

# **Long Harbour Exploration Corp.**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For The**

**Six Month Period Ended**

**April 30, 2015**

**(Unaudited - Expressed in Canadian Dollars)**

**Notice of No Auditor Review of  
Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditors.

**Long Harbour Exploration Corp.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited - Expressed in Canadian Dollars)**

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	April 30, 2015	October 31, 2014
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	16,494	7,952
Available for sale securities (Note 4)	<u>130,014</u>	<u>122,692</u>
	146,508	130,644
EXPLORATION AND EVALUATION ASSETS (Note 5)	2	2
	<u>146,510</u>	<u>130,646</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>77,152</u>	<u>86,641</u>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 6)	2,460,477	2,460,477
SHARE-BASED PAYMENTS RESERVE	149,684	149,684
ACCUMULATED OTHER COMPREHENSIVE GAIN (LOSS)	34,925	(12,308)
DEFICIT	<u>(2,575,728)</u>	<u>(2,553,848)</u>
	<u>69,358</u>	<u>44,005</u>
	<u>146,510</u>	<u>130,646</u>

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on June 24, 2015 and signed on its behalf by:

"Howard Louie" signed Director

"Vincent Wong" signed Director

*The accompanying notes are an integral part of these consolidated financial statements*

**Long Harbour Exploration Corp.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE**  
**INCOME (LOSS)**  
**(Unaudited - Expressed in Canadian Dollars)**

	Three Months ended April 30,		Six Months ended April 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
EXPENSES				
Consulting (Note 8)	3,000	-	6,000	-
Depreciation of equipment	-	266	-	531
Office	8,709	7,107	11,666	12,384
Professional fees	5,206	6,421	9,425	14,330
Share-based payments (Note 7 and 8)	-	894	-	2,110
LOSS BEFORE OTHER ITEMS	(16,915)	(14,688)	(27,091)	(29,355)
OTHER ITEMS				
Gain of sale of available for sale securities (Note 4)	4,906	-	4,906	-
Settlement of debt (Note 8)	-	-	305	124,618
	4,906	-	5,211	124,918
NET INCOME (LOSS)	(12,009)	(14,688)	(21,880)	95,563
Other comprehensive income (loss) (Note 4)	43,249	-	47,233	-
COMPREHENSIVE INCOME (LOSS)	31,240	(14,688)	25,353	95,563
NET INCOME (LOSS) PER COMMON SHARE	(0.00)	(0.01)	(0.01)	0.04
COMPREHENSIVE INCOME (LOSS) PER COMMON SHARE	0.01	(0.01)	0.01	0.04
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	3,086,443	3,086,443	3,086,443	2,756,056

*The accompanying notes are an integral part of these consolidated financial statements*

# Long Harbour Exploration Corp.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (Unaudited - Expressed in Canadian Dollars)

	Common Shares		Share-based Payments Reserve	Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
		\$	\$	\$		\$
<b>Balance, October 31, 2012</b>	1,700,996	2,331,336	137,796	(1,876,054)	-	593,078
Debt settlement	85,447	68,358	-	-	-	68,358
Share based payments	-	-	8,689	-	-	8,689
Net income (loss)	-	-	-	(852,686)	-	(852,686)
<b>Balance, October 31, 2013</b>	1,786,443	2,399,694	146,485	(2,728,740)	-	(182,561)
Private placement	1,300,000	65,000	-	-	-	65,000
Share issuance costs	-	(4,218)	-	-	-	(4,218)
Share based payments	-	-	2,110	-	-	2,110
Net income (loss)	-	-	-	95,563	-	95,563
<b>Balance, April 30, 2014</b>	3,086,443	2,460,476	148,595	(2,633,177)	-	(24,105)
<b>Balance, October 31, 2013</b>	1,786,443	2,399,694	146,485	(2,278,740)	-	(182,561)
Private placement	1,300,000	65,000	-	-	-	65,000
Share issuance costs	-	(4,218)	-	-	-	(4,218)
Share based payments	-	-	3,199	-	-	3,199
Unrealized loss on available for sales securities	-	-	-	-	(12,308)	(12,308)
Net income (loss)	-	-	-	174,892	-	174,842
<b>Balance, October 31, 2014</b>	3,086,443	2,460,478	149,684	(2,553,848)	(12,308)	44,005
Unrealized gain on available for sales securities	-	-	-	-	47,233	47,233
Net income (loss)	-	-	-	(21,880)	-	(21,880)
<b>Balance, April 30, 2015</b>	3,086,443	2,460,478	149,684	(2,575,728)	34,925	69,358

*The accompanying notes are an integral part of these consolidated financial statements*

**Long Harbour Exploration Corp.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(Unaudited - Expressed in Canadian Dollars)**

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	Six months ended April 30,	
	2015	2014
	\$	\$
<b>OPERATING</b>		
Net income (loss)	(21,455)	95,563
Adjustments for items not affecting cash:		
Depreciation of equipment	-	531
Share-based payments	-	2,110
Debt settlement	(305)	(124,918)
Gain on available for sale securities	(4,906)	-
Changes in non-cash working capital accounts:		
Decrease (increase) in		
Amounts receivable	-	576
Increase (decrease) in accounts payable and accrued liabilities	(9,609)	(21,156)
	<u>(36,275)</u>	<u>(47,294)</u>
<b>FINANCING</b>		
Proceeds from share issuances	-	65,000
Share issue costs	-	(4,217)
Proceeds from sale of marketable securities	44,817	-
	<u>44,817</u>	<u>60,783</u>
<b>NET CHANGE IN CASH</b>	8,542	13,489
CASH at beginning of period	<u>7,952</u>	<u>1,936</u>
CASH at end of period	<u>16,494</u>	<u>15,425</u>

*The accompanying notes are an integral part of these consolidated financial statements*

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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### 1. NATURE OF BUSINESS AND GOING CONCERN

Long Harbour Exploration Corp. (the "Company"), which changed its name from Long Harbour Capital Corp. on June 9, 2011, was incorporated under the *Business Corporations Act* (British Columbia) on April 26, 2004. The Company's principal office is located at #1500 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada. Since August 5, 2008, the Company has been engaged in sourcing, reviewing and acquiring high potential business opportunities, including the mineral resource sector.

The Company had held a 100% interest in five mineral dispositions in the Athabasca Basin in northern Saskatchewan. Four of the claims are referred to as the 2Z Lake Property and the other claim is called the Madison Property, collectively (the "Properties"). Although the Properties maintain high exploration potential the Company decided to sell 75% of the Properties (Notes 4 and 5).

The Company continues to evaluate business opportunities in both the mining exploration and non-mining sectors.

As at April 30, 2015 the Company had an accumulated deficit of \$2,575,728 and working capital of \$69,356. In the immediate term, the Company's ability to continue as a going concern is dependent upon its ability to raise additional capital to fund its ongoing business operations. Additional capital may be sought from existing shareholders and creditors and from the sale of additional common shares or other equity or debt instruments. There is material uncertainty about whether the Company will be able to obtain the required financing. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to obtain additional financing, it may have no alternative but to significantly curtail, or cease to carry on, business operations.

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or to continue operations.

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### April 30, 2015 and 2014

#### (Unaudited - Expressed in Canadian Dollars)

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## 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

### *Statement of Compliance*

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

### *Basis of Measurement*

The condensed consolidated interim financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets and derivative liabilities at fair value through profit or loss. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the annual audited financial statements of the Company as at October 31, 2014.

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, 0930646 British Columbia Ltd. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set out in Note 3 to the annual audited Consolidated Financial Statements as of and for the year ended October 31, 2014, which are incorporated herein by reference. The reader is referred to those statements for a detailed discussion of the accounting policies. These condensed consolidated interim financial statements as at and for the six month period ended April 30, 2015 have been prepared in accordance with the policies described in the annual audited Consolidated Financial Statements, which have been applied consistently to these financial statements.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.



# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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#### 4. AVAILABLE FOR SALE SECURITIES

Available for sale securities consist of investments in the common shares of NexGen Energy Ltd. ("NexGen"), a publicly traded company listed on the TSX Venture Exchange (TSX.V: NXE).

The fair value of the listed available for sale securities has been determined directly by reference to published price quotations in an active market:

	Fair Value as at:	
	April 30, 2015	October 31, 2014
NexGen Energy Ltd. (254,930 shares - October 31, 2014: 361,930 shares)	\$130,014	\$122,692
	<u>\$130,014</u>	<u>\$122,692</u>

During the six month period ended April 30, 2015, the Company sold 107,000 shares for net cash proceeds of \$44,792 and recorded an unrealized gain in other comprehensive income relating to the fair value of the remaining available for sale securities of \$47,233 (Year ended October 31, 2014 – loss of \$12,308).

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

#### 5. EVALUATION OF HOLDINGS AND EXPLORATION ASSETS

##### 2Z Lake Property, Saskatchewan

On May 11, 2011, the Company entered into an agreement to acquire a 100% interest in the 2Z Lake uranium property in Saskatchewan. To acquire the property, the Company paid \$350,000 in cash and issued 1,000,000 common shares with a fair value of \$200,000 for the mineral property (see Note 6). A finder's fee of \$49,500 was paid on the purchase of the property. The mineral property is subject to a 2% net smelter returns royalty and a 2% gross overriding royalty.

##### Madison Property, Saskatchewan

On June 1, 2011, the Company entered into an agreement to acquire a 100% interest in the Madison uranium property in Saskatchewan. To acquire the property, the Company paid \$20,000 in cash and issued 300,000 common shares with a fair value of \$60,000 for the mineral property. A finder's fee of \$8,300 was paid on the purchase of the property. The mineral property is subject to a 2% net smelter returns royalty and a 2% gross overriding royalty.

On April 25, 2014 the Company announced that it had entered into an agreement with NexGen, to sell a 75% interest in the 2Z Lake Property and Madison Property ("the Properties") to NexGen, and to also allow NexGen an option (the "Option") to acquire the remaining 25% interest in the Properties. The Company received 361,930 shares of NexGen at a estimated fair value of \$0.373 for total consideration of \$135,000. NexGen also agreed to issue to the Company, upon exercise of the Option, an additional \$45,000 in NexGen shares, at a price to be determined in the context of the market.

	April 30, 2015			October 31, 2014		
	2Z Lake Property	Madison Property	Total	2Z Lake Property	Madison Property	Total
	\$	\$	\$	\$	\$	\$
<b>Acquisition costs:</b>						
Balance, beginning of year	1	1	2	1	1	2
Cash payment	-	-	-	-	-	-
Share payment	-	-	-	-	-	-
Finder's fee	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Balance, end of year	1	1	2	1	1	2
<b>Exploration costs:</b>						
Balance, beginning of year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Balance, end of year	-	-	-	-	-	-
Total costs	1	1	2	1	1	2

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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### 6. SHARE CAPITAL

The Company's authorized share capital is an unlimited number of common shares without par value. All issued common shares are fully paid. On October 8, 2013, the Company consolidated outstanding common shares on a 10:1 basis. The share and per share amounts have been adjusted to reflect the consolidation.

#### Common Stock

During the year ended October 31, 2014, the Company completed the following issues of common shares:

- On December 17, 2013, the Company completed a non-brokered private placement raising gross proceeds of \$65,000 through the issue of 1,300,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one warrant entitling the holder to purchase one common share at a price of \$ 0.05 for a period of two years. In conjunction with the private placement, the Company has incurred \$4,218 in share issue costs.

There were no issuances of common shares during the six month period ended April 30, 2015.

Subsequent to the period end, the Company announced a proposed private placement (See Note11).

#### Warrants

The following is a summary of warrant transactions during the six month period ended April 30, 2015 and the year ended October 31, 2014:

	Share Purchase Warrants	Finder's Compensation Warrants	Weighted average exercise price
			\$
Balance, October 31, 2013	40,000	-	1.25
Expired	(40,000)	-	1.25
Issued	1,300,000	-	0.05
Balance, October 31, 2014	1,300,000	-	0.05
Expired	-	-	-
Issued	-	-	-
Balance, April 30, 2015	1,300,000	-	0.05

The following is a summary of the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at January 31, 2015 and October 31, 2014:

Exercise Price	Number	Expiry date
\$0.05	1,300,000	December 17, 2015

The weighted average remaining contractual life of the outstanding warrants at April 30, 2015 and October 31, 2014 was 0.64 years (2013 - 1.14).

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

### 7. SHARE-BASED PAYMENTS

The Company may award stock options to directors, officers, employees and consultants in accordance with the TSX Venture Exchange's policies. Awarded stock options may be exercisable for up to ten years at exercise prices determined by the Board of Directors (the "Board") at the time of award. The vesting schedule, if any, applicable to a grant of stock options is at the discretion of the Board. The Company's issued stock options may reserve for issuance up to 10% of the Company's issued and outstanding common shares.

The following is a summary of share options transactions during the six month period ended April 30, 2015 and the year ended October 31, 2014:

	Options outstanding	Weighted average exercise price \$
Balance, October 31, 2013	87,500	1.88
Expired	(22,500)	-
Balance, October 31, 2014	65,000	1.88
Expired	(42,500)	-
Balance, April 30, 2015	22,500	2.00

The following is a summary of share options outstanding and exercisable at April 30, 2015:

Number of share options outstanding	Exercise Price	Number of share options exercisable	Expiry date
22,500	\$2.00	22,500	September 30, 2016
22,500	\$2.00	22,500	

During the year ended October 31, 2012, the Company granted 30,000 share options to an employee. The options vested 1/6 semi-annually from the date of grants. These options expired during the year ended October 31, 2014, and no further stock based payments have been recognized in these financial statements.

The fair value of share options awarded was estimated on the date of award using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.38%
Estimated volatility	107%
Expected life	4.5 years
Estimated forfeiture rate	0%

The weighted average fair value of share options awarded during the year ended October 31, 2012, estimated using the Black-Scholes option pricing model, was \$ 2.00 per option. The weighted average remaining contractual life of the outstanding and exercisable options at October 31, 2014 was 1.98 years (2013 – 2.98). The Black-Scholes option pricing model requires the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect fair value estimates.

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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### 8. RELATED PARTY DISCLOSURES

A number of key management personnel hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

#### Transactions with Key Management Personnel

During the six month period ended April 30, 2015 and 2014, the following amounts were incurred with respect to the Company's Chief Executive Officer and Chief Financial Officer:

	Three months ended April 30,		Six months ended April 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Consulting fees	3,000	-	6,000	-
Professional fees	1,658	-	3,868	-
Share-based payments	-	894	-	2,110
	<u>4,658</u>	<u>894</u>	<u>9,868</u>	<u>2,110</u>

As at April 30, total consulting and professional fees of \$21,125 (October 31, 2014 - \$13,800) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended April 30, 2015 and 2014, \$nil had been incurred with respect to other officers and directors, and \$ Nil remained unpaid and included in accounts payable and accrued liabilities.

During the years ended October 31, 2014 and 2013, various officers and directors agreed to write forgive \$124,918 of amounts (2013 - \$69,944) due to them by the Company.

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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### 9. MANAGEMENT OF CAPITAL

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and cash equivalents and short-term investments. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

### 10. FINANCIAL INSTRUMENTS

#### Fair value

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of input described in the following hierarchy:

- Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The Company's financial instrument recorded at fair value consists of cash and available for sale securities are measured based on Level 1 inputs.

The fair value of amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

#### Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payables and accrued liabilities. The risks associated with these financial instruments and the policies regarding their management are discussed below. Management monitors these risk exposures to ensure appropriate measures are implemented in a timely and effective manner.

#### Interest rate risk

The Company is not exposed to significant interest rate risk.

#### Credit risk

Credit risk is the risk of an unexpected loss if counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with Canadian and foreign banks that are believed to be creditworthy. The Company does not believe it is exposed to significant credit risk.

# Long Harbour Exploration Corp.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

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### Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities; however, it cannot guarantee that it will continue to be able to meet its going-forward obligations.

## 11. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On June 9, 2015 the Company announced a proposed private placement of up to 10,690,000 units (the "Units") at \$0.05 per Unit for gross proceeds of up to \$534,500. Each Unit will consist of one common share in the capital of the Company (a "Share") and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share in the capital of the Company (a "Warrant Share") at a price of \$0.05 per Warrant Share for a period of 60 months from the closing of the Offering. A finder's fee of up to 6% of the aggregate gross proceeds of the Offering will be payable in connection with the Offering. In connection with the Offering, Colindale Nominees Pty Ltd ("Colindale"), an anticipated purchaser under the Offering, will be entitled to nominate additional directors to the Company's board of directors such that Colindale's nominees will constitute a majority of the Company's board of directors as at the date of closing of the Offering. Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The proceeds from the Offering will be used for general corporate purposes.