GIYANI GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Giyani Gold Corp. were prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

March 30 2015

"Duane Parnham"	*"Ron Reed"*
Chief Executive Officer	**Chief Financial Officer**

March 30, 2015

Independent auditor's report

To the Shareholders of
Giyani Gold Corporation

We have audited the accompanying consolidated financial statements of Giyani Gold Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013 and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Giyani Gold Corp. and its subsidiaries as at December 31, 2014 and December 31, 2013 and their financial performance and their cash flows for the years then ended in accordance with IFRS.

Emphasis of matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the corporation's ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

GIYANI GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT DECEMBER 31

	2014	2013
ASSETS		
Current		
Cash	$ 33,965	$ 1,429,699
Term deposit (Note 6)	-	150,583
Restricted cash (Note 7)	5,000	100,000
Amounts receivable	67,851	110,911
Prepaids	51,062	190,244
	157,878	1,981,437
Equipment (Note 8)	57,181	75,584
Mineral property acquisition costs (Note 10)	5,680,292	5,680,292
Exploration and evaluation assets (Note 10)	6,285,394	3,399,268
	$ 12,180,745	$ 11,136,581
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 1,026,838	$ 667,209
Promissory note (Note 11)	62,962	-
Debenture (Note 12)	466,161	-
Flow-through share premium (Note 16)	-	127,000
Amounts due to related party (Note 17)	347,264	118,298
	1,903,225	912,507
Deferred income tax liability (Note 16)	-	146,198
	1,903,225	1,058,705
EQUITY		
Share capital (Note 13)	18,173,796	17,432,543
Contributed surplus (Note 14)	5,090,180	4,482,971
Warrants (Note 15)	4,093,233	4,054,637
Cumulative translation adjustment	18,363	56,894
Deficit	(18,926,330)	(17,015,956)
	8,449,242	9,011,089
Non-controlling interest (Note 22)	1,828,278	1,066,787
	10,277,520	10,077,876
	$ 12,180,745	$ 11,136,581

Nature of operations and going concern (Note 1)
Commitments and contingency (Note 20 and 23)

Approved and authorized by the Board on March 30, 2015:

"Roger Laine" Director *"Scott Kelly"* Director

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

GIYANI GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31

	2014	2013
EXPENSES		
Corporate, general and administration	$ 1,722,609	$ 3,334,967
Amortization (Note 8)	17,523	18,465
Financing fee (Note 23)	150,000	-
Stock-based compensation (Note 14)	744,475	77,738
Public company listing expense of subsidiary (Note 4)	-	645,361
Write-down of exploration and evaluation assets (Note 10)	1,136,914	-
Net loss before interest and other items	3,771,521	4,076,531
Foreign exchange loss	(2,052)	26,690
Interest and other income	(76,747)	(114,193)
Loss on disposal of equipment	879	-
Other income on settlement of flow-through premium obligation (Note 16)	(127,000)	-
Write down of amounts receivable	130,000	-
Recovery of accounts payable	(155,086)	-
Net loss for the year before income taxes	3,541,515	3,989,028
Recovery of income taxes (Note 16)	(126,065)	(34,104)
Net loss for the year	3,415,450	3,954,924
Other Comprehensive Income		
Items that may be subsequently reclassified to profit and loss		
Currency translation adjustment	38,531	(56,894)
Comprehensive loss for the year	$ 3,453,981	$ 3,898,030
Attributable to:		
Owners of the parent	$ 2,574,530	$ 3,664,702
Non-controlling interest	840,920	290,222
Net loss for the year	$ 3,415,450	$ 3,954,924
Basic and diluted loss per common share	$ 0.06	$ 0.07
Weighted average number of common shares outstanding	56,179,325	54,698,992

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

GIYANI GOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital							
	Number	Amount	Contributed surplus	Warrants	Non-Controlling Interest	Cumulative Translation Adjustment	Deficit	Total
Balance, December 31, 2012	54,224,828	$ 16,910,654	$ 4,440,908	$ 4,372,660	$ (13,048)	$ -	$ (13,577,134)	$ 12,134,040
Shares issued on exercise of warrants	153,750	249,214	-	(118,526)	-	-	-	130,688
Shares issued on exercise of options	250,000	73,175	(35,675)	-	-	-	-	37,500
Shares issued	350,000	199,500	-	-	-	-	-	199,500
Options granted by subsidiary	-	-	77,738	-	-	-	-	77,738
Change in non-controlling interest due to amalgamation and dilution impact	-	-	-	-	1,370,057	-	225,880	1,595,937
Tax on expired warrants	-	-	-	(199,497)	-	-	-	(199,497)
Currency translation adjustment	-	-	-	-	-	56,894	-	56,894
Net loss for the year	-	-	-	-	(290,222)	-	(3,664,702)	(3,954,924)
Balance, December 31, 2013	54,978,578	17,432,543	4,482,971	4,054,637	1,066,787	56,894	(17,015,956)	10,077,876
Shares of subsidiary issued to non-controlling interest	-	-	-	3,960	559,292	-	138,618	701,870
Change in non-controlling interest due to acquisition of Birch Hill Gold Corp. and dilution impact (Note 5)	-	-	-	34,636	905,853	-	525,538	1,466,027
Shares issued as financing fee	454,545	150,000	-	-	-	-	-	150,000
Private placement	2,000,000	600,000	-	-	-	-	-	600,000
Share issue costs	-	(8,747)	-	-	-	-	-	(8,747)
Options granted by subsidiary	-	-	183,267	-	137,266	-	-	320,533
Stock-based compensation	-	-	423,942	-	-	-	-	423,942
Currency translation adjustment	-	-	-	-	-	(38,531)	-	(38,531)
Net loss for the year	-	-	-	-	(840,920)	-	(2,574,530)	(3,415,450)
Balance, December 31, 2014	57,433,123	$ 18,173,796	$ 5,090,180	$ 4,093,233	$ 1,828,278	$ 18,363	$ (18,926,330)	$ 10,277,520

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

GIYANI GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31

		2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the year	$	(3,415,450)	$	(3,954,924)
Non-cash items:				
Accrued interest expense		17,005		-
Amortization		17,523		18,465
Financing fee		150,000		-
Stock-based compensation		744,475		77,738
Write-down of amounts receivable		130,000		-
Recovery on accounts payable		(155,086)		-
Loss on disposal of equipment		879		-
Other income on settlement of flow-through premium		(127,000)		-
Public company listing expense		-		645,361
Write-down of exploration and evaluation assets		1,136,914		-
Income tax recovery		(126,065)		(34,104)
Changes in non-cash working capital items:				
Receivables		50,673		(19,311)
Prepaid expenses		9,182		(158,771)
Accounts payable and accrued liabilities		(551,947)		23,084
Amounts due to related parties		228,966		(1,555)
		(1,889,931)		(3,404,017)
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of term deposit		150,583		1,399,417
Restricted cash		95,000		100,000
Exploration and evaluation asset expenditures		(290,778)		(264,664)
Repayment of debenture		(50,000)		-
Reverse acquisition of subsidiary		-		263,282
Acquisition of Birch Hill Gold Corp.		(116,156)		-
		(211,351)		1,498,035
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on issuance of shares		600,000		168,188
Share issue costs		(8,747)		-
Proceeds from issuance of shares in subsidiary, net of costs		138,120		1,315,360
		729,373		1,483,548
Effect of foreign exchange on cash		(23,825)		-
Change in cash during the year		(1,395,734)		(422,434)
Cash, beginning of year		1,429,699		1,852,133
Cash, end of year	$	33,965	$	1,429,699

The significant non-cash transaction during the year ended December 31, 2014 included the Company issuing 2,165,000 common shares of Canoe Mining Ventures Corp. valued at $563,750 for exploration and evaluation assets (Note 10), accruing exploration and evaluation expenditures of $450,704 through accounts payable and accrued liabilities and issuing 454,545 common shares valued at $150,000 as a financing fee (Note 23).

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Giyani Gold Corp. ("Giyani", or "the Company") was incorporated under the Canada Business Corporations Act on July 26, 2007 and continued under the Business Corporations Act of British Columbia on August 4, 2010. The Company is engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in South Africa and Canada. The Company's primary focus is the development of the Rock Island Gold Project in South Africa and ongoing exploration for gold at its properties in Northern Ontario, Canada. The registered address is Suite 403 - 277 Lakeshore Road East, Oakville, Ontario, L6J 6J3. The Company trades on the TSX Venture Exchange ("TSXV") under the symbol "WDG".

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

During the year ended December 31, 2014, the Company, through its subsidiary Canoe Mining Ventures Corp. ("Canoe"), acquired all of the issued and outstanding common shares of Birch Hill Gold Corp. which holds the Coldstream, Hamlin-Deaty Creek and Kerrs properties (Note 5).

The Company reported a net loss of $3,415,450 for the year ended December 31, 2014 (2013 - $3,954,924) and had an accumulated deficit of $18,926,330 at December 31, 2014 (2013 - $17,015,956).

In addition to its working capital requirements, the Company must secure sufficient funding for existing commitments and exploration costs.

These circumstances indicate the existence of material uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management plans to secure the necessary financing through a combination of the exercise of existing warrants for the purchase of common shares, the issue of new equity instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The recovery of amounts capitalized for exploration and evaluation assets at December 31, 2014 in the statement of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the continued exploration of the properties and upon future profitable production or proceeds from their disposition.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material. The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund investment in its exploration and evaluation assets; however, there is no assurance of the success of sufficiency of these initiatives. Should the Company fail to secure the necessary financing, judgements regarding the recoverability of the mineral property acquisition costs and the exploration and evaluation assets could change resulting in a significant impairment to existing assets.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on March 30, 2015.

2. BASIS OF PREPARATION (cont'd...)

Basis of Consolidation and Presentation

The consolidated financial statements have been prepared on a historical cost basis. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Entity Name	Company Ownership (%)	Place of Incorporation	Functional Currency	Method of Consolidation
Canoe Mining Ventures Corp. (Note 22)	44.6	Canada	Canadian Dollar	Consolidated
Coldstream Mineral Ventures Corp.	100.0	Canada	Canadian Dollar	Consolidated
Sheltered Oak Resources Corp.	100.0	Canada	Canadian Dollar	Consolidated
Alpha 111 Holdings Co. Ltd.	100.0	Barbados	Canadian Dollar	Consolidated
Beta 222 Holdings Co. Ltd.	100.0	Barbados	Canadian Dollar	Consolidated
Giyani Gold Holdings 333 (Pty) Ltd.	100.0	South Africa	Canadian Dollar	Consolidated
Giyani Gold South Africa (Pty) Ltd.	100.0	South Africa	South African Rand	Consolidated
Lexshell 831 Investments (Pty) Ltd.	100.0	South Africa	South African Rand	Consolidated
GGC South Africa Mining 111 (Pty) Ltd.	100.0	South Africa	South African Rand	Consolidated
Obliwize (Pty) Ltd.	100.0	South Africa	South African Rand	Consolidated
Obliweb (Pty) Ltd.	100.0	South Africa	South African Rand	Consolidated
Lexshell 837 Investments (Pty) Ltd.	64.0	South Africa	South African Rand	Consolidated
Rock Island Trading 17 (Pty) Ltd. (1)	28.8	South Africa	South African Rand	Proportionate

(1) 28.8% represents the Company's effective ownership in Rock Island Trading 17 (Pty) Ltd. is a joint operation.

Critical accounting estimates and Judgments

The Company performed an analysis of risk factors which, if any should be realized, could materially and adversely affect the results, financial position and/or market price of its securities.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses and other income for the year. These estimates and assumptions were based on management's knowledge of the relevant facts and awareness of circumstances, having regard to prior experience. Significant estimates and assumptions include the following (excluding going concern which is disclosed in Note 1):

(i) Recoverability of exploration and evaluation properties

Management will consider the economics of its exploration and evaluation assets, including the drill and geophysical results. Where an indicator of impairment exists, management will perform an impairment test and if the recoverable amount is less than the carrying value, record an impairment charge. Refer to note 6 for the details of the impairment charge recorded in these consolidated financial statements.

(ii) Stock-based compensation

Management is required to make certain estimates when determining the fair value of stock option awards and compensatory warrants. These estimates require the input of highly subjective assumptions including the expected price volatility and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of loss based on estimates of forfeiture and expected lives of the underlying stock options and the value attributed to warrants issued as compensation for assets.

2. BASIS OF PREPARATION (cont'd...)

Critical accounting estimates and Judgments (cont'd...)

(iii) Other accounting estimates and judgments

Other estimates and judgments included the benefits of future income tax assets and whether or not to recognize the resulting assets on the statement of financial position, and determinations as to whether exploration costs should be expensed or capitalized.

While Management believes that these estimates and judgments are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Translation

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is listed in Note 2. The consolidated financial statements are presented in Canadian dollars which is the Company's presentation currency.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in the determination of losses in the current year.

The results and financial position of all entities in the Company that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- equity transactions are translated at the historical exchange rate;
- income and expenses for each income statement are translated at the exchange rate in effect on date of the transaction (or at average exchange rates for the reporting period)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash and receivables as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities, promissory note, debenture and amounts due to related parties are classified as other financial liabilities.

Deferred Acquisition Costs

Acquisition costs related to mineral property interests are deferred until such time as title to the claim is obtained and the Company has the right to explore that mineral property. Once title is obtained, the Company reclassifies deferred acquisition costs to acquisition costs within exploration and evaluation assets. If title to a mineral property is not obtained, the deferred acquisition costs are written-off to the statement of loss during the period when it is determined that title will not be obtained.

Exploration and Evaluation Assets

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis, once the right to explore a property has been obtained by the Company. Such costs include mineral property acquisition costs and exploration and evaluation expenditures, net of any recoveries, and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of comprehensive loss to the extent that they are not expected to be recovered.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project are written off.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses.
The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
Equipment is depreciated using the following annual rates:

Computer equipment	33.3%	declining balance
Furniture and fixtures	14.3%	declining balance
Mining and exploration equipment	14.3%	declining balance
Telecommunication and mobile equipment	20.0%	declining balance

Impairment of Non-Current Assets

Non-current assets are evaluated at each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a CGU, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

In calculating recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Management also considers fair value based on cost information and the value of successful exploration activities.

The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal, and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount.

The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Reversal of Impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Provision for Environmental Rehabilitation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate. The liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports prepared by third-party industry specialists and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows.

Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. Additional disturbances and changes in closure and reclamation estimates are accounted for as incurred with a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of mine.

There are currently no environmental rehabilitation provisions recorded.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Interest in Joint Arrangements

The Company conducts a portion of its business through a joint operation whereby the joint operation participants are bound by contractual agreements establishing joint control. Joint control exists when unanimous consent of the joint operation participants is required regarding strategic, financial and operating policies of the joint operation. The Company has interests in a jointly controlled entity.

A jointly controlled entity is a corporation, partnership or other entity in which each joint arrangement participant holds an interest. A jointly controlled entity controls the assets of the joint arrangement and incurs its own liabilities and expenses. The Company has determined that its interest in the jointly controlled entity is a joint operation and accounts for their share of assets and liabilities, their expenses and any share of expenses of any future share of revenue of the joint operation. The Company's share of results from joint operations has been recognized in the Company's consolidated financial statements from the date the Company obtained joint control. Intercompany transactions between the Company and jointly controlled entities are eliminated to the extent of the Company's interest.

Capital Stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to capital stock based on the fair value of the common share and any residual value remaining is allocated to common share purchase warrants.

Flow-through Common Shares

The Company finances a portion of its development and construction activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying expenditures to investors. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received ("flow-through commitment") as follows:

- Share capital – at fair market value, based on the share price at the date of grant;
- Warrant reserve – Warrants (if any) are measured, based on the valuation derived using the Black-Scholes option-pricing model. A warrant reserve (if any) is recorded to the extent that the unit issue price is greater than the fair market value of the share capital; and
- Flow-through share premium – Recorded as a liability and equal to the residual balance.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. The Company considers the tax benefits of qualifying expenditures to have been effectively transferred if it has formally renounced those expenditures and has incurred the expenditures at any time before the end of the reporting period.

Share-based Payments

The Company grants share options to acquire common shares of the Company to directors, officers, consultants and employees.

The fair value of the instruments granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the instruments are granted. The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of non-market conditions and is expensed over the vesting period using the graded vesting method of amortization. At each balance sheet date, the Company reviews its estimates of the number of options that are expected to vest based on the non-market vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity. Volatility, as input into the Black-Scholes model, measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the expected life of the option.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income Taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

The Company uses the balance sheet method of accounting for deferred taxes. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss Per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.
Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

New standards adopted

Amendments to IAS 36, 'Impairment of assets' on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Company is not currently subjected to significant levies so the impact to the Company is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014 are not material to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted

IFRS 9 – Financial instruments ("IFRS 9") was updated by the IASB in November 2009 and will replace part of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses the classification and measurement of financial assets. The two measurement categories for financial assets include amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

4. REVERSE TAKEOVER TRANSACTION

On December 5, 2013, Canoe (formerly C-Level III Inc, a capital pool corporation under the policies of the TSXV) acquired 2299895 Ontario Inc. ("2299895"), a subsidiary of Giyani, through amalgamation. In accordance with the terms of the Letter Agreement, the Company entered into the Amalgamation Agreement with 2299895 and Giyani to carry out a Qualifying Transaction ("QT"). Pursuant to the terms of the Amalgamation Agreement, Canoe acquired all of the issued and outstanding shares of 2299895 and 2299895 amalgamated with a wholly-owned subsidiary of Canoe, Ontario AcquisitionCo, to create Canoe Mining Ventures Inc. The 12,852,515 issued and outstanding 2299895 Shares of which Giyani Gold owned 12,602,515, representing approximately 98.1% of the issued and outstanding 2299895 Shares were exchanged for 20,000,000 shares of Canoe. As a result of the transaction, Giyani's interest in Canoe declined from 98.1% to 57.4%.

The 865,395 New 2299895 shares issued to subscribers pursuant to a 2299895 private placement were exchanged for a total of 6,057,765 shares of Canoe, on the basis of seven shares of Canoe for each New 2299895 share and seven warrants of the Canoe.

The QT constituted a reverse acquisition of Canoe inasmuch as the former holders of 2299895 shares (excluding the subscribers participating in the 2299895 Private Placement) owned approximately 59.5% of the outstanding shares of the Canoe immediately after closing, including the conversion of the New 2299895 shares.

Prior to completion of the QT, C Level had 5,004,343 shares outstanding (including 3,250,000 C Level Seed Shares subject to an escrow agreement), 483,392 C Level options exercisable at a price of $0.20 per C Level Share, and 175,435 C Level Warrants exercisable at a price of $0.20 per C Level share. Upon completion of the transaction, C Level owned approximately 14.9% of Canoe.

The reverse takeover resulted in the issuance of common shares, broker warrants, and stock options to holders of C Level equity investments with a total deemed value paid for C Level as agreed between C Level and 2299895. The excess value of the consideration deemed paid of $645,361 over C Level net assets deemed received has been reflected as a listing expense in the statement of loss and comprehensive loss as C Level was a non-operating public company with nominal assets.

(Expressed in Canadian Dollars)

4. REVERSE TAKEOVER TRANSACTION (cont'd...)

	Shares		Price		Amount
Fair value of common shares deemed issued to former C Level shareholders	5,004,343	$	0.15	$	750,651
Fair value of broker warrants deemed issued to former C Level broker warrant holders					2,456
Fair value of stock options deemed issued to former C Level stock option holders					42,539
Total fair value of consideration deemed paid					795,646
Less C Level net assets received					(150,285)
Public company listing expense				$	645,361

Net Assets Received

Description		Amount
Opening C Level share capital	$	520,451
Options and warrants previously issued		90,498
C Level deficit		(460,664)
Deemed fair value of C Level	$	150,285

5. ACQUISITION OF BIRCH HILL GOLD CORP.

On June 3, 2014, the Company's subsidiary, Canoe, completed an amalgamation ("Amalgamation") with Birch Hill Gold Corp. ("Birch Hill") pursuant to which Birch Hill and 0996623 BC Ltd., a wholly owned subsidiary of the Company, amalgamated under the name "Coldstream Mineral Ventures Corp." The Company acquired all of the issued and outstanding common shares of Birch Hill by issuing 5,368,554 common shares of Canoe representing one common share of the Canoe for every 2.5 Birch Hill common shares. Canoe has reserved 1,559,432 common shares for issuance on the exercise of share purchase warrants issued in exchange for the outstanding Birch Hill share purchase warrants on the same exchange terms.

The net assets of Birch Hill were valued with reference to the fair market value of the Canoe's common shares as at June 3, 2014 being $0.26 and included additional costs of $116,156. Additionally, the share purchase warrants were assigned a value of $70,203 estimated based on the Black-Scholes pricing model using the following weighted average assumptions: risk-free interest rate – 1.11%; expected life – 2 years; expected volatility – 100%; and expected dividends - Nil. This transaction has been accounted for as an acquisition of net assets, rather than a business combination, as the net assets acquired did not represent a separate business operation.

The net assets of Birch Hill acquired are as follows:

Description		Amount
Receivables	$	7,657
Exploration and evaluation assets (Note 10)		2,983,041
Accounts payable and accrued liabilities		(554,457)
Promissory note (Note 11)		(63,464)
Debenture (Note 12)		(790,594)
Net assets	$	1,582,183

(Expressed in Canadian Dollars)

6. TERM DEPOSIT

As at December 31, 2013, the Company had a term deposit with a carrying value of $150,583 which was redeemed during the year ended December 31, 2014. The term deposit was held in the form of an interest bearing savings account at a Canadian Chartered bank, earning interest of approximately 1.35% per annum.

7. RESTRICTED CASH

The Company has credit cards with a major financial institution with an aggregate credit limit of $5,000 (2013 - $100,000). The financial institution holds a $5,000 (2013 - $100,000) deposit as collateral on the credit amount as long as the credit cards are active. The restricted cash amounts would change if there were any changes to the credit limits on the cards.

8. EQUIPMENT

	Furniture and Fixtures	Mining and Exploration	Computer Equipment	Phone Equipment	Total
Cost					
Balance,					
December 31, 2012 and 2013,	$ 31,186	$ 21,724	$ 23,365	$ 42,243	$ 118,518
Dispositions for the year	-	-	(2,190)	-	(2,190)
Balance, December 31, 2014	$ 31,186	$ 21,724	$ 21,175	$ 42,243	$ 116,328
Accumulated depreciation					
Balance, December 31, 2012	$ 5,268	$ 7,000	$ 7,464	$ 4,737	$ 24,469
Depreciation for the year	3,703	5,896	5,300	3,566	18,465
Balance, December 31, 2013	8,971	12,896	12,764	8,303	42,934
Depreciation for the year	3,174	4,858	6,639	2,852	17,523
Dispositions for the year	-	-	(1,310)	-	(1,310)
Balance, December 31, 2014	$ 12,145	$ 17,754	$ 18,093	$ 11,155	$ 59,147
Net book value					
As at December 31, 2013	$ 22,215	$ 8,828	$ 10,601	$ 33,940	$ 75,584
As at December 31, 2014	$ 19,041	$ 3,970	$ 3,082	$ 31,088	$ 57,181

9. REHABILITATION DEPOSIT

The Department of Mineral Resources ("DMR") in South Africa requires a deposit or bank guarantee as security for the duty to rehabilitate any mineral property. The funds will be refunded once the rehabilitation has been completed to the satisfaction of DMR. As at December 31, 2014, Giyani has recorded a deposit of $13,351 (2013 - $15,018) included in exploration and evaluation assets.

10. EXPLORATION AND EVALUATION ASSETS

Mineral Property Acquisition Costs	
Acquisition costs for Rock Island, South Africa	
Balance, December 31, 2014, 2013 and 2012	$ 5,680,292

(Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS (cont'd...)

On October 26, 2012, the Company completed the execution of a revised binding agreement (the "Revised Agreement") with Kytanite Development Corp. ("Kytanite") pursuant to which the Company has confirmed its entitlement to acquire Kytanite's interest in the Rock Island gold properties. The Company acquired 100% of Lexshell 831 (Pty) Ltd ("Lexshell 831"), a company duly incorporated and registered in the Republic of South Africa. Lexshell 831 was the legal and beneficial owner of 80% of the issued and outstanding shares of Lexshell 837 (Pty) Ltd (Lexshell 837), a Company incorporated and registered in the Republic of South Africa. Lexshell 837 owns 45% of the shares of Rock Island Trading (Pty) Ltd.

Total consideration paid was U$2,500,000 (CAN $2,497,792) and 2,500,000 common shares valued at $3,182,500 of the Company.

On October 26, 2012, Lexshell 831 sold a further 16% of the Common Shares in Lexshell 837 to Malungani Resources (Pty) Ltd., a company representing the Community Trust for Rock Island. Total consideration is Rand 3,600,000. No receivable has been set up for this amount, as it will be paid with proceeds from the property.

After sale of the shares Lexshell 831 is the legal and beneficial owner of 64% of the issued and outstanding shares of Lexshell 837.

Total expenditures on exploration and evaluation assets are as follows:

South Africa	**South Africa**
Balance, December 31, 2012	$ 1,638,020
Current expenditures	110,803
Balance, December 31, 2013	1,748,823
Current expenditures	104,300
Currency Translation Adjustment	(15,232)
Balance, December 31, 2014	$ 1,837,891

Canada – Iron Lake Gold Project	**Killins**	**Emerald**	**Abbie Lake**	**Keating**	**Total**
Balance, December 31, 2012	$ 267,200	$ 354,523	$ 563,148	$ 298,946	$ 1,483,817
Current expenditures	-	112,495	54,133	-	166,628
Balance, December 31, 2013	267,200	467,018	617,281	298,946	1,650,445
Acquisition costs	-	103,750	-	-	103,750
Current expenditures	-	-	180,000	-	180,000
Write-down of property	(267,200)	(570,768)	-	(298,946)	(1,136,914)
Balance, December 31, 2014	$ -	$ -	$ 797,281	$ -	$ 797,281

Canada	**Hamlin Deaty Creek**	**Coldstream**	**Kerrs**	**Total**
Balance, December 31, 2012 and 2013	$ -	$ -	$ -	$ -
Acquisition costs	330,000	2,875,827	110,027	3,315,854
Current expenditures	-	334,368	-	334,368
Balance, December 31, 2014	$ 330,000	$ 3,210,195	$ 110,027	$ 3,650,222

Total exploration and evaluation assets	
December 31, 2013	$ 3,399,268
December 31, 2014	$ 6,285,394

10. EXPLORATION AND EVALUATION ASSETS (cont'd...)

South Africa

Rock Island Gold Project

Pursuant to the joint operation agreement relating to the assets of Rock Island, the Company funds the joint operation with Corridor Mining Resources ("CMR") on a 50:50 basis, whereby both parties are to share the costs evenly on an ongoing basis. Exploration costs are recorded in a loan account where interest is accrued at an agreed upon rate. This loan will be repaid out of proceeds from the sale of the Rock Island asset. The loan is unsecured, with no fixed repayment terms and bears interest at South African prime +1%. As at December 31, 2014 and 2013, the Company had advanced $1,748,823 to Rock Island for exploration work.

This transaction has not closed.

Northern Ontario, Canada

UCEL Option Agreement

Canoe executed an option agreement on September 19, 2011 (the "UCEL Agreement") with Upper Canada Explorations Limited (the "Optionor"), an arm's length party, to earn a 100% interest in certain surface and mineral rights (the "Abbie Lake Property") near Sault Ste. Marie, Ontario, Canada. Canoe paid the Optionor $50,000 upon receipt of the approval of the UCEL Agreement by the TSX Venture Exchange ("Exchange") (the "Approval Date") and issued 200,000 common shares of 2299895 (exchanged for 311,223 shares of the Company) valued at $20,000.

In November 2012, Canoe paid $50,000 and issued 150,000 common shares of 2299895 (exchanged for 233,417 shares of the Company) valued at $15,000 pursuant to the UCEL Agreement. The UCEL Agreement also specifies payments to the Optionor in the amount of $50,000 and 150,000 common shares of 2299895 within 24 months of the Approval Date. Pursuant to an amending agreement dated October 28, 2013, Canoe renegotiated the final share payment to be 75,000 shares due on or before April 30, 2014. The 75,000 shares were issued on December 17, 2013 and ascribed a fair value of $12,000.

Pursuant to an amending agreement dated January 23, 2013, Canoe renegotiated the Initial Work Program to be $600,000 prior to December 31, 2013 with an aggregate total of $1,000,000 by December 31, 2014. Pursuant to an amending agreement dated October 28, 2013, Canoe renegotiated the Initial Work Program to be $600,000 prior to June 30, 2014 and an aggregate total of $1,000,000 by June 30, 2015. As at December 31, 2014, $614,546 has been incurred relating to the Initial Work Program (excluding acquisition costs) on the Abbie Lake Property and the June 30, 2014 work commitment has been satisfied.

Canoe must pay a 3% net smelter royalty ("NSR") on ore and a 3% gross overriding royalty ("GOR") on gemstones and diamonds covered under the UCEL Agreement, provided however that Canoe may purchase 1.5% of the NSR at any time upon 30 days' notice in writing in consideration for the sum of $1,500,000. Canoe must pay a 2% NSR on the sale or disposition of minerals covered under the UCEL Agreement, provided however that Canoe may purchase 1.5% of the NSR at any time upon 30 days' notice in writing in consideration for the sum of $750,000.

Keating Property, Ontario

Canoe executed a licensing agreement on November 1, 2011 (the "Michipicoten Agreement") with 3011650 Nova Scotia Limited, trading as Michipicoten Forest Resources (the "Licensor"), an arm's length party, to acquire the license for an exploration area within the District of Algoma, Ontario, Canada. The term of the lease is five years and contains the option to extend the Michipicoten Agreement for an additional five years.

10. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Keating Property, Ontario (cont'd...)

Terms of the Michipicoten Agreement required Canoe to pay $8,040 in the first year and $500 multiplied by the number of grid claims that constitute the licensed area for the remaining four years. If Canoe extends the Michipicoten Agreement for an additional five years, Canoe would be required to pay $600 multiplied by the number of grid claims that constitute the licensed area during each of the additional five years of the agreement. Canoe is responsible for all taxes related to the licensed area during the term of the Michipicoten Agreement. The current land package for the exploration area held by Canoe is 70.02 grid claims.

Canoe is required to incur minimum exploration expenditures during each license year. During each license year of the initial term, an annual amount of $2,500 multiplied by the number of grid claims that constitute the licensed area must be incurred. During each license year of the renewal term, an annual amount of $3,000 multiplied by the number of grid claims that constitute the licensed area must be incurred.

Canoe shall pay the Licensor for each mine commencing commercial production, the conditional option of reducing the royalty retained by and payable to the lessor therein to a maximum of 2% for all minerals except for diamonds, gems and other precious or semi-precious stones which will remain at 5%. The purchase price for the first 1% of the royalty shall be $1,000,000 and for each remaining 1/2% increment of the royalty there-after the purchase price shall be $1,000,000.

During the year ended December 31, 2014, Canoe elected to prioritize certain assets given the difficult economic conditions for financing exploration projects; therefore, Canoe has written-down the Keating Property in the amount of $347,893 as at December 31, 2014.

Keating East

On March 21, 2012, Canoe executed an agreement (the "Keating East Agreement") with 2099840 Ontario Inc. trading as Emerald Geological Services ("Emerald"), an arm's length party, to have Emerald release an additional 985 Ha area of claims (the "Lands") in the form of certain surface and mineral rights situated in Keating Township, Ontario, Canada, contiguous to Canoe's Abbie Lake Property and then to have these Lands included in the licensing agreement with Michipicoten.

The Keating East Agreement entitles Emerald to completely release its interest in the Lands from the Licensor and to have Canoe acquire a 100% interest in the Lands in exchange for a combination of consideration comprised of: $126,600 in cash payable over three years; $100,000 in exploration expenditures and other work programs, and up to 200,000 shares in 2299895 over a period of three years. 50,000 common shares of 2299895 (exchanged for 77,806 shares of Canoe.) were issued on September 23, 2012 valued at $5,000. The total current value of the maximum cash consideration payable if all conditions are satisfied is $226,600. Under the terms of the agreement, Emerald has agreed to relinquish its license and rights in the Lands and to allow 2299895 to acquire its interest and rights in the Lands under license from a private arms-length corporate entity to 2299895 and the owner of the Lands, in exchange for an annual fee payable to that party and an annual work program.

Pursuant to an amendment agreement, dated February 13, 2013, between 2299895 and Emerald, Emerald has agreed that all future obligations pursuant to the Keating East Agreement shall be jointly those of 2299895 and Canoe and has agreed to exchange the 50,000 2299895 shares it currently holds for 125,000 shares of Canoe. In addition, pursuant to an amendment agreement, dated January 23, 2013, Emerald has agreed to extend the date for payment of the consideration payable upon the first anniversary of the Completion of the QT to December 31, 2013 and agreed that Canoe is responsible for the payment of $25,000 and the issuance of 125,000 shares of Canoe. Pursuant to an amending agreement dated August 12, 2013, 2299895 and Emerald agreed to issue the 125,000 shares of Canoe (issued on December 17, 2013 and ascribed a fair value of $20,000) and to pay Emerald $25,000 on or before December 31, 2013 (paid, as stipulated). In addition, Emerald acknowledges that the shares to be issued on the second and third anniversary will be 125,000 shares of Giyani Gold Corp.

10. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Keating East (cont'd...)

During the year ended December 31, 2014, Canoe paid $35,000 as an option payment on the Keating East Agreement and issued 125,000 common shares of Canoe valued at $33,750.

During the year ended December 31, 2014, Canoe elected to prioritize certain assets given the difficult economic conditions for financing exploration projects; therefore, Canoe has written-down the Keating East Property in the amount of $505,604 as at December 31, 2014.

Killen Agreement

On July 12, 2012, Canoe executed a licensing agreement with a private arm's length party ("Killen Agreement"). The Killen Agreement entitles Canoe to acquire a 100% interest and rights in 39.5 square kilometers of surface and mineral rights situated in Keating Township, Ontario, in exchange for an annual fee payable and an annual work program.

The license agreement for the Lands will be on the same terms and conditions as those contained in the Michipicoten Agreement.

During the year ended December 31, 2014, Canoe elected to prioritize certain assets given the difficult economic conditions for financing exploration projects; therefore, Canoe has written-down the Killen Property in the amount of $283,417 as at December 31, 2014.

Hamlin-Deaty Creek Property, Ontario

On May 12, 2014, Canoe entered into binding letters of intent ("Hamlin Agreement") with Glencore Canada Corporation ("Glencore"), Rainy Mountain Royalty Corp. ("Rainy Mountain"), and Mega Uranium Ltd. ("Mega Uranium") to purchase a 100% interest in the Hamlin Deaty Creek Property located in the Shebandowan Belt 110 km west of Thunder Bay, Ontario.

Pursuant to the terms of the Hamlin Agreement, Canoe made a cash payment of $50,000 to Glencore (paid October 2014) and granted Glencore a 1% NSR together with a right of first refusal for an off-take agreement. Rainy Mountain and Mega Uranium were each issued 1,000,000 common shares of Canoe valued $280,000 in aggregate during the year ended December 31, 2014.

Coldstream Property, Ontario

With the acquisition of Birch Hill, Canoe obtained a 100% interest in the Coldstream Property located 115 km west of Thunder Bay, Ontario.

Certain claims are subject to a net smelter royalty ("NSR") royalties ranging from 0.5% to 3%, with certain buy-down provisions.

<u>N Claims</u>

The N Claims are comprised of three patented mineral claims (N1, N2, N3) which cover a total area of 133.4 hectares and are internal to Canoe's Coldstream Property. To acquire the claim, Birch Hill issued 500,000 pre-amalgamation shares in March 2014 valued at $62,500 and paid $50,000. Canoe has acquired a 100% interest in the claims.

The claims are subject to an NSR of up to 2%. Half of the NSR (1%) may be repurchased by Canoe for $1,000,000 prior to a production decision on the Coldstream Property and $2,000,000 thereafter.

10. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Coldstream Property, Ontario (cont'd...)

Contingency

Canoe has been notified of a legal claim related to actions of previous operators on the Coldstream property. However, in the opinion of management this claim is without merit and no provision has been made for this claim in the accounts.

Kerrs Gold Property, Ontario

In conjunction with the acquisition of Birch Hill, Canoe acquired a 100% interest in the Kerrs Gold Property which consists of 11 mining claims and 12 mining leasehold patents located in the Larder Lake Mining Division of Ontario.

The property is subject to NSR's ranging from 0.8% to 2.0%.

11. PROMISSORY NOTE

In connection with the Amalgamation with Birch Hill, Canoe assumed a promissory note with the Wahgoshig First Nation for a principal amount of $58,000 which accrues interest a rate of 5% per annum and matured on January 30, 2014. The total balance payable on the promissory note is $62,962 as of December 31, 2014 which includes $4,962 of accrued interest expense. The promissory note is currently being renegotiated.

12. DEBENTURE

Prior to the Amalgamation, Birch Hill issued a non-interest bearing debenture to Alto Ventures Ltd. ("Alto") as partial consideration for the acquisition of the remaining 40% interest in the Coldstream property. The debenture is secured by a security interest in Canoe's 40% interest in the Coldstream property (including any buildings constructed on the property) and proceeds from any insurance payout or sale of the property.

The debenture matured on November 21, 2013. In the year ended December 31, 2014, Canoe and Alto agreed to a settlement ("Settlement") to be enacted October 21, 2014 ("Settlement Date") on the debenture as follows:

a) $250,000 through the issuance of 1,250,000 common shares of Canoe on the Settlement Date at a deemed value of $250,000 (issued at a value of $250,000);
b) $50,000 on the Settlement Date (paid);
c) $50,000 on or before December 31, 2014;
d) $75,000 on or before March 31, 2015;
e) $75,000 on or before June 30, 2015; and
f) Granting a 1.5% NSR of portions of the Coldstream Property not previously subject to an NSR, subject to a right of repurchase of 1.0% for $1,000,000, and a 0.5% NSR on portions of the Coldstream Property which are subject to an existing NSR.

If Canoe fails to meet the terms of the Settlement, Alto will maintain the right to enforce its claims under the original terms of the debenture.

Canoe is currently in default with the payment schedule of the Settlement. Canoe has recognized the full carrying value of the debenture pursuant to the original debenture agreement in accordance with the provisions of the Settlement. Canoe will settle outstanding balances of the debenture with the completion of a future financing.

(Expressed in Canadian Dollars)

12. DEBENTURE (cont'd...)

		2014
Principal acquired from Birch Hill	$	766,161
Accrued interest acquired from Birch Hill		24,433
Acquired balance, June 3, 2014		790,594
Payments		(300,000)
Accrued interest expense		17,506
Adjustment to Settlement		(41,939)
Closing balance, December 31, 2014	$	466,161

13. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Shares issued in the year ended December 31, 2014

The Company issued 454,545 common shares to Lambert Private Equity LLC as a commitment fee on an investment agreement valued at $150,000 (Note 23).

On July 11, 2014, the Company completed a private placement of 2,000,000 units at a price of $0.30 per unit for gross proceeds of $600,000. Each unit consists of one common share and one common share purchase warrant which entitles the holder to acquire one common share of the Company at a price of $0.45 expiring July 11, 2016.

In October 2014, Canoe issued 866,667 units pursuant to a non-brokered private at a price of $0.15 per unit for gross proceeds of $133,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share of the Company at a price of $0.25 expiring October 22, 2016. Under the residual value method, the warrants were ascribed a value of $8,867.

Shares issued in the year ended December 31, 2013

In fiscal 2013, Canoe issued 2,540,000 flow through shares. A liability of $127,000 related to tax benefits associated with the flow through shares as been recorded.

In April 2013, the Company issued 350,000 common shares valued at $199,500 to an existing shareholder of 2299895, in return for 350,000 shares of 2299895.

14. STOCK OPTIONS

The Company has adopted an incentive stock option plan in accordance with the policies of the TSXV, under which the Board of Directors of the Company may grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares provided the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Board of Directors determines the price per common share and the number of common shares, which may be allotted to directors, officers, employees and consultants, and all other terms and conditions of the option, subject to the rules of the TSXV.

(Expressed in Canadian Dollars)

14. STOCK OPTIONS (cont'd...)

Stock option transactions are summarized as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2012	3,350,000	$ 1.43
Exercised	(250,000)	0.15
Forfeited	(400,000)	1.30
Balance, December 31, 2013	2,700,000	1.53
Granted	2,150,000	0.25
Forfeited	(100,000)	1.30
Balance, December 31, 2014 outstanding and exercisable	4,750,000	$ 0.96

Stock options outstanding as at December 31, 2014:

Expiry Date	Exercise Price	Weighted Average Life Remaining (Years)	Options Outstanding
November 3, 2015	$ 1.30	0.84	500,000
June 24, 2016	2.00	1.48	450,000
July 26, 2016	2.31	1.57	250,000
August 30, 2016	2.35	1.67	75,000
July 11, 2017	1.30	2.53	1,225,000
October 18, 2017	1.30	2.80	100,000
March 4, 2019	0.25	4.18	2,150,000
	0.96		4,750,000

The Company's subsidiary, Canoe, has 2,000,000 stock options outstanding which are exercisable at $0.25 until February 27, 2019.

Stock-based compensation

During the year ended December 31, 2014, the Company granted 2,150,000 (2013 – Nil) options to directors, officers and consultants. The weighted average fair value of options granted and vesting during the year was $0.20 (2013 - $Nil)

Total stock-based compensation recognized in the statement of loss and comprehensive loss for the year ended December 31, 2014 was $744,475 (2013 – $77,738). Of this amount, $423,942 (2013 - $Nil) relates to options granted and vesting in the Company. The balance of $320,533 (2013 - $Nil) relates to the value of stock options granted by the Company's subsidiary, Canoe.

The following weighted average assumptions were used for the valuation of stock options granted by the Company:

	2014	2013
Expected share price volatility	115.00%	-%
Expected risk-free interest rate	1.66%	-%
Expected dividend yield	0.00%	-%
Expected life of options, in years	5.00	-
Forfeiture rate	0.00%	-%

(Expressed in Canadian Dollars)

15. WARRANTS

Warrant transactions are summarized as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2012	5,901,082	$ 0.95
Exercised	(153,750)	0.85
Expired	(1,075,456)	1.40
Balance, December 31, 2013	4,671,876	1.88
Granted	2,000,000	0.45
Expired	(4,671,876)	1.88
Balance, December 31, 2014	2,000,000	$ 0.45

Warrants outstanding as at December 31, 2014:

Expiry Date	Exercise Price	Weighted Average Life Remaining (Years)	Warrants Outstanding
July 11, 2016	$ 0.45	1.53	2,000,000

The Company's subsidiary, Canoe, has 9,461,836 warrants outstanding with a weighted average exercise price of $0.56 and a weighted average remaining life of 1.07 years.

16. INCOME TAXES

The reconciliation of the income tax expense and the product of accounting profit multiplied by the Company's domestic tax rate is provided below:

	2014	2013
Loss before income taxes	$ (3,541,515)	$ (3,989,028)
Income tax expense at a statutory rate of 26.50% (2013 – 26.50%)	$ (938,501)	$ (1,057,092)
Permanent differences	165,882	258,397
Tax rate differential and other	-	38,572
Change in tax benefits not recognized	671,063	648,029
Reversal of tax benefits not recognized	(24,509)	146,198
Income tax recovery	$ (126,065)	$ 34,104

(Expressed in Canadian Dollars)

16. INCOME TAXES (cont'd...)

The significant components of the Company's deferred income taxes as at December 31, 2014 and 2013 are as follows:

		2014		2013
Property and equipment	$	62,648	$	42,934
Loss carry-forward		14,572,721		7,980,109
Capital loss carry forward		778,041		578,544
Non refundable mining ITC		97,538		50,381
Share issuance costs		260,440		334,966
Deferred mining expenditures		5,558,434		2,202,553
Net deferred income tax assets (liabilities)	$	21,329,821	$	11,189,487

The following table summarizes the Company's non-capital losses that can be applied against future taxable profit:

Country	Expiry date		Amount
Canada	2026 to 2034	$	13,256,297
Barbados	2022 to 2034		77,818
South Africa	Indefinite		1,238,606
		$	14,572,721

17. RELATED PARTY TRANSACTIONS

Management Compensation

Remuneration of directors and key management personnel of the Company was as follows:

		2014		2013
Payments to key management personnel:				
Cash compensation	$	374,074	$	649,089
Stock-based compensation		319,027		77,738

Management and consulting fees of $374,074 (2013 - $649,089) were paid to officers and directors or to companies controlled by officers or directors.

During the year ended December 31, 2014, the Company paid or accrued $Nil (2013 - $196,182) to McCarthy Tétrault LLP, a law firm where one of the Company's former directors is a Partner. During the year ended December 31, 2014, the Company incurred legal fees of $151,146 (2013 - $196,182) with a legal firm where a partner is a Director of a significant subsidiary of the Company. As at December 31, 2014, $84,542 (2013 - $137,452) was included in accounts payable and accrued liabilities with respect to these fees and certain expenses paid on the company's behalf.

During the year ended December 31, 2012, the Company issued funds to 2299895 of $2,252,515, by means of an unsecured loan, with no due date, bearing no interest. During the year ended December 31, 2013, the loan was settled through the issuance of 2,252,515 common shares of 2299895, ascribed a fair value of $2,252,515. These shares were exchanged for 3,505,174 of the Company on the closing of the QT.

During the year ended December 31, 2013, the Company reversed an intercompany loan payable from Canoe for $56,905.

18. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. With the exception of commitments detailed in Note 20, there were no externally imposed capital requirements to which the Company is subject as at December 31, 2014.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Values

Cash and term deposits are classified as Level 1. The Company's cash is comprised primarily of current deposits held with Canadian and South African chartered banks and term deposits consist of Canadian guaranteed investment certificates. The fair values of cash and term deposits approximate their carrying values due to their short-term nature.

Financial risk factors

The Company's risk exposure and the impact on the financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash, term deposits, and cash equivalents.

The Company reduces its risk by maintaining its bank accounts at large Canadian, Barbados, and South African financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet its liabilities when they come due. The Company manages its liquidity risk by forecasting cash flows required by operations to and anticipated investing and financing activities. The Company's financial obligations currently consist of accounts payable and accrued liabilities, and amounts due to related parties. The carrying value of the accounts payable, accrued liabilities and due to related parties approximates fair value as they are short term in nature.

The Company had cash at December 31, 2014 of $33,965 (2013 - $1,429,699). At December 31, 2014, the Company had accounts payable and accrued liabilities and due to related parties of $1,374,102 (2013 - $785,507). Additionally, the Company is liable for a promissory note of $62,962 past due and the repayment terms on the debenture as per Note 12.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

a) Interest Rate Risk

The Company's cash and cash equivalents consist of cash and term deposits held in bank accounts that earn interest at variable interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to material interest rate risk.

b) Foreign Currency Risk

The Company is exposed to foreign currency risk of the South African rand. This risk is limited as contracts and loan agreements are denominated in Canadian dollars where possible.

		South African Rand
Cash	$	98,025
Accounts receivable		54,501
Accounts payable and accrued liabilities		2,057,599

Based on the net exposure at December 31, 2014, a 10% depreciation or appreciation of the South African rand against the Canadian dollar would result in approximately a $19,146 increase or decrease in the Company's net loss for the period.

c) Other Price Risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

20. COMMITMENTS

The Company has committed to approximately $583,877 over the next five years for obligations under operating leases, rent, exploration, and option payments.

	2015	2016	2017	2018	2018
Exploration commitments	$ 385,454	$ -	$ -	$ -	$ -
Rent (Oakville office)	95,243	95,243	7,937	-	-
	$ 480,697	$ 95,243	$ 7,937	$	$

Commitments, totaling $385,454, inclusive of exploration commitments are those of Canoe.

(Expressed in Canadian Dollars)

21. SEGMENTED INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's Chief Executive Officer.

The Company has two operating segments: the exploration, evaluation and development of precious metal mining projects located in Ontario ("Canoe") and located in South Africa ("South Africa Mining"). The rest of the entities within the Company are grouped into a secondary segment ("Corporate").

The segmental report is as follows

December 31, 2014	Canoe	South Africa Mining	Corporate	Total
Property and equipment	$ -	$ -	$ 57,181	$ 57,181
Exploration and evaluation	4,447,503	1,837,891	-	6,285,394
Total assets	4,486,565	7,533,512	160,668	12,180,745
Total liabilities	1,182,438	206,789	513,998	1,903,225
Net (profit) loss	1,714,872	(83,012)	1,783,590	3,415,450
Net additions to exploration and evaluation assets	3,933,973	89,068	-	4,023,040

December 31, 2013	Canoe	South Africa Mining	Corporate	Total
Property and equipment	$ -	$ -	$ 75,584	$ 75,584
Exploration and evaluation	1,650,445	1,748,823	-	3,399,268
Total assets	3,035,877	7,452,790	647,914	11,136,581
Total liabilities	531,683	389,936	137,086	1,058,705
Net loss	703,004	1,135,491	2,116,429	3,954,924
Net additions to exploration and evaluation assets	166,629	110,803	-	277,432

22. NON-CONTROLLING INTEREST

On December 5, 2013, Canoe entered into the Amalgamation Agreement with 2299895 and Giyani to carry out a QT (Note 4). As a result of the transaction, Giyani's interest in Canoe declined from 98.1% to 57.4%. Pursuant to additional equity issuances by Canoe, the Company's interest as at December 31, 2014 is 44.6%.

The Company has assessed its investment in Canoe and has judged that it has maintained control over Canoe as defined by IFRS 10. Since equity issuances by Canoe did not result in a loss of control by Giyani, they have been recorded as a transfer of equity to non-controlling interest holders. The major transactions not resulting in a loss of control and the resulting impact are summarized and described as follows:

	2014	2013
Balance, beginning of year	$ 1,066,787	$ (13,048)
Change in non-controlling interest	1,465,145	1,370,057
Stock-based compensation in Canoe	137,266	-
Share of loss attributing to non-controlling interests	(840,920)	(290,222)
Balance, end of year	$ 1,828,278	$ 1,066,787

(Expressed in Canadian Dollars)

22. NON-CONTROLLING INTEREST (cont'd...)

Set out below is summary financial information for Canoe, in which the Company holds a 44.6% interest (2013 – 57.4%). The amounts disclosed are based on those included in the consolidated financial statements, before intercompany eliminations.

Summarized consolidated statement of financial position	2014	2013
Current assets	$ 39,062	$ 1,385,432
Current liabilities	(1,182,438)	(424,111)
	(1,143,356)	961,321
Non-current assets	4,447,503	1,650,445
Non-current liabilities	-	(146,198)
	4,447,503	1,504,247
Net assets	3,304,127	2,465,568
Accumulated non-controlling interest	$ 1,828,278	$ 1,050,332

Summarized consolidated statement of loss and comprehensive loss	2014	2013
Non-controlling interest percentage	55.3%	42.6%
Expenses	$ 833,692	$ 702,198
Net loss and comprehensive loss	1,649,871	703,004
Loss allocated to non-controlling interest	$ 840,920	$ 290,222

Summarized consolidated statement of cash flows	2014	2013
Non-controlling interest percentage	55.3%	42.6%
Cash flows from operating activities	$ (996,982)	$ (124,694)
Cash flows from financing activities	138,120	1,315,360
Cash flows from investing activities	(452,056)	128,654

Of total cash and cash equivalents as of December 31, 2014, $9,852 (2013 - $18,240) was held in subsidiaries which have regulatory regulations, contractual restrictions or operate in countries where exchange controls and other legal restrictions apply and are therefore not available for general use by the Company.

23. FINANCING AGREEMENT

During the year ended December 31, 2014, the Company entered into an equity agreement ("Equity Agreement") with Lambert Private Equity LLC ("Lambert"), a California-based private equity firm.

In accordance with the Equity Agreement, Lambert will commit up to a maximum of $10,000,000 over a period of three years. And, at the Company's discretion at any time over the next 5 years, Lambert's commitment amount may be increased from $10,000,000 to $25,000,000 with all other terms and conditions of the Equity Agreement remaining unchanged and with no additional fees or compensation due.

23. FINANCING AGREEMENT (cont'd...)

Subject to certain conditions, upon notice by the Company ("Notice"), Lambert and associates of Lambert will subscribe for, and the Company will agree to issue and sell, units ("Units") through a series of private placements (each, a "Private Placement"). The purchase price per Unit for any given Private Placement will be equal to the greater of (i) 90% of the lowest daily volume-weighted average price of the common shares of the Company (each, a "Share") on the TSXV during the 15 trading days following Notice, or (ii) the lowest price permitted by the policies of the TSXV.

Each Unit will be comprised of one Share and one Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Share for a period of five years from the date of issuance of such Warrant at the lowest price permitted by the policies of the TSXV.

The number of Units to be subscribed for in each Private Placement will be determined by the Company in its sole discretion and will be set forth in the applicable Notice. To the extent that Lambert arranges eligible substituted purchasers for each Private Placement, its own obligation to subscribe for Units shall be reduced accordingly, subject to certain conditions.

The proceeds from each Private Placement will be used for general corporate and working capital purposes and may be used to evaluate and pursue strategic acquisitions. The Shares and Warrants underlying the Units issued pursuant to each Private Placement will be subject to a four-month hold period.

Pursuant to the Equity Agreement, the Company paid Lambert a commitment fee valued at $150,000 by issuing 454,545 common shares which has been recorded in the consolidated statement of loss and comprehensive loss as a financing fee.

Prior to filing a Notice, Lambert may engage in purchases and sales of shares held for its own account as well as shares borrowed by Lambert from third parties, including insiders. The obligation to deliver any borrowed securities may be satisfied by delivery of shares subscribed for by Lambert pursuant to the Private Placement. With respect to Shares subscribed for under the Agreement, one or more existing shareholders of the Company, including insiders, may from time to time agree to exchange Shares owned by them that are not subject to resale restrictions with Shares acquired under a Private Placement that are subject to the customary resale restrictions. The existing shareholders who agree to loan shares, or agree to exchange shares which are not subject to resale restrictions, may be entitled to receive a portion of the warrants issued on the Private Placement pursuant to arrangements made by Lambert. The participation of each insider will be subject to the approval of the independent directors of the Company.

Each Private Placement will remain subject to receipt of regulatory approval from the TSXV. While the Company cannot provide any assurances that it will be successful in completing the Equity Agreement, it is the Company's intention to obtain the funding.

24. SUBSEQUENT EVENT

Subsequent to the year ended December 31, 2014, the Company announced a non-brokered private placement of up to 4,000,000 common shares of the Company at a price of $0.05 per share for gross proceeds of up to $200,000.

Additionally, Canoe has announced completing a non-brokered private placement of 4,000,000 common shares of Canoe at a price of $0.05 per share for gross proceeds of up to $200,000.