

Cartier Resources Inc.

(an exploration company)

Interim condensed financial statements
(Unaudited)

First quarter ended March 31, 2015

The interim condensed financial statements for the period ended March 31, 2015 have not been reviewed by the Company's independent auditor.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Financial Position

(In Canadian \$)	March 31, 2015	December 31, 2014
	\$	\$
	(Unaudited)	(Audited)
Assets		
Current		
Cash and cash equivalents (note 3)	932,702	857,196
Cash reserved for exploration (note 3)	254,580	537,222
Other short-term financial assets (note 4)	96,000	80,500
Receivables (note 5)	58,294	56,133
Prepaid expenses	6,383	15,548
	<u>1,347,959</u>	<u>1,546,599</u>
Non-current		
Property, plant and equipment (note 6)	45,160	52,177
Exploration assets and deferred exploration costs (note 8)	10,403,662	10,114,873
	<u>11,796,781</u>	<u>11,713,649</u>
TOTAL ASSETS		
	<u>11,796,781</u>	<u>11,713,649</u>
Liabilities		
Current		
Accounts payables and accrued liabilities	170,160	125,950
Liability related to flow-through shares	51,718	157,708
	<u>221,878</u>	<u>283,658</u>
Non-current		
Deferred income and mining taxes	2,270,972	2,163,697
	<u>2,492,850</u>	<u>2,447,355</u>
TOTAL LIABILITIES		
	<u>2,492,850</u>	<u>2,447,355</u>
EQUITY		
Share capital (note 9)	16,403,489	16,302,923
Warrants	2,121,936	2,054,561
Contributed surplus	1,275,638	1,251,432
Deficit	(10,118,882)	(9,948,872)
Accumulated other comprehensive loss	(378,250)	(393,750)
	<u>9,303,931</u>	<u>9,266,294</u>
TOTAL EQUITY		
	<u>9,303,931</u>	<u>9,266,294</u>
TOTAL LIABILITIES AND EQUITY		
	<u>11,796,781</u>	<u>11,713,649</u>

Basis of preparation and going concern (note 1),

Contingencies and commitments (note 14)

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

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Daniel Massé, Director

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Deferred Exploration Costs

(Unaudited)

(In Canadian \$)

	Three-month periods ended	
	March 31, 2015	March 31, 2014
	\$	\$
Balance - Beginning of period	8,699,798	8,606,826
Expenses incurred during the period		
Geology	129,294	52,530
Drilling	115,378	389,345
Exploration office expenses	2,180	5,502
Surveying and access roads	25,027	22,521
Core shack rental and maintenance	10,465	8,837
Duties, taxes and permits	1,419	3,116
Depreciation of exploration equipment	5,225	4,931
Share-based payments-employees	5,511	695
	294,499	487,477
Tax credits	(10,710)	-
Balance - End of period	8,983,587	9,094,303

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

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of changes in equity

(Unaudited)

(In Canadian \$)

	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive (loss) \$	Total equity \$
BALANCE AS AT DECEMBER 31, 2014	71,825,795	16,302,923	2,054,561	1,251,432	(9,948,872)	(393,750)	9,266,294
Net loss for the period					(170,010)	-	(170,010)
Change in fair value of other short-term financial assets					-	15,500	15,500
Total comprehensive loss					(170,010)	15,500	(154,510)
Issue of shares	1,800,000	100,566	-	-			100,566
Effect of share-based payments	-	-	-	24,206			24,206
Value granted	-	-	67,375	-			67,375
BALANCE AS AT MARCH 31, 2015	73,625,795	16,403,489	2,121,936	1,275,638	(10,118,882)	(378,250)	9,303,931
BALANCE AS AT DECEMBER 31, 2013	64,665,295	15,640,117	2,021,677	1,126,766	(8,601,823)	(300,000)	9,886,737
Net loss for the period					(244,403)		(244,403)
Change in fair value of other short-term financial assets					-	20,000	20,000
Total comprehensive loss					(244,403)	20,000	(224,403)
Issue of shares	50,000	5,776	-	-			5,776
Effect of share-based payments	-	-	-	4,399			4,399
Value granted	-	-	-	-			-
BALANCE AS AT MARCH 31, 2014	64,715,295	15,645,893	2,021,677	1,131,165	(8,846,226)	(280,000)	9,672,509

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of loss

(Unaudited)

(In Canadian \$)

	Three-month periods ended	
	March 31, 2015	March 31, 2014
	\$	\$
Administrative expenses		
Salaries	82,957	69,380
Consultants	22,899	23,849
Share-based payments-employees	18,695	3,705
Professional fees	1,677	3,303
Rent	5,322	8,035
Business development	24,904	9,908
Insurance, taxes and permits	5,525	5,027
Interest and bank charges	368	2,353
Depreciation of property, plant and equipment	1,791	1,791
Office supplies	8,861	7,270
Telecommunications	2,024	2,120
Training and travel	4,026	4,262
Advertising and sponsoring	2,093	2,851
Shareholder's information	13,179	11,925
Part XII.6 tax related to flow-through shares	13	497
	194,334	156,276
Other expenses (income)		
Other exploration costs	864	-
Contractual services income	(24,000)	-
Interest income	(2,473)	(4,742)
LOSS BEFORE DEFERRED INCOME AND MINING TAXES	(168,725)	(151,534)
Deferred income and mining taxes	1,285	92,869
Net loss for the period attributable to shareholders	(170,010)	(244,403)
LOSS PER SHARE		
basic	(0.00)	0.00
diluted	(0.00)	0.00
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
basic	72,204,684	64,671,962
diluted	72,204,684	64,671,962

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

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Comprehensive Loss

(Unaudited)

(In Canadian \$)

	Three-month periods ended	
	March 31, 2015	March 31, 2014
	\$	\$
Net loss for the period	(170,010)	(244,403)
Items that may be reclassified subsequently to profit or loss :		
Change in fair value of other short-term financial assets	15,500	20,000
Comprehensive loss for the period attributable to shareholders	(154,510)	(224,403)

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

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Cash Flows

(Unaudited)

(In Canadian \$)

	Three-month periods ended	
	March 31, 2015	March 31, 2014
	\$	\$
OPERATING ACTIVITIES		
Loss before deferred income and mining taxes	(168,725)	(151,534)
Adjustments for:		
Depreciation of property, plant and equipment	1,791	1,791
Share-based payments-employees	18,695	3,705
Interest income	(2,473)	(4,742)
Interest received	1,893	3,601
	(148,819)	(147,179)
Net change in non-cash working capital items		
Receivables	9,129	(55,616)
Prepaid expenses	9,165	(827)
Accounts payables and accrued liabilities	(4,110)	19,200
Cash flow used in operating activities	(134,635)	(184,422)
FINANCING ACTIVITIES		
Share issue	175,000	-
Share issue expenses	(8,685)	(7,375)
Cash flow from (used in) financing activities	166,315	(7,375)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(238,816)	(410,212)
Cash flow used in investing activities	(238,816)	(410,212)
Net change in cash and cash equivalents	(207,136)	(602,009)
Cash and cash equivalents at the beginning	1,394,418	2,143,104
Cash and cash equivalents at the end (note 3)	1,187,282	1,541,095
Cash and cash equivalents	932,702	1,442,396
Cash reserved for exploration	254,580	98,699
	1,187,282	1,541,095

Additional information (note 11)

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

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

Incorporation and Nature of Operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec Companies Act on July 17, 2006, has been governed by the Business Corporations Act (Quebec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primarily include the acquisition and exploration of mining properties. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

1. Basis of preparation and going concern

These interim condensed financial statements were prepared on a going concern basis, using historical costs method, except for «Other short-term financial assets» which are measured at fair value.

The Company's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The application of International Financial Reporting Standards « IFRS » on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

These interim condensed financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the appropriateness of the going concern assumption.

These interim condensed financial statements have been prepared by the Company's management in accordance with ("IFRS"), and in accordance with IAS 34, "Interim Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS. These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2014.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical judgments and accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies.

On May 14, 2015, the Company's Board of Directors approved these interim condensed financial statements for the period ended March 31, 2015.

2. Changes to accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended December 31, 2013, except for the following new accounts policies effective for annual periods beginning on or after January 1, 2014. The accounting policies have been applied consistently throughout the Company for the purposes of preparing these interim financial statements.

IFRS 9 *Financial Instruments*

In July 2014, the IASB published IFRS 9 which replaces IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its interim financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

3. Cash and cash equivalents and cash reserved for exploration

As at March 31, 2015 and December 31, 2014, the cash and the cash equivalents and the cash reserved for exploration include banker's acceptances, bonds, an account bearing a high interest rate and an account without interest are as follows:

	March 31, 2015			December 31, 2014		
	\$	Interest rate	Maturity date	\$	Interest rate	Maturity date
1) Banker's acceptance	202,907	0.462%	2015-05-06	402,214	0.830%	2015-02-23
2) Banker's acceptance	151,830	0.544%	2015-06-01	151,627	0.848%	2015-03-09
3) Account bearing interests	532,096	1.200%	-	530,692	1.200%	-
4) Account without interest	300,449	-	-	309,885	-	-
Total	1,187,282			1,394,418		

	March 31, 2015	December 31, 2014
	\$	\$
Cash	832,545	840,577
Banker's acceptances	354,737	553,841
	1,187,282	1,394,418
Less: Cash reserved for exploration	(254,580)	(537,222)
Cash and cash equivalents	932,702	857,196

4. Other short-term financial assets

	March 31, 2015	December 31, 2014
	\$	\$
Marketable securities of a quoted mining exploration company, available-for-sale, at fair value	96,000	80,500

5. Receivables

	March 31, 2015	December 31, 2014
	\$	\$
Credit on duties refundable and refundable tax credit for resources	11,394	11,394
Commodity taxes and others	46,900	44,739
Total	58,294	56,133

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

6. Property, plant and equipment

	Leasehold improvements (1)	Furniture and equipment (2)	Total
Cost			
Balance as at December 31, 2014	117,911	22,430	140,341
Additions	-	-	-
Balance as at March 31, 2015	117,911	22,430	140,341
Accumulated depreciation			
Balance as at December 31, 2014	72,479	15,685	88,164
Depreciation	5,895	1,122	7,017
Balance as at March 31, 2015	78,374	16,807	95,181
Carrying amount as at March 31, 2015	39,537	5,623	45,160

(1) As at March 31, 2015, leasehold improvements with a carrying value of \$4,530 (\$37,699 as at December 31, 2014) are used for exploration.

(2) As at March 31, 2015, furniture and equipment with a carrying value of \$695 (\$4,143 as at December 31, 2014) are used for exploration.

7. Leases

The future minimum operating lease payments are as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	After 5 years	
	\$	\$	\$	\$
March 31, 2015	89,175	402,297	-	491,472
December 31, 2014	89,175	405,048	19,543	513,766

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's vehicle expires in October 2017. The Company also leases equipment under an agreement expiring in March 2016.

Lease fees recognized as an expense during the reporting period amount to \$89,175 (\$89,175 as at December 31, 2014). This amount consists of minimum lease payments. The Company's lease agreements contain renewal options.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

8. Exploration assets and deferred exploration costs

	Mac Cormack	Dollier	Mine Chimo	Cadillac Extension	Benoist	Fenton	Total
<i>% participation</i>	100%	100%	100%	100%	100%	Option 50 %	
	\$	\$	\$	\$	\$	\$	\$
Mining properties							
Balance as at December 31, 2014	497,848	17,567	261,616	10,200	622,723	5,121	1,415,075
Addition	-	-	-	-	-	5,000	5,000
Balance as at March 31, 2015	497,848	17,567	261,616	10,200	622,723	10,121	1,420,075
Deferred exploration costs							
Balance as at December 31, 2014	3,234,594	1,009,599	197,240	1,661,311	2,140,634	456,420	8,699,798
Addition							
Geology	22,163	3,913	5,430	2,357	94,868	563	129,294
Drilling	111,030	69	702	226	3,351	-	115,378
Exploration office expenses	996	-	323	165	696	-	2,180
Surveying and access roads	2,586	-	-	-	22,441	-	25,027
Core shack rental and maintenance	5,410	-	1,341	416	3,298	-	10,465
Duties, taxes and permits	695	-	28	-	696	-	1,419
Depreciation of exploration equipment	975	-	819	174	3,257	-	5,225
Share-based payments-employees	2,535	-	827	551	1,598	-	5,511
Total expenses during the year	146,390	3,982	9,470	3,889	130,205	563	294,499
Tax credits	(22)	(279)	(4,319)	(928)	(5,084)	(78)	(10,710)
Net expenses during the period	146,368	3,703	5,151	2,961	125,121	485	283,789
Balance as at March 31, 2015	3,380,962	1,013,302	202,391	1,664,272	2,265,755	456,905	8,983,587
Balance of exploration assets and deferred exploration costs as at March 31, 2015	3,878,810	1,030,869	464,007	1,674,472	2,888,478	467,026	10,403,662

All the mining properties held by the Company are located in northwestern Quebec.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

9. Share capital

Authorized

Unlimited number of common shares, without par value, voting and participating

	March 31, 2015		December 31, 2014	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of the period	71,825,795	16,302,923	64,665,295	15,640,117
Shares issued and paid				
Acquisition of property (a) (b)	50,000	5,000	550,000	82,750
Private placements (c) (d) (g)	1,750,000	107,625	798,000	62,876
Flow-through private placements (e) (h)	-	-	5,812,500	780,000
Renouncement of tax deductions (f) (i)	-	-	-	(248,750)
	1,800,000	112,625	7,160,500	676,876
Share issue expenses	-	(12,059)	-	(14,070)
Balance, at end of the period	73,625,795	16,403,489	71,825,795	16,302,923

(a) On April 14, 2014, the Company bought back a 1 % net smelter return (NSR) royalty on the Benoist Property. The Company was exercising its right of first refusal in respect of the royalty. An aggregate of 500,000 common shares were issued at a price of \$0.15 per share in an all-share transaction for a value of \$75,000.

On July 29, 2013, the Company reached an agreement with Murgor and acquired a 100% interest in the Benoist property, consisting of 98 mining claims, for a cash payment of \$250,000 and the issuance of 650,000 common shares.

(b) On September 16, 2014, the Company amended its option agreement with SOQUEM INC. for 3 years.

On March 19, 2012, the Company issued 50,000 common shares in virtue of the option agreement enabling it to acquire a 50% undivided interest in the Fenton project. Initially, the Company must also incur exploration expenditures aggregating \$1,500,000 by March 19, 2015. This agreement was amended for 3 more years, on September 16, 2014, that extension will be end on March 19, 2018 and the company will continue to issue 50,000 common shares on each anniversary of the agreement. In addition, the Company had a firm commitment to invest \$500,000 in exploration work over the first year following the signature of the agreement, which was completed over the period, and the Company issued 50,000 common shares to SOQUEM INC, on the first, the second and the third anniversary following the signature of the agreement. SOQUEM INC. is the operator. After the Company earns its undivided interest of 50%, SOQUEM INC. and the Company will form a joint venture. Share issue expenses totalling \$269 have reduced share capital.

(c) Issuance of common shares on March 13, 2015

On March 13, 2015, the Company completed a private placement with SODÉMEX II s.e.c. for gross proceeds of \$75,000. In total, the Company issued 750 000 units (the "Units") at a price of \$0.10 per Unit, with each Unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 750,000 common shares and 750,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$28,875. Share issue expenses totalling \$4,448 were also applied against the share capital.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

9. Share capital (continued)

(d) Issuance of common shares on March 11, 2015

On March 11, 2015, the Company completed a private placement with SIDEX, s.e.c. for gross proceeds of \$100,000. In total, the Company issued 1 000 000 units (the "Units") at a price of \$0.10 per Unit, with each Unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 1,000,000 common shares and 1,000,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$38,500. Share issue expenses totalling \$7,611 were also applied against the share capital.

(e) Issuance of flow-through shares on December 29, 2014

On December 29, 2014, the Company completed a private placement conducted without intermediate agent or broker for aggregate gross proceeds of \$250,000. The offering consists of 2,500,000 flow-through common shares at a price of \$0.10 per flow-through share for a total consideration of \$250,000. Share issue expenses totalling \$4,834 were also applied against the share capital.

(f) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of \$50,000 which has reduced the share capital and increased the liabilities related to flow-through shares.

(g) Issuance of common shares on June 27, 2014

On June 27, 2014, the Company completed a private placement conducted without intermediate agent or broker for aggregate gross proceeds of \$95,760. The offering consisted of 95 units. Each unit of the non-flow-through private placement, at a price of \$1,008 per unit, comprises 8,400 common shares at a price of \$0.12 per share and 8,400 common share purchase warrants. Each warrant entitles the holder to acquire one (1) common share at a price of \$0.20 per share for a period of 24 months following the closing date. Accordingly, an aggregate of 798,000 common shares and 798,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$32,884. Share issue expenses totalling \$1,751 were also applied against the share capital.

(h) Issuance of flow-through shares on June 27, 2014

On June 27, 2014, the Company completed a private placement conducted without intermediate agent or broker for aggregate gross proceeds of \$530,000. The offering consists of 530 units. Each unit, at a price of \$1,000 per unit, comprises 6,250 flow-through common shares. Accordingly, the Company issued 3,312,500 flow-through shares at a price of \$0.16 per share. Share issue expenses totalling \$1,951 were also applied against the share capital.

(i) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of \$198,750 which has reduced the share capital and increased the liabilities related to flow-through shares.

Stock Option Plan

The Company has a stock option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionnee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

Cartier Resources Inc.

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Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

9. Share capital (continued)

Stock Option Plan (continued)

The following table summarizes the information about the outstanding stock options:

	March 31, 2015	
	Number	Weighted average exercise price
		\$
Outstanding - Beginning	5,025,000	0.23
Granted-employees	-	-
Expired	-	-
Outstanding - End	5,025,000	0.23
Exercisable - End	3,762,500	0.26

The following table summarizes certain information for stock options outstanding and exercisable :

Exercise price	Outstanding options March 31, 2015			Exercisable options March 31, 2015		
	Number of options	Weighted average remaining life (years)	Weighted average exercise price \$	Number of options	Weighted average remaining life (years)	Weighted average exercise price \$
\$0.01 to \$0.20	2,520,000	4.40	0.15	1,257,500	4.23	0.17
\$0.21 to \$0.40	1,905,000	2.44	0.26	1,905,000	2.44	0.26
\$0.41 to \$0.60	600,000	1.19	0.44	600,000	1.19	0.44
\$0.01 to \$0.60	5,025,000	3.28	0.23	3,762,500	2.84	0.26

Warrants

The following table presents the changes that occurred during the year :

	March 31, 2015		
	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)
Outstanding - Beginning	3,298,000	0.17	1.09
Granted-private placements	1,750,000	0.13	1.95
Expired	-	-	-
Outstanding - End	5,048,000	0.16	1.23
Exercisable - End	3,298,000	0.17	0.84

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Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2015 and 2014 (Unaudited)

9. Share capital (continued)

Warrants (continued)

At issuance, the warrants are subject to a 4 month and 1 day statutory hold period.

The outstanding warrants are as follows:

<u>Maturity date</u>	<u>Exercise price</u> \$	<u>Number</u>
December 2015	0.16	2,500,000
June 2016	0.20	798,000
March 2017	0.13	1,750,000
		<u>5,048,000</u>

10. Employee remuneration

Employee benefits expense recognized are detailed below:

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
	\$	\$
Wages, salaries	144,891	586,999
Social security costs	13,068	49,409
Share-based payments-employees	24,206	124,666
Defined contribution pension plan	4,370	16,580
	<u>186,535</u>	<u>777,654</u>
Less: salaries capitalized in exploration and evaluation assets	<u>(64,483)</u>	<u>(272,827)</u>
Employee benefits expense	<u>122,052</u>	<u>504,827</u>

11. Cash flows

Additional information

	<u>Three-month period ended</u>	
	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2014</u>
	\$	\$
Items not affecting cash and cash equivalents		
Shares issued for the acquisition of mining properties	5,000	7,750
Shares issued expense included in accounts payable and accrued liabilities	3,374	5,401
Depreciation of property, plant and equipment transferred to deferred exploration costs	5,225	4,931
Deferred exploration costs included in accounts payable and accrued liabilities	44,945	51,021
Share-based payments-employees charged to deferred exploration costs	5,511	695

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12. Financial Instruments

Objectives and policies in managing financial risks

The Company is exposed to various financial risks resulting from its operations and financing activities. The directors and officers of the Company manage those risks.

The Company does not enter into speculative derivative financial instruments.

Financial risks

The following paragraphs describe the main financial risks to which the Company is exposed and its risk management

Interest risk

The bonds bear interest at a fixed rate and consequently expose the Company to the risk of fair value fluctuation related to changes in interest rates.

The other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest.

The Company does not use financial derivatives to reduce its exposure to interest risk.

As at March 31, 2015, the Company's exposure to interest rate risk is summarized as

Cash and cash equivalents :	Variable and fixed interest rate
Cash reserved for exploration :	Variable and fixed interest rate
Receivables :	Non-interest bearing
Accounts payables and accrued liabilities :	Non-interest bearing

Interest rate sensitivity

At March 31, 2015, the Company only received interest on bankers' acceptances and on account bearing interests.

Interest rate movements may affect the fair value of the investments in fixed interest financial assets.

The possible effects on fair value that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

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12. Financial Instruments (continued)

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the year, the Company has financed its exploration expense commitments, its working capital requirements and acquisitions through private and flow-through financings.

The following table summarizes the Company's financial liabilities as at:

	March 31, 2015		
	Less than one year	Between one and three years	More than three years
	\$	\$	\$
Accounts payables and accrued liabilities	170,160	-	-
Liability related to flow-through shares	51,718	-	-
	221,878	-	-

Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

Credit risk analysis

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below :

	March 31, 2015	December 31, 2014
	\$	\$
Cash and cash equivalents	577,965	303,355
Cash reserved for exploration	254,580	537,222
Banker's acceptances	354,737	553,841
Receivables (other than goods and services tax receivable)	11,394	11,394
Carrying amounts	1,198,676	1,405,812

The Company has no trade receivables. Its receivables comprised mainly of tax credits, mining taxes and sale taxes receivable consequently, the exposure to credit risk for the Company's receivables is considered immaterial. No impairment loss has been recognized in the periods presented.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents and cash reserved for exploration is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

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12. Financial Instruments (continued)

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1 (note 13).

The fair value of cash and cash equivalents, cash reserved for exploration and receivables approximates their carrying value as these items will be realized in the short term.

13. Financial assets and liabilities

	March 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Categories of financial assets and liabilities				
Financial assets				
Loans and receivables				
Cash and cash equivalents	577,965	577,965	303,355	303,355
Cash reserved for exploration	254,580	254,580	537,222	537,222
Banker's acceptance	354,737	354,737	553,841	553,841
Available for sale financial asset				
Other short-term financial assets	96,000	96,000	80,500	80,500
Financial liabilities				
Other financial liabilities				
Trade	85,959	85,959	19,070	19,070
Other	84,201	84,201	106,880	106,880

14. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

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14. Contingencies and commitments (continued)

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

Commitments to carry out exploration work that are not met are subject to a combined tax rate of 30% (Canada and Quebec).

During the year ended December 31, 2014, the Company received \$780,000 from flow-through financings for which the Company will renounce tax deductions. The amount has been presented as “Cash reserved for exploration”.

As at February 28, 2015, the Company renounced to tax deductions of \$780,000 and management is required to fulfil its commitments before the stipulated deadline of December 31, 2015. The portion unspent as at March 31, 2015, of \$254,580 has been presented as “Cash reserved for exploration”.

15. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	March 31, 2015	December 31, 2014
	<u>\$</u>	<u>\$</u>
Short-term employee benefits		
Salaries and fees including bonuses and benefits	100,757	363,411
Social security costs and contributions to the pension plan	11,400	37,868
Total short-term employee benefits	112,157	401,279
Share-based payments-employees	20,369	80,594
Total remuneration	132,526	481,873

During the periods ended in 2015 and 2014, key management personnel did not exercised any share options granted through the share-based payment plans.

16. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties.

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16. Capital disclosures (continued)

The Company is not subject, in regards of external rules, to any requirements regarding its capital, except in case that the Company completes a flow-through financing for which the cash must be reserved for exploration. As at March 31, 2015, the Company's cash reserved for exploration was \$254,580 (\$537,222 as at December 31, 2014).

As at March 31, 2015, shareholders' equity was \$9,303,931 (\$9,266,294 as at December 31, 2014).

17. Subsequent event

On April 7, 2015, the Company completed a private placement with accredited investors, directors, officers and other investors for gross proceeds of \$140,000. In total, the Company issued 1,400 000 units (the "Units") at a price of \$0.10 per Unit, with each Unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date.

The securities issued under the private placement are subject to a 4 months and 1 day statutory hold period.