GIYANI
GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GIYANI GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
AS AT

	March 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	$ 257,992	$ 33,965
Restricted cash (Note 5)	5,000	5,000
Amounts receivable	7,977	67,851
Prepaids	39,172	51,062
	310,141	157,878
Equipment (Note 6)	49,935	57,181
Mineral property acquisition costs (Note 7)	5,680,292	5,680,292
Exploration and evaluation assets (Note 7)	6,390,020	6,285,394
	$ 12,430,388	$ 12,180,745
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 1,080,150	$ 1,026,838
Promissory note (Note 8)	63,677	62,962
Debenture (Note 9)	466,161	466,161
Amounts due to related party (Note 13)	470,430	347,264
	2,080,418	1,903,225
EQUITY		
Share capital (Note 10)	18,173,796	18,173,796
Obligation to issue shares (Note 10)	145,000	-
Contributed surplus (Note 11)	5,090,180	5,090,180
Warrants (Note 12)	4,093,233	4,093,233
Cumulative translation adjustment	84,666	18,363
Deficit	(19,212,683)	(18,926,330)
	8,374,192	8,449,242
Non-controlling interest (Note 18)	1,975,778	1,828,278
	10,349,970	10,277,520
	$ 12,430,388	$ 12,180,745

Nature of operations and going concern (Note 1)
Commitments and contingency (Note 16 and 19)
Subsequent event (Note 20)

Approved and authorized by the Board on May 11, 2015:

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

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

GIYANI GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31

		2015		2014
EXPENSES				
Corporate, general and administration	$	325,887	$	413,591
Amortization (Note 6)		2,868		3,606
Stock-based compensation (Note 11)		-		687,249
Net loss before interest and other items		328,755		1,104,446
Foreign exchange loss		(83)		(2,022)
Interest and other income		(24,772)		(23,510)
Loss on disposal of equipment		(47)		-
Net loss for the period		303,853		1,078,914
Other Comprehensive Income				
Items that may be subsequently reclassified to profit and loss				
Currency translation adjustment		(66,303)		(35,980)
Comprehensive loss for the period	$	237,550	$	1,042,934
Attributable to:				
Owners of the parent	$	234,145	$	884,465
Non-controlling interest		69,708		194,449
Net loss for the period	$	303,853	$	1,078,914
Basic and diluted loss per common share	$	0.01	$	0.02
Weighted average number of common shares outstanding		57,433,123		54,978,578

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

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

	Share capital								
	Number	**Amount**	**Obligation to issue shares**	**Contributed surplus**	**Warrants**	**Non-Controlling Interest**	**Cumulative Translation Adjustment**	**Deficit**	**Total**
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	-	-	-	-	-	5,120	-	-	5,120
Options granted by subsidiary	-	-	-	179,392	-	133,176	-	-	312,568
Stock-based compensation	-	-	-	374,681	-	-	-	-	374,681
Currency translation adjustment	-	-	-	-	-	-	35,980	-	35,980
Net loss for the period	-	-	-	-	-	(194,449)	-	(884,465)	(1,078,914)
Balance, March 31, 2014	54,978,578	17,432,543	-	5,037,044	4,054,637	1,010,634	92,874	(17,900,421)	9,727,311
Shares of subsidiary issued to non-controlling interest	-	-	-	-	3,960	554,172	-	138,618	696,750
Change in non-controlling interest due to acquisition of Birch Hill Gold Corp. and dilution impact (Note 4)	-	-	-	-	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	-	-	-	3,875	-	4,090	-	-	7,965
Stock-based compensation	-	-	-	49,261	-	-	-	-	49,261
Currency translation adjustment	-	-	-	-	-	-	(74,511)	-	(74,511)
Net loss for the period	-	-	-	-	-	(646,471)	-	(1,690,065)	(2,336,536)
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
Shares of subsidiary issued to non-controlling interest	-	-	-	-	-	217,208	-	(52,208)	165,000
Obligation to issue shares	-	-	145,000	-	-	-	-	-	145,000
Currency translation adjustment	-	-	-	-	-	-	66,303	-	66,303
Net loss for the period	-	-	-	-	-	(69,708)	-	(234,145)	(303,853)
Balance, March 31, 2015	57,433,123	$18,173,796	$ 145,000	$ 5,090,180	$ 4,093,233	$ 1,975,778	$ 84,666	$(19,212,683)	$10,349,970

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

GIYANI GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (303,853)	$ (1,078,914)
Non-cash items:		
Accrued interest expense	715	-
Amortization	2,868	3,606
Stock-based compensation	-	687,249
Loss on disposal of equipment	(47)	-
Changes in non-cash working capital items:		
Receivables	60,092	35,122
Prepaid expenses	11,890	13,613
Accounts payable and accrued liabilities	38,053	(71,830)
Amounts due to related parties	123,166	(66,695)
	(67,116)	(477,849)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of term deposit	-	150,583
Exploration and evaluation asset expenditures	(20,320)	(23,909)
	(20,320)	126,674
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on obligation to issue shares	145,000	-
Proceeds from issuance of shares in subsidiary, net of costs	165,000	5,120
	310,000	5,120
Effect of foreign exchange on cash	1,463	(14,792)
Change in cash during the period	224,027	(360,847)
Cash, beginning of period	33,965	1,429,699
Cash, end of period	$ 257,992	$ 1,068,852

The significant non-cash transactions during the period ended March 31, 2015 included the Company accruing exploration and evaluation expenditures of $360,408 through accounts payable and accrued liabilities.

The accompanying notes are an integral part of these condensed consolidated interim 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 condensed consolidated interim 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.

The Company reported a net loss of $303,853 for the period ended March 31, 2015 (2014 - $1,078,914) and had an accumulated deficit of $19,212,683 at March 31, 2015 (December 31, 2014 - $18,926,330).

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 March 31, 2015 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 condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2014.

2. BASIS OF PREPARATION (cont'd…)

Basis of Consolidation and Presentation

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

These condensed consolidated interim 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)	40.9	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 condensed consolidated interim 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.

(Expressed in Canadian Dollars)

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 condensed consolidated interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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. 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 7)		2,983,041
Accounts payable and accrued liabilities		(554,457)
Promissory note (Note 8)		(63,464)
Debenture (Note 9)		(790,594)
Net assets	$	1,582,183

(Expressed in Canadian Dollars)

5. RESTRICTED CASH

The Company has credit cards with a major financial institution with an aggregate credit limit of $5,000 (2014 - $100,000). The financial institution holds a $5,000 (2014 - $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.

6. EQUIPMENT

	Furniture and Fixtures	Mining and Exploration	Computer Equipment	Phone Equipment	Total
Cost					
Balance,					
December 31, 2013,	$ 31,186	$ 21,724	$ 23,365	$ 42,243	$ 118,518
Dispositions for the year	-	-	(2,190)	-	(2,190)
Balance, December 31, 2014 and March 31, 2015	$ 31,186	$ 21,724	$ 21,175	$ 42,243	$ 116,328
Accumulated depreciation					
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
Depreciation for the period	680	783	835	571	2,868
Balance, March 31, 2015	$ 12,825	$ 17,754	$ 18,927	$ 11,727	$ 59,147
Net book value					
As at December 31, 2014	$ 19,041	$ 3,970	$ 3,082	$ 31,088	$ 57,181
As at March 31, 2015	$ 18,361	$ 3,187	$ 2,248	$ 30,516	$ 49,935

7. EXPLORATION AND EVALUATION ASSETS

Mineral Property Acquisition Costs	
Acquisition costs for Rock Island, South Africa	
Balance, March 31, 2015, December 31, 2014, and 2013	$ 5,680,292

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.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

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, 2013	$ 1,748,823
Current expenditures	104,300
Currency Translation Adjustment	(15,232)
Balance, December 31, 2014	1,837,891
Current expenditures	26,432
Currency Translation Adjustment	72,850
Balance, March 31, 2015	$ 1,937,173

Canada – Iron Lake Gold Project	**Killins**	**Emerald**	**Abbie Lake**	**Keating**	**Total**
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
Current expenditures	-	-	617	-	617
Balance, March 31, 2015	$ -	$ -	$ 797,898	$ -	$ 797,898

Canada	**Hamlin Deaty Creek**	**Coldstream**	**Kerrs**	**Total**
Balance, December 31, 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
Acquisition costs	330,000	2,875,827	110,027	3,315,854
Current expenditures	-	4,726	-	4,726
Balance, March 31, 2015	$ 330,000	$ 3,214,922	$ 110,027	$ 3,654,949

Total exploration and evaluation assets	
December 31, 2014	$ 6,285,394
March 31, 2015	$ 6,390,020

7. 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 March 31, 2015 and December 31, 2014, 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 March 31, 2015, $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.

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.

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Northern Ontario, Canada (cont'd…)

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.

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.

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 and grant 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.

The underlying 2% NSR held by the original vending prospectors may be purchased by Canoe under the following terms: a 1% NSR may be purchased at any time for $1,000,000 and Canoe maintains the first right of refusal to purchase the remaining 1% NSR.

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.

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Northern Ontario, Canada (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%.

8. 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 $63,677 as of March 31, 2015 which includes $5,677 of accrued interest expense. The promissory note is currently being renegotiated.

9. 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)

9. 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 and March 31, 2015	$	466,161

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Shares issued in the period ended March 31, 2015

During the period ended March 31, 2015, the Company received funds of $145,000 for a private placement of 2,900,000 common shares at a price of $0.05 per share which were issued subsequent to period end (Note 20).

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 19).

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.

11. 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)

11. STOCK OPTIONS (cont'd…)

Stock option transaction are summarized as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2013	2,700,000	$ 1.53
Granted	2,150,000	0.25
Forfeited	(100,000)	1.30
Balance, December 31, 2014	4,750,000	0.96
Forfeited	(1,000,000)	1.24
Balance, March 31, 2015, outstanding and exercisable	3,750,000	$ 0.89

Stock options outstanding as at March 31, 2015:

Expiry Date	Exercise Price	Weighted Average Life Remaining (Years)	Options Outstanding
November 3, 2015	$ 1.30	0.59	500,000
June 24, 2016	2.00	1.24	300,000
August 30, 2016	2.35	1.42	75,000
July 11, 2017	1.30	2.28	1,025,000
October 18, 2017	1.30	2.55	100,000
March 4, 2019	0.25	3.93	1,750,000
	0.89		3,750,000

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 period ended March 31, 2014, the Company granted 2,150,000 options to directors, officers and consultants. The weighted average fair value of options granted and vesting during the year was $0.19.

Total stock-based compensation recognized in the statement of loss and comprehensive loss for the period ended March 31, 2014 was $687,249. Of this amount, $374,681 relates to options granted and vesting in the Company. The balance of $179,392 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:

	2015	2014
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)

12. WARRANTS

Warrant transactions are summarized as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
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 and March 31, 2015	2,000,000	$ 0.45

Warrants outstanding as at March 31, 2015:

Expiry Date	Exercise Price	Weighted Average Life Remaining (Years)	Warrants Outstanding
July 11, 2016	$ 0.45	1.28	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.

13. RELATED PARTY TRANSACTIONS

Management Compensation

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

	2015	2014
Payments to key management personnel:		
Cash compensation	$ -	$ 80,954
Stock-based compensation	-	295,684

Management and consulting fees of $Nil (2014 - $80,954) were paid to officers and directors or to companies controlled by officers or directors.

During the year ended March 31, 2015, the Company incurred legal fees of $Nil (2014 - $6,331) with a legal firm where a partner is a Director of a significant subsidiary of the Company. As at March 31, 2015, $86,709 (2014 - $84,542) was included in accounts payable and accrued liabilities with respect to these fees and certain expenses paid on the company's behalf.

14. 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 March 31, 2015.

15. 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 March 31, 2015 of $257,992 (December 31, 2014 - $33,965). At March 31, 2015, the Company had accounts payable and accrued liabilities and due to related parties of $1,550,580 (December 31, 2014 - $1,374,102). Additionally, the Company is liable for a promissory note of $63,677 past due and the repayment terms on the debenture as per Note 9.

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.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

Market Risk (cont'd…)

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		2,059,913

Based on the net exposure at March 31, 2015, a 10% depreciation or appreciation of the South African rand against the Canadian dollar would result in approximately a $19,945 increase or decrease in the Company's comprehensive 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.

16. COMMITMENTS

The Company has committed to approximately $560,066 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)		71,432		95,243		7,937		-		-
	$	456,886	$	95,243	$	7,937	$		$	

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

17. 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").

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION (cont'd…)

The segmental report is as follows

March 31, 2015	Canoe	South Africa Mining	Corporate	Total
Property and equipment	$ -	$ -	$ 49,935	$ 49,935
Exploration and evaluation	4,452,847	1,937,173	-	6,390,020
Total assets	4,627,081	7,633,277	170,030	12,430,388
Total liabilities	1,283,921	215,261	581,236	2,080,418
Net (profit) loss	125,967	(4,140)	182,026	303,853
Net additions to exploration and evaluation assets	5,343	99,282	-	104,625

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

18. NON-CONTROLLING INTEREST

On December 5, 2013, Canoe entered into the Amalgamation Agreement with 2299895 and Giyani to carry out a QT. 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 March 31, 2015 is 40.9%.

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:

	For the three months ended March 31, 2015	**For the year ended December 31, 2014**
Balance, beginning of period	$ 1,828,278	$ 1,066,787
Change in non-controlling interest	217,208	1,465,145
Stock-based compensation in Canoe	-	137,266
Share of loss attributing to non-controlling interests	(69,708)	(840,920)
Balance, end of period	$ 1,975,778	$ 1,828,278

(Expressed in Canadian Dollars)

18. NON-CONTROLLING INTEREST (cont'd…)

Set out below is summary financial information for Canoe, in which the Company holds a 40.9% interest (2014 – 57.4%). The amounts disclosed are based on those included in the condensed consolidated interim financial statements, before intercompany eliminations.

Summarized consolidated statement of financial position	March 31, 2015	December 31, 2014
Current assets	$ 174,235	$ 39,062
Current liabilities	(1,283,922)	(1,182,438)
	(1,109,687)	(1,143,356)
Non-current assets	4,452,847	4,447,503
Net assets	3,343,160	3,304,127
Accumulated non-controlling interest	$ 1,975,778	$ 1,828,278

Summarized consolidated statement of loss and comprehensive loss	March 31, 2015	December 31, 2014
Non-controlling interest percentage	59.1%	55.3%
Expenses	$ 125,967	$ 833,692
Net loss and comprehensive loss	125,967	1,649,871
Loss allocated to non-controlling interest	$ 60,708	$ 840,920

Summarized consolidated statement of cash flows	March 31, 2015	December 31, 2014
Non-controlling interest percentage	59.1%	55.3%
Cash flows from operating activities	$ (21,086)	$ (996,982)
Cash flows from financing activities	165,000	138,120
Cash flows from investing activities	(2,920)	(452,056)

Of total cash and cash equivalents as of March 31, 2015, $10,117 (December 31, 2014 - $9,852) 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.

19. 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.

19. 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 condensed consolidated interim 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.

20. SUBSEQUENT EVENT

Subsequent to the period ended March 31, 2015, the Company completed a non-brokered private placement of 4,000,000 common shares of the Company at a price of $0.05 per share gross proceeds of $200,000 of which $145,000 was recorded as an obligation to issue shares as at March 31, 2015.