Precipitate Gold Corp.

Condensed Interim Financial Statements

Three and six months ended May 31, 2015 and 2014

Unaudited – Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

Precipitate Gold Corp.
Consolidated Statements of Financial Position
Unaudited – Prepared by Management
In Canadian Dollars

ASSETS		**May 31, 2015 (Unaudited)**		**November 30, 2014 (Audited)**
Current				
Cash	$	325,844	$	836,607
Amounts receivable		7,317		21,607
Tax credit receivable		-		-
Prepaid expenses		11,025		24,244
		344,186		882,458
Mineral Property Interests (Schedule)		2,802,436		2,552,436
	$	3,146,622	$	3,434,894
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	29,699	$	42,880
SHAREHOLDERS' EQUITY				
Share Capital (Note 5)		7,485,758		7,325,758
Reserves (Note 5)		1,441,852		1,430,433
Deficit		(5,810,687)		(5,364,177)
		3,116,923		3,392,014
	$	3,146,622	$	3,434,894

Nature of Operations and Going Concern *(Note 1)*
Subsequent Event *(Note 10)*

Approved by the Board of Directors:

"Jeffrey Wilson"	*"Darryl Cardey"*
Jeffrey Wilson, Director	Darryl Cardey, Director

– See Accompanying Notes –

Precipitate Gold Corp.

Consolidated Interim Statements of Loss and Comprehensive Loss

For the Three and Six Months Ended May 31, 2015 and 2014

Unaudited – Prepared by Management
In Canadian Dollars

	Three Months Ended May 31, 2015	Three Months Ended May 31, 2014	Six Months Ended May 31, 2015	Six Months Ended May 31, 2014
Expenses				
Audit and accounting	$ 7,800	$ 10,000	$ 15,300	$ 17,800
Directors' fees	12,000	12,000	24,000	24,000
Exploration and evaluation (Note 4(g))	52,676	161,983	228,202	233,016
Foreign exchange loss (gain)	817	1,569	(5,588)	1,966
Insurance	2,617	3,018	5,277	6,055
Investor relations	2,975	3,156	13,585	4,134
Legal	354	776	1,111	1,536
Marketing, conferences and shareholder relations	13,132	5,206	32,715	16,258
Office and administrative	8,724	6,107	21,739	17,882
Property investigation costs	-	1,125	-	24,836
Rent	3,000	2,825	6,000	5,825
Salaries and wages	39,126	41,029	81,151	80,965
Share based compensation	4,719	27,177	11,419	33,842
Transfer agent and filing fees	6,503	5,147	13,494	14,164
Total Expenses	154,443	281,118	448,405	482,279
Other Income (Expenses):				
Interest income	(675)	(1,708)	(1,895)	(3,806)
Write-off of mineral property interests	-	993	-	993
Net loss and comprehensive loss for the period	153,768	280,403	$ 446,510	$ 479,466
Loss per share, basic and diluted	$ 0.00	$ 0.01	$ 0.01	$ 0.02
Weighted average shares outstanding	39,051,658	29,240,724	38,765,944	29,053,851

– See Accompanying Notes –

Precipitate Gold Corp.

Consolidated Interim Statements of Cash Flows
For the Six Months Ended May 31, 2015 and 2014

Unaudited – Prepared by Management
In Canadian Dollars

Cash Provided By (Used In):	2015	2014
Operating activities:		
Loss for the period	$ (446,510)	$ (479,466)
Items not affecting cash:		
Share based compensation	11,419	33,842
Write-off of mineral property interests	-	993
Change in non-cash working capital:		
Accounts receivable	14,290	6,643
Prepaid expenses	13,219	840
Tax credit receivable	-	26,909
Accounts payable and accrued liabilities	(13,181)	(9,114)
	(420,763)	(419,353)
Investing activities:		
Mineral property acquisition costs (Note 4(f))	(90,000)	-
Financing activities:		
Proceeds from issuance of shares (Note 5)	-	1,043,000
Share issue costs	-	(9,436)
	-	1,033,564
Net increase (decrease) in cash and cash equivalents	(510,763)	614,211
Cash and cash equivalents - beginning of period	836,607	789,524
Cash and cash equivalents - end of period	$ 325,844	$ 1,403,735

- See Accompanying Notes -

Precipitate Gold Corp.

Consolidated Interim Statements of Changes in Equity
For the Six Months Ended May 31, 2015 and 2014

Unaudited – Prepared by Management
In Canadian Dollars

	Share Capital		Reserves			
	Shares	Amount $	Warrants $	Options $	Deficit $	Total $
Balance, November 30, 2013 *(Audited)*	28,862,825	6,418,533	182,000	785,702	(3,962,022)	3,424,213
Comprehensive loss	-	-	-	-	(479,466)	(479,466)
Private placement	6,953,333	1,043,000	-	-	-	1,043,000
Fair value of warrants		(274,000)	274,000	-	-	-
Share issue costs	-	(9,436)	-	-	-	(9,436)
Share based compensation	-	-	-	33,842	-	33,842
Balance, May 31, 2014 *(Unaudited)*	35,816,158	7,178,097	456,000	819,544	(4,441,488)	4,012,153
Comprehensive loss	-	-	-	-	(922,689)	(922,689)
Private placement	2,235,500	290,615	-	-	-	290,615
Fair value of warrants		(118,615)	118,615	-	-	-
Share issue costs	-	(16,039)	-	-	-	(16,039)
Fair value of warrants issued as finder's fee	-	(8,300)	8,300	-	-	-
Fair value of warrants issued for mineral property	-	-	1,303	-	-	1,303
Share-based compensation	-	-	-	26,671	-	26,671
Balance, November 30, 2014 *(Audited)*	38,051,658	7,325,758	584,218	846,215	(5,364,177)	3,392,014
Comprehensive loss	-	-	-	-	(446,510)	(446,510)
Shares issued for mineral property acquisition	1,000,000	160,000	-	-	-	160,000
Share based compensation	-	-	-	11,419	-	11,419
Balance, May 31, 2015 *(Unaudited)*	39,051,658	7,485,758	584,218	857,634	(5,810,687)	3,116,923

– See Accompanying Notes –

Precipitate Gold Corp.
Schedule of Mineral Property Acquisition Costs
In Canadian Dollars

	Reef Property	Bright Property	Gemini and Horneline Properties	Juan de Hererra Property	Artur and Escalibur Properties	Cecilia Property	Total
Balance – November 30, 2013	$ 2,460,113	$ 38,566	$ 13,218	$ 107,417	$ -	$ 5,800	$ 2,625,114
Acquisition – warrants	-	-	-	-	1,303	-	1,303
Write-off of mineral property	(28,622)	(38,566)	(993)	-	-	(5,800)	(73,981)
Balance – November 30, 2014	2,431,491	-	12,225	107,417	1,303	-	2,552,436
Acquisition – cash	-	-	-	90,000	-	-	90,000
Acquisition - shares	-	-	-	160,000	-	-	160,000
Balance – May 31, 2015	$ 2,431,491	$ -	$ 12,225	$ 357,417	$ 1,303	$ -	$ 2,802,436

Precipitate Gold Corp.
Schedule of Mineral Property Exploration and Evaluation Expenditures
For the Six Months Ended May 31, 2015
In Canadian Dollars

	Reef Property	Bright Property	Gemini and Horneline Properties	Juan de Hererra Property	Artur and Escalibur Properties	Cecilia Property	Total
Assays	$ -	$ -	$ -	$ 4,378	$ -	$ -	$ 4,378
Camp and general	-	-	4,284	6,473	2,935	-	13,692
Consulting	-	-	-	54	-	-	54
Field equipment and supplies	-	-	-	1,226	-	-	1,226
Foreign sales tax credit	-	-	-	8,417	-	-	8,417
Fuel	-	-	-	1,814	-	-	1,814
Geological	-	-	-	46,140	-	-	46,140
Geophysics	-	-	-	53,595	-	-	53,595
Legal	-	-	-	212	-	-	212
Maps, orthophotos, and reports	-	-	-	865	-	-	865
Office	-	-	-	81,082	1,349	3,502	85,933
Salaries and benefit	-	-	-	3,253	-	-	3,253
Transportation	-	-	-	2,162	-	-	2,162
Travel, meals, and accommodation	-	-	-	6,461	-	-	6,461
Total exploration and evaluation expenditures	$ -	$ -	$ 4,284	$ 216,132	$ 4,284	$ 3,502	$ 228,202

Precipitate Gold Corp.
Schedule of Mineral Property Exploration and Evaluation Expenditures
For the Six Months Ended May 31, 2014
In Canadian Dollars

	Reef Property	Bright Property	Gemini and Horneline Properties	Juan de Hererra Property	Artur and Escalibur Properties	Cecilia Property	Total
Assays	$ -	$ -	$ -	$ 4,722	$ -	$ 13,808	$ 18,530
Camp and general	-	-	-	107	-	-	107
Consulting	-	-	-	53	-	-	53
Field equipment and supplies	-	-	534	5,290	-	-	5,824
Foreign sales tax credit	-	-	-	7,017	-	-	7,017
Fuel	-	-	-	1,772	-	-	1,772
Geological	-	-	-	55,125	-	15,892	71,017
Geophysics	-	-	-	47,158	-	-	47,158
Legal	-	-	-	-	-	2,239	2,239
Maps, orthophotos, and reports	-	-	-	3,410	-	12,099	15,509
Office	-	-	-	50,383	-	3,273	53,656
Salaries and benefit	-	-	-	61	-	-	61
Transportation	-	-	-	4,583	-	-	4,583
Travel, meals, and accommodation	-	-	-	5,490	-	-	5,490
Total exploration and evaluation expenditures	$ -	$ -	$ 534	$ 185,171	$ -	$ 47,311	$ 233,016

1. Nature of Operations and Going Concern

Precipitate Gold Corp. (the "Company") was incorporated on January 31, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the Dominican Republic. The head office, principal address, and records office of the Company are located at 789 West Pender Street, Suite 800, Vancouver, British Columbia, V6C 1H2, Canada.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These consolidated condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At May 31, 2015, the Company had not achieved profitable operations, had an accumulated deficit of $5,810,687 since inception and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These consolidated condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

2. Basis of Presentation

a) Statement of compliance

These condensed 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 the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Approval of the Financial Statements

These consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors on July 28, 2015.

2. Basis of Presentation - *Continued*

c) Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its four wholly-owned subsidiaries: 1) 0945044 BC Ltd., incorporated in British Columbia, Canada, which owns 100% of Corporacion Minera San Juan, S.R.L. located in the Dominican Republic; 2) Minera Pendiente S.A. de C.V., incorporated and located in Mexico; 3) Precipitate Gold (USA) Corp. incorporated and located in the United States; and 4) Precipitate Dominicana S.R.L. located in the Dominican Republic.

d) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These consolidated interim financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. The functional currencies of the Company's subsidiaries do not differ from that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

e) Significant Accounting Policies

These unaudited condensed interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended November 30, 2014 which in Note 3 detail all significant accounting policies adopted by the Company.

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed interim financial statements.

2. Basis of Presentation – *Continued*

f) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: recoverability and impairment of mineral properties and valuation of share-based payments.

Significant estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

Recoverability of capitalized mineral property costs

The Company uses the cost model and the value of the mineral property interests is based on expenditures incurred, less any recoveries or impairment. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts and circumstances exist that suggests the carrying amount exceeds the recoverable amount.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 5.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements is included in the following notes:

Note 1 – going concern assessment
Note 3 – functional currency
Note 4 – impairment of exploration and evaluation assets

3. Recent Accounting Pronouncements

The nature and the impact of each standard are described below:

IFRS 10 Consolidated Financial Statements ("IFRS 10") provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. There was no impact on the Company's financial statements upon adoption of this standard on December 1, 2013.

IFRS 13 Fair Value Measurement ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. There was no impact on the Company's financial statements upon adoption of this standard on December 1, 2013.

Recent Accounting Pronouncements not yet applied:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for future accounting periods. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 9 Financial Instruments ("IFRS 9") partially replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39.The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective on or after January 1, 2018.

4. Mineral Properties

a) Reef Property, Yukon

The Company's principal property, also referred to as the "Reef Property" (the "Principal Property"), is located in the Yukon Territory. The Reef Property is comprised of the following mineral quartz claims:

i) The Reef I-48 claims, which forms part of the Fireside Properties (Note 4a(i));
ii) All of the Jay East Property (Note 4a(ii)); and
iii) The Bloom I-262 claims (staked by the Company).

4. Mineral Properties – *Continued*

a) Reef Property, Yukon – *Continued*

(i) Fireside Properties

On April 23, 2013, the Company revised the April 14, 2011 Fireside Agreement with Strategic Metals Ltd ("Strategic"). In the revised agreement, the Company and Strategic agreed to the following terms:

- The Company has fully exercised its option and completed the acquisition of a 100% interest in the Reef, Papua, and Borneo properties in southeast Yukon, subject to a 2% net smelter return ("NSR") to Strategic;
- The Company has terminated the option on 14 remaining Fireside properties, with Strategic retaining its 100% interest in those claims; and
- No further payments or expenditures are required by the Company.

During the year ended November 30, 2014, the claims relating to the Papua property had expired and therefore staking costs of $28,622 relating to the Papua property were written off.

(ii) Jay East Property

On August 10, 2013, the Company completed a purchase agreement with Bearing Resources Ltd. ("Bearing") whereby the Company agreed to acquire from Bearing a 100% interest in the Jay East mining claims in the Yukon Territory. In exchange for the 100% interest in the property, Precipitate granted Bearing a 2.0% NSR on the claims, of which one-half of the NSR can be purchased at any time for $1.0 million. The purchase agreement replaces the July 29, 2011 Jay East Option Agreement whereby the Company had the right to acquire up to 70% of the property.

b) Bright Property, Yukon

The Company acquired the Bright property, located in Yukon Territory, through staking. During the year ended November 30, 2014, the claims making up the Bright property had expired and therefore the staking costs of $38,566 relating to the Bright property were written off.

c) Gemini and Horneline Properties, British Columbia

The Company acquired the Gemini and Horneline properties, located in the British Columbia, through staking. During the year ended November 30, 2014, the claims making up the Horneline property had expired and therefore the staking costs of $993 relating to the Horneline property were written off.

4. Mineral Properties – *Continued*

d) Properties in the Dominican Republic

On November 9, 2012, the Company acquired 100% ownership of the shares of 0945044 BC Ltd., a private BC registered company ("BC Corp.") which owns a 100% interest in the application for the Juan de Hererra, Higos Blancos and Hato Nuevo gold exploration concessions ("Dominican Republic properties") in the Dominican Republic through Corporacion Minera San Juan, S.R.L. ("CMSJ"), its wholly-owned subsidiary. The agreement was amended on October 9, 2013 whereby all the cash payments and share payment obligations will be deferred by 12 months. The Company paid $60,000 to acquire the shares of BC Corp. from certain shareholders of the Company.

In order for the Company to maintain its right, title and interest in BC Corp., the Company must complete the following cash payments, exploration expenditures and share issuances:

- Cash payments totalling $390,000 as follows:
  - $90,000 on or before January 12, 2015 (paid);
  - $150,000 on or before January 7, 2016; and
  - $150,000 on or before January 7, 2017;
- Incur exploration expenditures totalling $1,000,000 as follows:
  - $250,000 on or before January 7, 2015 (incurred);
  - $300,000 on or before January 7, 2016 (incurred); and
  - $450,000 on or before January 7, 2017 (incurred);
- Issue a total of 3,000,000 common shares of the Company as follows:
  - 1,000,000 common shares on or before January 12, 2015 (issued);
  - 1,000,000 common shares on or before January 7, 2016; and
  - 1,000,000 common shares on or before January 7, 2017;

The properties are subject to a 3% NSR from any base and precious metal commercial production. The Company may acquire 50% of the NSR by paying $2,000,000 to certain stakeholders of BC Corp.

On January 7, 2014, the Company's application for the exploration concessions over the Juan de Herrera Property was accepted by the Dominican Republic Ministry.

4. Mineral Properties – *Continued*

e) Artur and Escalibur Properties, Dominican Republic

On June 30, 2014, the Company, through CMSJ, entered into a property purchase and sale agreement with Gexplo S.R.L. and Santo Mining Corp. (the "Sellers") whereby the Sellers will sell, transfer and assign all their right, title and interest in and to the applications to the David and Richard properties, located in the Dominican Republic. The Sellers retain a 2.0% NSR on any future production from the David and Richard properties. On July 15, 2014, to complete the acquisition, 100,000 share purchase warrants in the capital of the Company were transferred to the Sellers. Each warrant can be exercised for one common share of the Company at $0.30 per share until October 15, 2014. The fair value of the warrants, calculated by using the Black-Scholes method, was determined to be $1,303 and was recorded to mineral property interest (see note 5c)).

On December 30, 2014, the Dominican Republic government cancelled the David and Richard properties' concession applications. Immediately afterward, in early January 2015, the Company, via its wholly owned Dominican subsidiary, Precipitate Dominicana S.R.L., re-applied for mineral rights for the same two areas. The Escalibur concession application (previously David) is located in the centre of the Juan de Herrera Property, while the Artur application (previously Richard) is a standalone property in the Pueblo Viejo district. On February 25, 2015, the property purchase and sale agreement with Gexplo S.R.L. and Santo Mining Corp. was terminated.

e) Properties in Mexico

On February 19, 2013, the Company signed an option agreement with Gunpoint Exploration Ltd. ("Gunpoint") whereby the Company has the right to acquire a 100% interest in the Cecilia gold-silver project in Sonora state, Mexico.

Under the terms of the agreement, which was amended on June 24, 2013, the Company can elect to complete the acquisition by making the following cash payments and issuing the following common shares to Gunpoint:

- 58,000 common shares of the Company at the completion of due diligence on October 24, 2013 (issued at a value of $5,800);
- $125,000 and 233,000 common shares on or before October 24, 2014; and
- $275,000 and 234,000 common shares on or before October 24, 2015.

A portion of the property is subject to a 1% NSR payable to the Mexican Government.

Based on results generated from the work carried by the Company during the term of the Cecilia property, the Company has decided to not to pursue the acquisition of the property and complete the remaining option payments due on October 24, 2014 and October 24, 2015. The Company has given Gunpoint written notice of termination of the option agreement. Therefore, acquisition costs relating to the Cecilia project of $5,800 were written off as at November 30, 2014.

5. Shareholders' Equity

a) Authorized

Unlimited number of common shares without par value

b) Issued Share Capital

Share transactions for the six months ended May 31, 2015:

(i) In January 2015, the Company issued 1,000,000 common shares as part of the agreement to maintain its right, title and interest in BC Corp. (see Note 4d)). The shares had a fair value of $160,000 calculated based on the market price of the Company's shares on the date of issue.

Share transactions for the year ended November 30, 2014:

(ii) On May 26, 2014, the Company completed a non-brokered private placement of 6,953,333 units at a price of $0.15 per unit for gross proceeds of $1,043,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share for a period of 12 months from May 26, 2014. The Company has the right to accelerate the expiry date of the warrants if the daily volume weighted average trading price of the common shares of the Company is equal to or exceeds $0.50 for a period of 10 consecutive trading days, commencing four months after the date the warrants are issued.

Gross proceeds from this financing were allocated $769,000 to share capital and $274,000 to warrant reserves based on their relative fair values. The Company paid $12,692 of share issue costs related to the private placement which was offset against share capital.

(iii) On November 25, 2014, the Company completed a non-brokered private placement of 2,235,500 units at a price of $0.13 per unit for gross proceeds of $290,615. Each unit consists of one common share and one warrant. The Company issued 80,130 warrants as finder's fee. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per until November 25, 2017. The Company has the right to accelerate the expiry date of the warrants if the daily volume weighted average trading price of the common shares of the Company is equal to or exceeds $0.50 for a period of 10 consecutive trading days, commencing four months after the date the warrants are issued.

Gross proceeds from this financing were allocated $172,000 to share capital and $118,615 to warrant reserves based on their relative fair values. The Company paid $12,783 of share issue costs related to the private placement which was offset against share capital. The fair value of the warrants was determined to be $8,300 using the Black-Scholes pricing model (see note 5d)) and was offset against share capital.

In Canadian Dollars

5. Shareholders' Equity

c) Warrants

Details of non flow-through warrant activity for the six months ended May 31, 2015 are as follows:

November 30, 2014	Issued	Expired Unexercised	May 31, 2015	Exercise Price	Expiry Date
3,333,332	-	(3,333,332)	-	$0.25	May 16, 2015
6,953,333	-	-	6,953,333	$0.25	May 26, 2016
2,315,630	-	-	2,315,630	$0.25	November 25, 2017
12,602,295	-	(3,333,332)	9,268,963	$0.25	

During the six months ended May 31, 2015, the expiry date of 6,953,333 warrants with exercise price of $0.25 was extended from May 26, 2015 to May 26, 2016.

d) Share Options

On December 5, 2011, the Company adopted a rolling share option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's shares calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's share option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule at its discretion.

Details of activity in share purchase options for six months ended May 31, 2015 are as follows:

November 31, 2014	Issued	Cancelled	Expired	May 31, 2015	Exercise Price	Expiry Date
1,530,000	-	-	-	1,530,000	$0.40	May 29, 2017
150,000	-	-	-	150,000	$0.46	August 21, 2017
150,000	-	-	-	150,000	$0.40	September 5, 2017
150,000	-	-	-	150,000	$0.25	December 3, 2017
150,000	-	-	-	150,000	$0.25	January 7, 2018
510,000	-	-	-	510,000	$0.20	April 14, 2019
2,640,000	-	-	-	2,640,000	$0.35	

During the six months ended May 31, 2015, the Company recorded share-based compensation of $11,419 (2014 - $33,842) for options that vested during the period.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

e) Escrow Shares

Pursuant to an escrow agreement dated February 1, 2012, 2,665,000 common shares were placed in escrow. 10% of the escrowed shares (266,500 shares) were released from escrow upon completion of the IPO on May 24, 2012, and 15% of the shares are released from escrow every 6 months thereafter. As of May 31, 2015, all of the shares were released from escrow.

Pursuant to an escrow agreement dated May 24, 2012, 3,846,367 Strategic Shares were placed in escrow ("Strategic Escrowed Shares"). 10% of the Strategic Escrowed Shares (384,637 shares) were released from escrow upon completion of the IPO, and 15% of the shares are released from escrow every 6 months thereafter. As of May 31, 2015, all of the shares were released from escrow.

6. Segmented Information

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the Dominican Republic.

b) Geographic Segments

The Company's geographic information as at May 31, 2015 and November 30, 2014 are as follows:

As at May 31, 2015	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ 2,443,716	$ 358,720	-	$ 2,802,436
Other assets	331,678	6,848	5,660	344,186
Total	$ 2,775,394	$ 365,568	5,660	$ 3,146,622

As at November 30, 2014	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ 2,443,716	$ 108,720	-	$ 2,552,436
Other assets	824,658	49,936	7,864	882,458
Total	$ 3,268,374	$ 158,656	7,864	$ 3,434,894

In Canadian Dollars

7. Related Party Transactions

Key management personnel consist of directors and senior management including the President, Chief Executive Officer and Vice President of Exploration and Chief Financial Officer. Key management personnel compensation for the six months ended May 31, 2015 and 2014 includes:

	2015	2014
Salaries and wages	$ 77,500	$ 77,500
Geological consulting	38,375	50,625
Property investigation costs	-	16,875
Accounting and office and administration expense	21,000	22,500
Directors' fees	24,000	24,000
Share-based compensation	10,299	27,410
	$ 171,174	$ 218,910

The accounts payable and accrued liabilities of the Company as at May 31, 2015 and as at November 30, 2014 include the following amounts due to related parties:

	May 31, 2015	November 30, 2104
Key management personnel	$ 10,200	$ 15,222

8. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements as at May 31, 2015.

9. Financial Instruments

a) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. Cash is measured using level one of the fair value hierarchy.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that all amounts are fully collectible.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

9. Financial Instruments – Continued

e) Political Risk

The Company has subsidiaries in the Dominican Republic, the United States and Mexico. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

f) Foreign Currency Fluctuation Risk

The Company has vendors in Canada, the United States, the Dominican Republic and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions. The Company's exposure to foreign currency fluctuations is minimal.

10. Subsequent Event

On June 23, 2015, the Company completed a non-brokered private placement of 1,163,483 units at a price of $0.12 per unit for gross proceeds of $139,618. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles holder to purchase one additional common share at a price of $0.17 per share until June 23, 2017, subject to the Company's right to accelerate the expiry date of the warrants if the daily volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange is equal or exceeds $0.35 for a period of 10 consecutive trading days between October 24, 2015 and June 23, 2017.

The Company paid finders' fee of $6,000 and issued 50,000 finders' fee warrants. Each finders' fee warrants entitles holder to purchase one common share of the Company at a price of $0.17 per share until June 23, 2017, subject to the same acceleration as the related private placement.