Augustine Ventures Inc.

Condensed Interim Financial Statements
For the Three and Nine Month Periods Ended August 31, 2015
(Unaudited and Expressed in Canadian dollars)

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Contents

NOTICE TO READERS

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

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Company's management.

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

These unaudited condensed interim financial statements are being refiled with adjustments made to the Statement of Changes in Shareholders' Equity. Please note that no changes being made to the interim balance sheet or interim statement of comprehensive of loss.

Augustine Ventures Inc.
Condensed Interim Statements of Financial Position
As At August 31, 2015 and November 30, 2014
(Unaudited and Expressed in Canadian Dollars)

	Note	As at August 31, 2015	As at November 30, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 4,491	$ 2,375
Sundry receivables	4	16,883	28,571
Prepaid expenses		12,276	10,935
Total current assets		33,650	41,881
Non-current assets			
Restricted cash	5	10,000	10,000
Property and equipment	6	8,739	64,795
Exploration and evaluation assets	7	3,211,505	3,114,326
Total non-current assets		3,230,244	3,189,121
Total assets		$ 3,263,894	$ 3,231,002
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		$ 669,952	$ 703,525
Due to related parties	8	340,202	852,131
Total liabilities		1,010,154	1,555,656
Shareholders' equity			
Share capital	9	4,028,375	3,536,940
Reserves for warrants	10	769,362	375,018
Reserves for share based payments	10	3,579,106	3,144,335
Deficit		(6,123,103)	(5,380,947)
Total shareholders' equity		2,253,740	1,675,346
Total liabilities and shareholders' equity		$ 3,263,894	$ 3,231,002

Going concern (Note 1)
Commitments (Note 15)
Related party transactions (Note 8)
Subsequent events (Note 16)

Approved on October 27, 2015 by the Board of Directors for issuance.

"Robert Dodds"
Director

"John Sadowski"
Director

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Augustine Ventures Inc.
Condensed Interim Statements of Comprehensive Loss
For the three and nine month periods ended August 31, 2015 and 2014
(Unaudited and Expressed in Canadian Dollars)

	Note	For the three months ended August 31, 2015	For the three months ended August 31, 2014	For the nine months ended August 31, 2015	For the nine months ended August 31, 2014
Expenses					
Depreciation	6	$ 768	$ 4,978	$ 3,207	$ 14,935
Directors fees	8	23,000	16,500	51,250	44,500
General and administrative		24,774	12,156	86,136	29,318
Interest expense	8	335	5,492	5,010	16,357
Management fees	8	12,000	30,000	36,000	90,000
Professional fees		75,836	7,900	98,781	25,150
Rent and occupancy costs		1,594	22,363	22,819	66,518
Salaries and benefits		-	388	-	12,484
Shareholder services and public company costs		18,471	14,027	53,409	45,564
Share based payments		327,163	-	327,163	-
Loss before under noted items		(483,941)	(113,804)	(683,775)	(344,826)
Loss on disposal of property and equipment	6	-	-	52,449	-
Foreign exchange losses/(gains)		(16)	-	5,932	-
Total comprehensive loss for the period		$ (483,925)	$ (113,804)	$ (742,156)	$ (344,826)
Weighted average number of common shares outstanding:					
Basic and diluted	11	66,929,856	47,276,790	61,540,969	45,437,375
Loss per common share					
Basic and diluted	11	$ (0.0072)	$ (0.0024)	$ (0.0121)	$ (0.0076)

Augustine Ventures Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
For the nine month periods ended August 31, 2015
(Unaudited and Expressed in Canadian Dollars)

		Share Capital		Reserves			Total
	Note	Shares	Amount	Share based payments	Warrants	Deficit	Shareholders' equity
Balances, December 1, 2013		**42,026,790**	**$ 3,425,106**	**$ 1,097,538**	**$ 1,950,114**	**$ (4,527,574)**	**$ 1,945,184**
Private placements	9	5,250,000	262,500	-	-	-	262,500
Warrant valuation	10	-	(111,619)	-	111,619	-	-
Costs of issue - cash	9	-	(21,000)	-	-	-	(21,000)
Costs of issue - compensation warrants	9	-	(18,047)	18,047	-	-	-
Expiry of warrants	10	-	-	1,686,715	(1,686,715)	-	-
Net loss for the period		-	-	--	--	(344,826)	(344,826)
Balances, August 31, 2014		**47,276,790**	**3,536,940**	**2,802,300**	**375,018**	**(4,872,400)**	**1,841,858**
Balances, December 1, 2014		**47,276,790**	**3,536,940**	**3,144,335**	**375,018**	**(5,380,947)**	**1,675,346**
Private placements	9	19,653,066	1,014,171	-	-	-	1,014,171
Warrant valuation	10	-	(492,744)	-	492,744	-	-
Costs of issue - cash	9	-	(20,784)	-	-	-	(20,784)
Costs of issue - compensation warrants	9	-	(9,208)	9,208	-	-	-
Share based payments	10	-	-	327,163	-	-	327,163
Expiry of warrants	10	-	-	98,400	(98,400)	-	-
Net loss for the period			-	-	-	(742,156)	(742,156)
Balances, August 31, 2015		**66,929,856**	**$ 4,028,375**	**$ 3,579,106**	**$ 769,362**	**$ (6,123,103)**	**$ 2,253,740**

(Unaudited and Expressed in Canadian Dollars)

	For the nine months ended August 31, 2015	2014
Cash provided by (used in) operating activities		
Net loss for the period	$ (742,156)	$ (344,826)
Share based payments	327,163	-
Depreciation	3,207	14,935
Loss on disposal of assets	52,449	-
Debts settled through issuance of common shares	615,598	-
Changes in non-cash working capital items		
Sundry receivables	11,688	(3,097)
Prepaid expenses	(1,341)	3,932
Trade and other payables	(48,652)	111,719
Due to related parties	(496,851)	107,356
	(278,895)	(109,981)
Cash provided by (used in) investing activities		
Proceeds on disposal of assets	400	-
Exploration and evaluation assets	(97,179)	(234,627)
	(96,779)	(234,627)
Cash provided by (used in) financing activities		
Issuance of share capital	398,574	241,500
Share issue costs	(20,784)	-
	377,790	241,500
Increase (decrease) in cash and cash equivalents	2,116	(103,108)
Cash and cash equivalents, beginning of the period	2,375	153,189
Cash and cash equivalents, end of the period	$ 4,491	$ 50,081

1. Nature of operations and going concern

Augustine Ventures Inc. ("Augustine" or the "Company") was established on May 7, 1997 as Black Mountain Minerals Inc. by statutory amalgamation of Triangle Capital Energy Corp. and Per-X Minerals Inc. pursuant to the provisions of the *Business Corporations Act* (Ontario). The Company engages in the exploration and evaluation of mining properties in Canada. To date, the Company has not earned any revenues from its mining properties and is considered to be in the exploration and evaluation stage. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol WAW. The primary office of the Company was located at 130 King Street West, Suite 720, Toronto, Ontario, Canada, M5X 1A6 as at November 30, 2014 and moved to 141 Adelaide Street West, Suite 520, Toronto, Ontario, Canada, M5H 3L5 on February 1, 2015.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis; all of which are uncertain.

The amount shown for exploration and evaluation assets does not necessarily represent its present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has a working capital deficiency as at August 31, 2015 of $976,504 (November 30, 2014 - $1,513,775) and will need to raise additional capital in the near term to fund its ongoing operations and exploration activities. As a result of these circumstances, there are material uncertainties which cast significant doubts as to the appropriateness of the going concern presumption. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classifications in the statement of financial position that may be necessary were the Company unable to continue as a going concern and these adjustments could be material.

2. Basis of preparation and summary of significant accounting policies

Statement of compliance and basis of preparation

These condensed interim financial statements for the three and nine months period ended August 31, 2015 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") under International Financial Reporting Standards ("IFRS") and using the accounting policies the Company disclosed in its financial statements for the year ended November 30, 2014. These condensed interim financial statements do not include all information and disclosures required for annual financial statements, and should be read in conjunction with the Company's annual financial statements as of November 30, 2014.

These condensed interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, with the exception of cash and cash equivalents which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Basis of preparation and summary of significant accounting policies - continued

Functional currency

These condensed interim financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

3. Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The areas where the estimates and judgments applied by management most significantly affect the Company's condensed interim financial statements are impairment of assets, share-based payments and warrants valuation, provision for decommissioning liabilities, useful life of assets subject to depreciation, deferred income taxes and valuation allowances and assessment of the Company's going concern status.

Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2014. Many are not applicable or do not have a significant impact on the Company and have been excluded from the statements below.

IAS 32 'Financial instruments, Presentation' – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

Management has adopted the above standards in the Company's financial statements for the period beginning December 1, 2013, and has determined that there is no impact of the adoption of these standards or amendments on the financial statements of the Company.

Future accounting changes

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

IFRS 9 'Financial Instruments: Classification and Measurement' – effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

(Unaudited and Expressed in Canadian Dollars)

4. Sundry receivables

	As at	
	August 31, 2015	November 30, 2014
Harmonized sales tax recoverable	$ 11,506	$ 17,944
Sundry receivables	5,377	10,627
	$ 16,883	$ 28,571

Both harmonized sales tax recoverable and sundry receivables are not past due.

5. Restricted cash

The Company has one credit card with a major financial institution with an aggregate credit limit of $10,000. The financial institution holds $10,000 in a Guaranteed Investment Certificate as collateral on the credit amount as long as the credit card is active. The restricted cash amount would change if there were any change in the credit limit on the card.

6. Property and equipment

	Furniture and equipment	Mining equipment	Computer equipment	Vehicles	Total
Cost					
Balance, December 1, 2013	$ 65,500	$ 5,000	$ 33,358	$ 25,545	$ 129,403
Additions	-	-	-	-	-
Balance, November 30, 2014	65,500	5,000	33,358	25,545	129,403
Additions	-	-	-	-	-
Disposals [1)]	(65,500)		(33,358)		(98,858)
Balance, August 31, 2015	$ -	$ 5,000	$ -	$ 25,545	$ 30,545
Accumulated depreciation					
Balance, December 1, 2013	$ (14,410)	$ (1,100)	$ (14,811)	$ (14,374)	$ (44,695)
Depreciation for the year	(10,218)	(780)	(5,564)	(3,351)	(19,913)
Balance, November 30, 2014	(24,628)	(1,880)	(20,375)	(17,725)	(64,608)
Depreciation for the period	(681)	(463)	(325)	(1,738)	(3,207)
Disposals [1)]	25,309	-	20,700	-	46,009
Balance, August 31, 2015	$ -	$ (2,343)	$ -	$ (19,463)	$ (21,806)
Net book value, November 30, 2014	$ 40,872	$ 3,120	$ 12,983	$ 7,820	$ 64,795
Net book value, August 31, 2015	$ -	$ 2,657	$ -	$ 6,082	$ 8,739

1) In accordance with the lease agreement, the landlord can give 90 day notice in the event that another longer term tenant desired the space. On September 29, 2014 the Company received a notice of lease termination from its prior landlord with termination effective date of January 28, 2014. The Company entered into a new lease agreement for a new office with much smaller space and had to leave the old office completely free of all furniture and ancillary equipment for which no buyers could be found other than $400 proceeds received for small items. The Company donated redundant assets and recorded net disposal loss of $52,449.

(Unaudited and Expressed in Canadian Dollars)

7. Exploration and evaluation assets

	Surluga	Oakley	Brackin	Total
Balance, December 1, 2013	$ 2,394,466	$ 478,150	$ -	$ 2,872,616
Exploration costs	241,710	-	-	241,710
Balance, November 30, 2014	2,636,176	478,150	-	3,114,326
Acquisition costs	21,706	-	-	21,706
Exploration costs	75,473	-	-	75,473
Balance, August 31, 2015	$ 2,733,355	$ 478,150	$ -	$ 3,211,505

Wawa properties

Surluga

Pursuant to the terms of an option agreement dated September 22, 2010 (the “Option Agreement”), as amended by an amending agreement dated November 25, 2010, entered into between the Company, Delta Uranium Inc. (“Delta”) and Delta Precious Metals (Ontario) Inc. (“DPMI”) and also pursuant to the terms of an assignment agreement dated September 15, 2010 (the “Assignment Agreement”) entered into between the Company, Delta, DPMI, Citadel Gold Mines Inc. (“Citadel”) and Citabar Limited Partnership (“Citabar”), the Company acquired an option to earn a 60% interest in the Surluga Property, which encompasses 172 mineral claims in McMurray Township, southeast of the town of Wawa, Ontario.

Pursuant to the terms of the Assignment Agreement, Citabar and Citadel consented to Delta and DPMI assigning their rights under an option agreement dated April 16, 2009, as amended, (the “Delta Option Agreement”) whereby Delta and DPMI granted DPMI the exclusive right to earn an undivided 60% interest in the Surluga Property. In consideration for Citabar’s consent for the assignment, the Company agreed to issue an aggregate of 1,000,000 common shares to Citabar as follows:

(1) 250,000 common shares on November 10, 2010, being the date that the Ontario Ministry of Northern Development, Mines and Forestry consented to the transfer of the Surluga Property from Citadel to Citabar (the “Consent Date”), of which the said 250,000 common shares have been issued on December 22, 2010; and

(2) An additional 250,000 common shares on each of the first, second and third year anniversaries of the Consent Date. The 250,000 common shares pertaining to each of the first, second and third anniversaries were issued.

Pursuant to the Option Agreement, the company has agreed to pay Delta an aggregate of $100,000 and issue an aggregate of 3,810,000 common shares of which the $100,000 has been paid during the fiscal year ended November 30, 2010 and the 3,810,000 common shares later issued on December 22, 2010. This transaction was completed at arm’s length value. However the transaction is considered a related party transaction because Delta and the Company had common officers, a director and that Delta was a significant shareholder of the Company (at the time of the transaction) after they received shares from the option agreement.

Due to the provisions of the above noted agreements and pursuant to the original agreements between the original property owner and Citadel, the Company was also committed to make an additional cash payment to the original property vendor in the amount of US$35,000 on or before February 1, 2013, which payment was made in 2013.

Pursuant to an Amending Agreement dated October 12, 2012 with Citabar and Delta, certain terms regarding the earning of the 60% interest in the Surluga have been amended to provide that the date to have spent an additional $1,500,000 in eligible property expenditures by November 30, 2012 (for an aggregate of $2,000,000 in expenditures) had been extended to June 30, 2015. For consideration of Citabar entering into the Amending Agreement, the Company issued an additional 500,000 common shares in the capital of the Company of Citabar.

On March 18, 2013, the Company reached a further amending agreement (“Second Amending Agreement”) with Citabar to amend the Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of $4.0 million in eligible

(Unaudited and Expressed in Canadian Dollars)

7. Exploration and evaluation assets - continued

expenditures on or before November 30, 2013. Under the Second Amending Agreement, the Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional $4.0 million in eligible expenditures (for an aggregate total of $8.0 million in eligible expenditures) on or before June 30, 2015.

In consideration of amending the Option Agreement, the Company shall, upon the closing of a $3.5 million private placement, announced on April 2, 2013, if successful, issue to Citabar such number of common shares of the Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of the Company, excluding shares that Citabar or its affiliates own prior to the $3.5 million private placement. The private placement was not successful.

Effective on October 21, 2013, the Company reached a Third Amending Agreement with Citabar to further amend the Option Agreement and the Second Amending agreement. Under the Third Amending Agreement, Citabar agreed to extend the date for the Company to earn the undivided 60% interest in the Wawa Gold Project from Citabar, as a result of spending an aggregate of $4.0 million in eligible expenditures, from November 30, 2013 to June 30, 2014, subject to the Company demonstrating to the satisfaction of Citabar, in Citabar's sole discretion, that the Company have firm commitments of sufficient financing by December 15, 2013 and having received the proceeds of such funding by January 15, 2014. Subsequent to January 15, 2014, Citabar waived the requirement for the Company on "having sufficient financing by December 15, 2013 and having received the proceeds of such funding by January 15, 2014". In consideration for amending the Option Agreement, the Company shall, upon having spent sufficient funds so as to earn the 60% interest in the Wawa Gold Project, issue to Citabar such number of the Company's common shares that will represent 30% of the issued and outstanding common shares of the Company, independent of the shares already owned by Citabar and any of its wholly owned subsidiaries and affiliates.

On July 14, 2014, the Company reached a Fourth Amending Agreement with Citabar to further amend the Option Agreements by Citabar and extended the date for the Company to earn the undivided 60% interest in the Wawa Gold Project from Citabar through expending by aggregation $4.0 million in eligible expenditures from June 30, 2014 to March 31, 2015. The extension to said date is subject to the Company demonstrating to the satisfaction of Citabar, in Citabar's sole discretion, that the Company has received the cash proceeds of a private placement financing at least $2.6 million on or before November 30, 2014. The private placement was not completed.

The following table summarizes the Company's obligations upon signing of the Third and Fourth Amending Agreement to earn its 75% interest in the Surluga property:

	Cash payments	Issuance of common shares	Exploration expenditures
Cash payment on signing	$ 100,000	$ -	$ -
Consent date (issued December 22, 2010)	-	250,000	-
November 10, 2011 (completed)	-	250,000	500,000
February 1, 2012 ($35,000 US - paid)	35,534	-	-
November 10, 2012 (issued)	-	250,000	-
February 1, 2013 ($35,000 US - paid)	36,413	-	-
November 10, 2013 (issued)	-	250,000	-
March 31, 2015	-	-	3,500,000
June 30, 2015	-	-	4,000,000
Total required	$ 171,947	$ 1,000,000	$ 8,000,000

7. Exploration and evaluation assets - continued

On December 10, 2014 the Company entered into an Assumption Assignment and a restated Joint Venture Agreement with Red Pine Exploration (RPX on the TSX-V) or "Red Pine" and Citabar with the following terms and conditions:

1) Red Pine is required to incur $2.1 million in eligible exploration expenditures on Surluga property by June 30, 2015 in order to earn in a 30% interest in the Wawa Gold Project (collectively the Surluga and Oak Lake Properties), upon which Augustine and Citabar would hold 30% and 40%, respectively;
2) Red Pine has the right to earn one-half of an additional 15% interest (or 7.5%) in the Wawa Gold Project by incurring a further $2.0 million in eligible exploration expenditures on Surluga property by June 30, 2016, so long as a total of $4.0 million is spent in the aggregate by Red Pine and Augustine, which could be increased up to the entire 15% interest if all of such additional $4.0 million is incurred by Red Pine;
3) Red Pine also has the right to earn a pro rata interest in Augustine's existing interests in all mineral properties acquired by Augustine, including any future acquisitions, within an area of influence defined as a 5 kilometer radius from the perimeter of the Wawa Gold Project by satisfying certain criteria;
4) Upon earning in 30% interest, Red Pine will be the Manager under the terms of the JVA, which constitutes part of the Option Agreement, as amended by the Assumption Agreement;

This Assumption Assignment replaces the Fourth Amending Agreement.

On August 7, 2015, the Company entered into an earn in agreement with Red Pine Exploration Inc. (RPX on the TSX-V, or "Red Pine"), and Citabar, pursuant to which it is acknowledged and agreed that the Company and Red Pine have each earned in a 30% interest in the Mineral Claims agreed by all parties and attached as the schedules to the agreement and Citabar has earned in a 40% interest in the claims owned by the Company and a 40% interest in the claims owned by Red Pine as described the agreement; Red Pine has earned in 30% interest in the claims owned by the Company as described in the agreement; and the Company earned in 30% interest in the claims owned by Red Pine as described in the agreement. The ownership of the claims as described in the agreement will be registered on titles to the claims, such registrations to be carried out by Manager of the JVA. The date of the agreement becomes the "Effective Date" of the executed JVA.

As at August 31, 2015, the Company had expended a total of $2,002,865 (November 30, 2014: $1,927,392) in eligible exploration expenditures.

In March 2011 and April 2012 the Company staked an additional 10 mining claims.

Oakley Lake

On September 27, 2011, the Company purchased 22 mining claims comprising 161 claim units located in McMurray and Naveau Townships southeast of Wawa, Ontario, (the "Oakley Lake Property").

Under the terms of the agreement, the Company acquired a 100% undivided interest in and to the Oakley Lake Property subject to a royalty of 2% of Net Smelter Returns ("Net Smelter Royalty") for and in consideration for $30,000 cash (paid during fiscal 2011) and the issuance of 2,000,000 shares in the capital stock of the Company, which shares were issued at a value of $0.22 per common share (being $440,000 in the aggregate), based on the average closing price of the Company's common shares as traded on the Canadian National Stock Exchange at that time. The Company also has the option to purchase one-half of the Net Smelter Royalty (i.e. 1% of Net Smelter Returns) at any time up to the commencement of commercial production from the Oakley Lake Property for the price of $1,000,000. This transaction was at arm's length to the Company.

In 2011 the Company staked an additional 3 mining claims comprising 21 claims units located in the McMurray Township.

Brackin Township

The Company holds a 100% interest in 4 patented mining claims located in Brackin Township, Ontario. The carrying value of $1 was impaired and the property has been written off during 2013.

(Unaudited and Expressed in Canadian Dollars)

8. Related party transactions

The Company's key management includes CEO, CFO and Directors of the Board. For disclosure purpose, Citabar and its key management are considered as the Company's related parties as well due to their significant shareholdings and/or abilities to contribute to the Company's decision making process. Transactions with related parties include:

1) Management fees to CEO and CFO;
2) Director fees to the directors of the Company;
3) Promissory notes with interest rate of 8% - 9% per annum issued to CEO, Citabar and key management of Citabar for the purpose of maintenance of the Company's operating fund

The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms. The balances outstanding are as follows:

	As at August 31, 2015	As at November 30, 2014
Management fees due to officers	$ 267,750	$ 386,000
Directors fees due to directors [2]	49,932	122,941
Promissory notes [1]	22,520	343,190
	$ 340,202	$ 852,131

1) In the nine months period ended August 31, 2015, $5,010 interest incurred on promissory notes, (nine months period ended August 31, 2014 – $16,357).

2) In the nine months period ended August 31, 2015, $122,629 of director fees and $161,250 of management fees were settled through issuance of the Company's common shares. (see note 9).

For the three and nine months periods ended August 31, 2015 and 2014, total remuneration paid to key management personnel is as follows:

	For the three months ended August 31,		For the nine months ended August 31,	
	2015	2014	2015	2014
Management fee [1]	$ 19,500	$ 30,000	$ 58,500	$ 90,000
Directors fee	23,000	16,500	51,250	44,500
Share based payments	290,126	-	290,126	-
Total	$ 332,626	$ 46,500	$ 399,876	$ 134,500

1) $7,500 and $22,500 of the management fee paid to the CEO of the Company in the three and nine months period ended August 31, 2015, respectively, were related to the managing activities of the exploration and evaluation and recorded as exploration costs.

(Unaudited and Expressed in Canadian Dollars)

9. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

	Number of Common Shares	Amount
Balance as at December 1, 2013	42,026,790	$ 3,425,106
Private placement closed on March 6, 2014 1)	5,250,000	111,834
Balance as at November 30, 2014	47,276,790	3,536,940
Private placement closed on February 9, 2015 2)	13,350,538	336,621
Private placement closed on February 25, 2015 3)	6,302,528	154,814
Balance as at August 31, 2015	66,929,856	$ 4,028,375

1) On March 6, 2014, the Company issued 4,305,000 flow through units and 945,000 non-flow through units at the price of $0.05 per unit for a gross proceeds of $262,500. Each flow through unit and non-flow through unit both consisted of one common share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company at a price of $0.05 expiring on March 6, 2017. The value of the attached warrants was estimated as $111,619 with reference of Black-Scholes option pricing model (see note 10). As a result of this private placement, the Company paid cash commissions of $21,000, of which $9,706 was allocated to warrants and issued 420,000 broker warrants with an estimated value of $18,047 assigned to these broker warrants. (see note 10).

2) On February 9, 2015, the Company issued 1,500,000 flow through units ("FT Units") and 930,000 non-flow through units ("NFT Units") at the price of $0.05 per unit for a gross proceeds of $121,500. Each FT Unit and NFT Unit both consisted of one common share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company at a price of $0.05 expiring on February 9, 2019. The value of the attached warrants was estimated as $59,106 with reference of Black-Scholes option pricing model (see note 10). In connection of this, the Company paid cash commissions of $9,720, and issued 194,400 broker warrants with an estimated value of $9,208 assigned to these broker warrants, Each broker warrant allows the holder to acquire one NFT Unit of the Company at an exercise price of $0.05 per NFT Unit at any time on or before February 9, 2019 (see note 10).

   In addition, the Company issued an aggregate of 3,911,110 NFT Units ("USD Units") at the price of US$0.045 per NFT Unit for gross proceeds of US$176,000 (equivalent of Cdn$220,394). Each USD Unit consisted of one common share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share of the Company at a price of US$0.045 expiring on February 9, 2019. The value of the attached warrants was estimated as $107,216 with reference of Black-Scholes option pricing model (see note 10).

   The Company also issued 7,009,428 units ("the Debt Units") to certain creditors of the Company in exchange for the cancellation of an aggregate of $350,472 debt owing to the creditors. The Debt Units were issued at a deemed price of $0.05 per Debt Unit. Some of the creditors or officers and /or directors of the Company. Each Debt Unit consists of one common shares and one common share purchase warrant (the "Debt Warrant"). Each Debt Warrant allows the holder thereof to acquire one common share at an exercise price of $0.10 per common share expiring on February 9, 2019. The value of the attached warrants was estimated as $170,495 with reference of Black-Scholes option pricing model (see note 10).

   On February 27, 2015, the Company issued 1,000,000 units ("Units") at a price of US Dollar $0.045 per Unit for gross proceeds of US Dollar $45,000 (equivalent to Cdn$56,680). Each Unit consisted of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holders to acquire one common share of the Company (a "Warrant Share") at an exercise price of Canadian Dollar $0.05 or US Dollar $0.045 per Warrant Share expiring on February 25, 2019. The value of the attached warrants was estimated as $27,476 with reference of Black-Scholes option pricing model (see note 10).

(Unaudited and Expressed in Canadian Dollars)

9. Share capital - continued

In addition, the Company also issued 5,302,528 non flow through units ("Debt Units") in exchange for the cancellation of an aggregate of $265,126 in debt owed to several creditors. Each Debt Unit consisted of one common shares and one common share purchase warrant (a "Debt Warrant"). 5,062,258 Debt Warrants entitled the holders to acquire one common share in the capital of the Company at an exercise price of $0.05 per Debt Warrant Share and 240,000 Debt Warrant entitled the holders to acquire one common share in the capital of the Company at an exercise price of $0.10 per Debt Warrant Share expiring on February 25, 2019. The value of the attached warrants was estimated as $128,451 with reference of Black-Scholes option pricing model (see note 10).

3) The Company paid legal fee of $11,064 to close the private placement on February 9, 2015 and February 25, 2015.

10. Reserves

Reserve for warrants

The reserve for warrants represent share purchase warrants the Company issued in connection with private placements.

The following summarized warrants transactions and the number of warrants outstanding:

	Number of outstanding warrants	Value of warrants	Weighted average life	Weighted average exercise price
Balance as at December 1, 2013	20,062,500	$ 1,950,114	0.7	$ 0.30
Warrants issued (note 9 - 1))	5,250,000	111,619	2.3	0.05
Warrants expired	(11,962,500)	(1,686,715)	-	0.41
Balance as at November 30, 2014	13,350,000	375,018	1.3	0.10
Warrants issued (note 9 – 2,3))	19,653,066	492,744	3.5	0.05
Warrants expired	(7,100,000)	(98,400)	-	0.12
Balance as at August 31, 2015	25,903,066	$ 769,362	3.0	$ 0.072

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted or expired during the nine months period ended August 31, 2015 and the year ended November 30, 2014:

	Nine months ended August 31, 2015	Year ended November 30, 2014
Risk-free interest rate (%)	1.45	1.16
Grant date share price ($)	0.05	0.05
Expected volatility (%)	192	169
Expected life (years)	4.0	3.0
Expected dividend yield (%)	-	-

The Company has determined its expected volatility based on the historical market price of its issued outstanding common shares.

(Unaudited and Expressed in Canadian Dollars)

10. Reserves – continued

The following share purchase warrants were outstanding as at August 31, 2015:

	Number of warrants	Expiry date	Exercise price ($)
Warrants issued on March 22, 2012	1,000,000	21-Mar-16	$0.25
Warrants issued on March 6, 2014	5,250,000	06-Mar-17	$0.05
Warrants issued on February 9, 2015	2,430,000	09-Feb-19	$0.05
Warrants issued on February 9, 2015	3,911,110	09-Feb-19	$0.05 or US$0.045
Warrants issued on February 9, 2015	7,009,428	09-Feb-19	$0.10
Warrants issued on February 27, 2015	1,000,000	25-Feb-19	$0.05 or US$0.045
Warrants issued on February 27, 2015	5,062,528	25-Feb-19	$0.05
Warrants issued on February 27, 2015	240,000	25-Feb-19	$0.10
Total	25,903,066		$0.08

Reserve for share based payments

Reserve for share based payments relates to stock options and compensation warrants that have been issued by the Company and for expired warrants issued in private placements. The following summarized share-bases payments transactions during the nine months period ended August 31, 2015 and the year ended November 30, 2014:

	For the nine months ended August 31, 2015	For the year ended November 30, 2014
Opening balance as at beginning of the period/year	$ 3,144,335	$ 1,097,538
Share based payments 1)	327,163	342,035
Fair value of compensation warrants (note 9-1,3,5), note 10-1))	9,208	18,047
Reallocation of value from expired warrants	98,400	1,686,715
Closing balance as at end of the period/year	$ 3,579,106	$ 3,144,335

1) Stock options

The Company has an incentive stock options plan (the "Plan") under which it is authorized to grant stock options to the Company's employees, directors and officers and persons providing ongoing services to the Company, with a fixed number of maximum options available to be granted that approved at the discretion of the Company's Board of Directors. As at August 31, 2015 and November 30, 2014 the maximum number of common shares which may be set aside for issuance under the Plan was 13,319,041 common shares.

The Plan allows for the option price at the time each option is granted to be not less than the closing marketed price of the Company's common shares on the day immediately preceding the day upon which the option is granted. Options granted under the Plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the CSE.

(Unaudited and Expressed in Canadian Dollars)

10. Reserves – continued

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Nine months ended August 31, 2015			Year ended November 30, 2014		
	Number of options	Weighted average exercise price ($)	Weighted average expected life (years)	Number of options	Weighted average exercise price ($)	Weighted average expected life (years)
Outstanding - beginning of period/year	8,855,000	$ 0.08	3.66	3,885,000	$ 0.12	1.82
Granted	5,300,000	0.065	4.47	6,000,000	0.065	4.79
Expired	(330,000)	0.10	-	(955,000)	0.19	-
Forfeited	(600,000)	0.08	-	(75,000)	0.10	-
Outstanding - end of period/year	13,225,000	$ 0.08	3.81	8,855,000	$ 0.08	3.66
Exercisable - end of period/year	13,225,000	$ 0.08	3.81	8,855,000	$ 0.08	3.66

As at August 31, 2015 and November 30, 2014, the Company' outstanding stock options consists the following:

As at August 31, 2015			As at November 30, 2014		
Options issued	Exercise price	Expiry date	Options issued	Exercise price	Expiry date
-	-	-	330,000	0.10	January 24, 2015
2,325,000	0.10	April 30, 2016	2,525,000	0.10	April 30, 2016
5,600,000	0.065	Sept.10, 2019	6,000,000	0.065	Sept.10, 2019
5,300,000	0.065	Jul. 16, 2020	-	-	-
13,225,000			8,855,000		

On July 16, 2015, the Board the Company has granted 5,300,000 stock options to its officers, directors and a consultant pursuant to the terms of the Company's stock option plan, resulting $327,163 share based compensation expenses using the Black-Scholes option pricing model and recorded as reserves on the statement of financial position. The options vest immediately, are exercisable at $0.065 per common share, and will expire on July 16, 2020.

During the year ended November 30, 2014 the Company granted 6,000,000 stock options to directors, officers and consultants resulting $342,035 share based compensation expenses using the Black-Scholes option pricing model and recorded as reserves on the statement of financial position. The potions vested immediately, were exercisable at $0.065 per common share, expired on September 10, 2019. The weighted average unit fair value of the stock options granted in the year ended November 30, 2014 was $0.057.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the nine months ended August 31, 2015 and the year ended November 30, 2014:

	Nine months ended August 31, 2015	Year ended November 30, 2014
Risk-free interest rate (%)	1.63	1.88
Grant date share price ($)	0.065	0.06
Expected volatility (%)	173.50	174.9
Expected life (years)	5	5
Expected dividend yield (%)	-	-

(Unaudited and Expressed in Canadian Dollars)

10. Reserves – continued

2) Compensation warrants

	Nine months ended August 31, 2015			Year ended November 30, 2014		
	Number of warrants	Weighted average exercise price ($)	Weighted average expected life (years)	Number of warrants	Weighted average exercise price ($)	Weighted average expected life (years)
Outstanding - beginning of period/year [1)]	2,096,000	$ 0.13	1.26	1,728,500	$ 0.15	1.51
Granted [2)]	194,400	0.05	3.44	420,000	0.050	2.27
Expired	(576,000)	0.06	-	(52,500)	0.20	-
Outstanding - end of period/year	1,714,400	$ 0.15	1.15	2,096,000	$ 0.13	1.26
Exercisable - end of period/year	1,714,400	$ 0.15	1.15	2,096,000	$ 0.13	1.26

1) As a result of a private placement of the Company closed in 2011, the Company issued at arm's length and aggregate of 1,020,000 compensation warrants where each compensation warrant entitles the holder thereof to purchase one Unit of the Company's securities at an exercise price of $0.20 per unit (the "Unit") for a period of two years from the date that the Company completes either: (i) a distribution to the public of common shares in Canada pursuant to a prospectus and the concurrent listing of the common shares for trading on a recognized stock exchange, or (ii) another transaction as a result of which all outstanding common shares, or the securities of another issuer issued in exchange for all such outstanding common shares, are traded on a recognized stock exchange and are freely tradable (subject to control block restrictions) (the "Liquidity Event").

   Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 expiring two years from the date of the Liquidity Event.

   As at August 31, 2015 and November 30, 2014, such Liquidity Event has not incurred, and hence the total 1,020,000 broker warrants were included in the number of warrants outstanding at the beginning of both years, and not included into the calculation of weighted average life for the warrants as no specific expiry date is applicable.

2) During the nine months period ended August 31, 2015, the Company granted 194,400 (year ended November 30, 2014 – 420,000) compensation warrants to agents as commissions to close private placements, and resulting in compensation warrants expenses recorded as share issuance cost using the Black-Scholes option pricing model of $9,208 (year ended November 30, 2014 - $18,047). This amount was also recorded as reserves on the statement of financial position. The weighted average unit fair value of the compensation granted during the nine months period ended August 31, 2015 was $0.047 (year ended November 30, 2014 – 0.043)

The following weighted average assumptions were used for the Black-Scholes valuation of compensation warrants granted during the period/year:

	Nine months ended August 31, 2015	Year ended November 30, 2014
Risk-free interest rate (%)	1.45	1.16
Grant date share price ($)	0.05	0.05
Expected volatility (%)	192.5	169.2
Expected life (years)	4.0	3.0
Expected dividend yield (%)	-	-

11. Basic and diluted loss per share

	Three months ended August 31, 2015	Three months ended August 31, 2014	Nine months ended August 31, 2015	Nine months ended August 31, 2014
Basic and diluted loss per share	$ (0.0072)	$ (0.0024)	$ (0.0121)	$ (0.0076)

The calculation of basic and diluted loss per shares for the three and six months period ended August 31, 2015 and 2014 was based on the loss attributable to common shareholders as following:

	Three months ended August 31, 2015	Three months ended August 31, 2014	Nine months ended August 31, 2015	Nine months ended August 31, 2014
Loss attributable to common shareholders	$ 483,925	$ 113,804	$ 742,156	$ 344,826

Diluted loss per share for the nine months ended August 31, 2015 and 2014 did not include the effect of 13,225,000 stock options, 1,714,400 compensation warrants and 25,903,066 warrants issued attached to common shares, as the effect would be anti-dilutive.

12. Financial instruments and risk exposures

The Company's financial instruments consist of cash and cash equivalents and sundry receivables, accounts payable and accrued liabilities and due to related parties.

Financial assets and financial liabilities as at August 31, 2015 and November 30, 2014 are as follows:

	As at August 31, 2015				As at November 30, 2014			
	Other liabilities (S)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total	Other liabilities (S)	Loans and receivables ($)	Assets/(liabilities) at fair value through profit/loss ($)	Total
Cash and cash equivalents	-	-	4,491	4,491	-	-	2,375	2,375
Sundry receivables	-	16,883	-	16,883	-	28,571	-	28,571
Accounts payable and accrued liabilities	669,952	-	-	669,952	703,525	-	-	703,525
Restricted cash	-	-	10,000	10,000	-	-	10,000	10,000
Due to related parties	340,202	-	-	340,202	852,131	-	-	852,131

The fair values of sundry receivables and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of these instruments. Included as part of the due to related parties amounts are notes payable bearing interest rates of 8-9% per annum and have not been repaid as of August 31, 2015 and November 30, 2014 (see note 8 for additional details). The remaining due to related parties amounts bear no interest, have no specific terms of repayment and are due on demand. The fair values of these amounts have not been disclosed because the cash flow streams of the related party amounts are not determinable.

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk, interest rate risk and market risk, which includes commodity and equity price risks. Risk management is carried out by the Company's management with guidance from the Audit Committee. It is management's opinion that the Company is not exposed to significant credit risk, currency or market risks arising from the financial instruments.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

12. Financial instruments and risk exposures - continued

Credit risk

Credit risk is the risk of an unexpected loss if a financial instrument fails to meet its contractual obligations. The Company's cash is mainly held through a chartered Canadian financial institution.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. As at May 31, 2015 the Company has working capital deficiency of $976,504 (November 30, 2014 - $1,513,775). It is management's opinion that the Company is exposed to liquidity risk in that it had a working capital deficiency; however, it continues its discussions with its creditors to delay formal demands for payment of their receivables.

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 is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Sensitivity analysis

The Company believes the sensitivity to a plus or minus 1% change in interest rates would not have a significant impact on the reported net loss for the three and nine months period ended August 31, 2015 because none of the Company's assets or liabilities bears interest at variable rates.

13. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at August 31, 2015 totaled $2,253,740 (November 30, 2014 - $1,675,346)

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration and evaluation activities.

The Company's capital management objectives, policies and processes have remained unchanged during the three and nine months period ended August 31, 2015 from the year ended November 30, 2014.

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

14. Segmented information

The Company's operations comprise a single reporting operating segment engaged in resource exploration through investing in resource properties. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for loss for the period also represent segment results. All of the Company's operations and assets are situated in Ontario, Canada.

15. Commitments

Office leases

Since February 1, 2015, the Company signed a new office sublease agreement with monthly office lease of $1,200 on a month to month basis.

16. Subsequent events

On September 3, 2015, the Company closed a private placement of 3,333,333 non-flow-through units ("NFT Units A") at the price of US$0.045 per NFT Unit A and an aggregate of 2,000,000 non-flow-through units ("NFT Units B") at the price of $0.05 per NFT Unit B for gross proceeds of US$150,000 and $100,000 respectively. Each NFT Unit A and NFT Unit B consists one none-flow-through common shares and one non-flow-through common share purchase warrant ("Warrant"). In addition, creditors, including Management and Directors, subscribed for 5,062,337 non-flow-through units ("Creditor Units") in settlement of total $353,117 debts owed by the Company. Each Creditor Units consist of one none-flow-through common share and one non-flow-through common share purchase warrant (a "Warrant"). One full Warrant allows the holder to acquire one none-flow-through common share of the Company (a "Warrant Share") in a period of 36 months since closing date of the private placement, at an exercise price of US$0.070 (for US residents) and $0.075 per Warrant Share at any time until close of business on September 2, 2018.

In connection with the financing, the Company paid IBK Capital a cash commission of 8% of the funds raised and broker warrants of 8% of the NFT Units B, excluding the NFT Units A, through this offering. Each broker warrant allows the holder to acquire one NFT Unit of the Company at an exercise price of $0.05 per NFT Unit at any time until close of business on September 2, 2019.

All securities issued pursuant to the offering are subject to statutory four (4) months hold period from the closing date and to any and all necessary corporate and regulatory approvals.

The proceeds from this financing will be used for exploration purposes at Augustine's Wawa Gold Project and for working capital purposes.