639,249	437,263
Share issuance costs	46,773	21,783
	$ 1,305,430	$ 1,070,787

The tax pools relating to these deductible temporary differences expire as follows:

	Exploration and evaluation assets	Loss carry-forwards	Share issuance costs
2016	$ -	$ -	$ 47,973
2017	-	-	47,973
2018	-	-	47,973
2019	-	-	35,980
2028	-	36,099	-
2029	-	101,728	-
2030	-	147,024	-
2031	-	426,992	-
2032	-	259,673	-
2033	-	218,873	-
2034	-	437,689	-
No expiry	7,793,045	830,571	-
	$ 7,793,045	$ 2,458,649	$ 179,899

(Expressed in Canadian dollars)

14. INCOME TAXES (cont'd)

Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at January 31, 2015, the Company has approximately $2,459,000 of non-capital losses that can be offset against taxable income in future years which begin expiring at various dates commencing in 2028. The potential future tax benefit of these losses has not been recorded as a full-future tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses.

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended January 31, 2015 and 2014, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Year ended	
	January 31, 2015	**January 31, 2014**
Exploration expenditures included in trade payables and accrued liabilities	$ 322,492	$ 105,272
Exploration expenditures reallocated from prepaids and deposits	$ -	$ 21,100
Fair value of shares issued for mineral property option payments	$ 134,450	$ 30,750
Fair value of finders' warrants	$ 39,606	$ 31,987
Fair value of share-based payments reallocated to share capital	$ 50,330	$ 82,668
Virginia Mines shares received	$ -	$ 200,000

16. SUBSEQUENT EVENTS

Subsequent to January 31, 2015 the Company agreed to grant an option to Osisko to purchase an additional 1.0% NSR on the YCG in the Northwest Territories in consideration of an option payment of $1 million. The option entitles Osisko to purchase a 1.0% NSR on production from the properties that comprise the YCG by payment of an additional $2 Million within 3 months following commencement of production. This 1.0% NSR is in addition to the existing Osisko option to acquire a 2% NSR on YCG (subject to underlying royalties to certain property vendors, and payment of $2 million within 3 months of the start of production from those properties).

Osisko will also invest up to $2.5 million into the Company through the purchase of a non-brokered flow-through private placement of common shares at a premium to market, subject to certain conditions, including the concurrent completion of a private placement by the Company of up to $3.5 million on comparable terms and TSX-V approval. The Company has agreed to a non-brokered private placement of up to 7,700,000 flow-through units at $0.45 per unit for gross proceeds of $3,492,000. Each unit will consist of one flow-through 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 $0.55 per share for a period of three years from the date of closing. Finders' fee will be payable on a portion of this placement, which is subject to acceptance for filing by the TSX-V.