
DEVERON RESOURCES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2015
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Deveron Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

DEVERON RESOURCES LTD.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash	\$ 94,792	\$ 177,778
Amounts receivable and other assets (note 3)	22,810	19,559
Total current assets	117,602	197,337
Non-current assets		
Long-term investments (note 4)	600,000	600,000
Total assets	\$ 717,602	\$ 797,337
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 5 and 11)	\$ 9,491	\$ 24,026
Due to related party (note 11)	640,847	633,671
Total liabilities	650,338	657,697
Shareholders' equity		
Share capital (note 6)	640,421	640,421
Reserves (notes 7 and 8)	898,486	891,348
Deficit	(1,471,643)	(1,392,129)
Total shareholders' equity	67,264	139,640
Total liabilities and shareholders' equity	\$ 717,602	\$ 797,337

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

(Signed) "James Pirie" _____, Director

(Signed) "David MacMillan" _____, Director

DEVERON RESOURCES LTD.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Operating expenses		
Professional fees (note 11)	\$ 14,898	\$ 14,222
Share-based payments (note 7(i))	7,138	1,905
Shareholder relations	14,731	5,730
Exploration and evaluation expenditures (recovery) (note 10)	34,370	(5,451)
Office and general	1,201	187
Interest expenses (note 11)	7,176	4,932
Total comprehensive loss for the period	\$ (79,514)	\$ (21,525)
Basic and diluted net loss per common share (note 9)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted (note 9)	11,794,505	11,794,505

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.**Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended	
	March 31,	
	2015	2014
Operating activities		
Net loss for the period	\$ (79,514)	\$ (21,525)
Adjustments for:		
Share-based payments (note 7(i))	7,138	1,905
Interest expenses (note 11)	7,176	4,932
Changes in non-cash working capital items:		
Amounts receivable and other assets	(3,251)	(4,674)
Amounts payable and other liabilities	(14,535)	(8,544)
Net cash used in operating activities	(82,986)	(27,906)
Net change in cash	(82,986)	(27,906)
Cash, beginning of period	177,778	97,283
Cash, end of period	\$ 94,792	\$ 69,377

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.**Condensed Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share capital	Reserves			Total
		Warrants	Share-based payments	Deficit	
Balance, December 31, 2013	\$ 640,421	\$ 704,648	\$ 256,932	\$ (1,333,911)	\$ 268,090
Share-based payments	-	-	1,905	-	1,905
Net loss for the period	-	-	-	(21,525)	(21,525)
Balance, March 31, 2014	\$ 640,421	\$ 704,648	\$ 258,837	\$ (1,355,436)	\$ 248,470
Balance, December 31, 2014	\$ 640,421	\$ 653,048	\$ 238,300	\$ (1,392,129)	\$ 139,640
Share-based payments (note 7(i))	-	-	7,138	-	7,138
Net loss for the period	-	-	-	(79,514)	(79,514)
Balance, March 31, 2015	\$ 640,421	\$ 653,048	\$ 245,438	\$ (1,471,643)	\$ 67,264

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2015

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Deveron Resources Ltd. ("Deveron" or the "Company") was incorporated under the laws of the Province of Ontario on March 28, 2011. Deveron is a mineral resource company primarily focused on acquisition, exploration and evaluation of mineral properties. On November 27, 2012, Deveron's common shares started trading on the TSX Venture Exchange under the symbol "DVR". The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

As at March 31, 2015, 65.8% of the Company's issued and outstanding shares are owned by Greencastle Resources Ltd. ("Greencastle"). This gives Greencastle the control over the Company. As such, Deveron is a subsidiary of Greencastle. Further details of Greencastle's share holding interest is disclosed in note 11.

These unaudited condensed interim financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. Certain principal conditions and events are prevalent which indicate that there could be significant doubt about the Company's ability to continue as a going concern for a reasonable period of time. These include: (i) recurring operating losses and (ii) inability to obtain additional financing. Furthermore, additional funding may be required to carry on the exploration and evaluation of the Company's mineral properties. The ability of the Company to fund its potential operations and commitments is dependent upon the ability of the Company to obtain additional financing.

2. Significant accounting policies

(a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of April 22, 2015, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2014, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2015 could result in restatement of these unaudited condensed interim financial statements.

(b) *Recent accounting pronouncements*

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is to be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

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Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2015
(Expressed in Canadian Dollars)
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3. Amounts receivable and other assets

	As at March 31, 2015	As at December 31, 2014
Sales tax receivable - (Canada) (i)	\$ 11,952	\$ 7,322
Prepays	10,858	12,237
	\$ 22,810	\$ 19,559

(i) Sales tax receivable is not past due.

4. Long-term investments

On April 4, 2013, and May 27, 2013, Deveron acquired 1,000,000 and 2,000,000 common shares respectively, for a total of 3,000,000 common shares of Boreal Agrominerals Inc. ("Boreal") for \$600,000. The investment represents a 13.6% interest in Boreal.

Boreal is a private company that owns and operates a carbonatite quarry near Sudbury, Ontario.

This investment has been categorized as a long-term investment under the category of available-for-sale and was measured at cost because there is no active market for Boreal's shares.

5. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration costs on exploration and evaluation assets and general operating activities.

	As at March 31, 2015	As at December 31, 2014
Amounts payable	\$ 2,631	\$ 3,534
Accrued liabilities	6,860	20,492
Total amounts payable and other liabilities	\$ 9,491	\$ 24,026

The following is an aged analysis of the amounts payable and other liabilities:

	As at March 31, 2015	As at December 31, 2014
Less than 1 month	\$ 9,491	\$ 24,026

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Three Months Ended March 31, 2015
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6. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2013, March 31, 2014, December 31, 2014 and March 31, 2015	11,794,505	\$ 640,421

7. Stock options

The following table reflects the continuity of options for the periods ended March 31, 2015 and 2014:

	Number of options	Weighted average exercise price (\$)
Balance, December 31, 2013 and March 31, 2014	1,150,000	0.25
Balance, December 31, 2014	1,050,000	0.25
Granted (i)	125,000	0.25
Balance, March 31, 2015	1,175,000	0.25

(i) On January 12, 2015, the Company granted 125,000 stock options to a director with each option exercisable into one common share of the Company at an exercise price of \$0.25 per share until November 29, 2017. A fair value of \$7,138 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.10; dividend yield - 0%; expected volatility - 125.13%; risk-free interest rate - 0.93%; and an expected life - 2.88 years. The options vest immediately. During the three months ended March 31, 2015, \$7,138 was expensed to share-based payments.

Details of the stock options outstanding as at March 31, 2015 are as follows:

Fair value (\$)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price (\$)	Expiry date
28,500	0.16	125,000	125,000	0.25	May 29, 2015
10,300	1.01	50,000	50,000	0.25	April 3, 2016
206,638	2.67	1,000,000	1,000,000	0.25	November 29, 2017
245,438	2.33	1,175,000	1,175,000	0.25	

DEVERON RESOURCES LTD.

Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2015
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8. Warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2015 and 2014:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2013 and March 31, 2014	7,556,090	0.30
Balance, December 31, 2014 and March 31, 2015	7,256,090	0.30

The following table reflects the warrants issued and outstanding as of March 31, 2015:

Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Expiry date
7,256,090	653,048	0.30	July 31, 2016

9. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2015 was based on the loss attributable to common shareholders of \$79,514 (three months ended March 31, 2014 - \$21,525) and the weighted average number of common shares outstanding of 11,794,505 (three months ended March 31, 2014 - 11,794,505). Diluted loss per share for the period presented did not include the effect of 7,256,090 warrants (three months ended March 31, 2014 - 7,556,090 warrants) and 1,175,000 stock options (three months ended March 31, 2014 - 1,150,000 stock options) as they are anti-dilutive.

10. Exploration and evaluation expenditures (recovery)

The following is a detailed list of expenditures incurred on the Company's mineral properties:

	Three Months Ended March 31,	
	2015	2014
Nechako Property		
Geochemistry costs	\$ -	\$ (5,451)
	\$ -	\$ (5,451)
Rockstone Property (i)		
Acquisition costs	\$ 30,000	\$ -
Claim staking, maintenance fees	4,370	-
	\$ 34,370	\$ -
Total exploration and evaluation expenditures (recovery)	\$ 34,370	\$ (5,451)

(i) On January 21, 2015, the letter agreement between the Company and Greencastle was amended to include 10 additional claims for a total of 21 claims in the Rockstone Property.

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

11. Major shareholder and related party transactions

Major shareholder

The Company is controlled by Greencastle. At March 31, 2015, Greencastle owned and/or exercised control over 7,756,005 common shares of Deveron, representing approximately 65.8% of the issued and outstanding common shares of the Company. The Chief Executive Officer ("CEO") of Deveron is the president, secretary and director of Greencastle and both companies have the same Chief Financial Officer ("CFO"). The remaining 34.2% of the shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Greencastle, who owns or controls, directly or indirectly, approximately 65.8% of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related party transactions

During the three months ended March 31, 2015, the Company paid professional fees of \$6,750 (three months ended March 31, 2014 - \$6,930) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2015, Marrelli Support is owed \$2,631 (December 31, 2014 - \$2,798) and this amount is included in amounts payable and other liabilities.

During the three months ended March 31, 2015, the Company paid professional fees of \$2,552 (three months ended March 31, 2014 - \$1,950) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2015, DSA is owed \$650 (December 31, 2014 - \$735) and this amount is included in amounts payable and other liabilities.

During the three months ended March 31, 2015, the Company also incurred legal fees of \$3,722 (three months ended March 31, 2014 - \$2,580) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the March 31, 2015 amounts payable and other liabilities is \$3,000 due to Irwin Lowy LLP (December 31, 2014 - \$6,592).

On January 21, 2015, the Company amended the letter agreement with its parent company, Greencastle, as described in note 10(i).

Greencastle loaned Deveron \$400,000 on May 22, 2013 and \$200,000 on October 29, 2014, which bears interest at prime plus two percent and is due on demand. As security for the loan, Deveron granted Greencastle a security interest over all assets of the Company. The carrying value of all the assets are \$717,602, being the value of the investments in Boreal, cash and amounts receivable and other assets. The Company's interest in the Nechako property and its option to earn 100% interest in the Rockstone property is carried at \$nil until such time as the project has been established as commercially viable and technically feasible. Included in due to related party as at March 31, 2015 is \$640,847 due to Greencastle (December 31, 2014 - \$633,671). For the three months ended March 31, 2015, interest of \$7,176 (three months ended March 31, 2014 - \$4,932) has been accrued and is included in interest expenses in the unaudited condensed interim statements of comprehensive loss.

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Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2015

(Expressed in Canadian Dollars)

(Unaudited)

12. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim financial statements for expenses, and loss for the periods also represent segmented amounts.

All of the Company's operations, assets and liabilities are in Canada.