MAMMOTH RESOURCES CORP.

Condensed Consolidated Interim Financial Statements of

Mammoth Resources Corp.

For the three and nine months ended
October 31, 2014 and 2013
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 unaudited condensed consolidated interim financial statements (the "Financial Statements") they must be accompanied by a notice indicating that the Financial Statements have not been reviewed by an auditor.

The accompanying Financial Statements of the Mammoth Resources Corp. (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

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

	October 31 2014 $	January 31 2014 $
ASSETS		
Current		
Cash	**513**	2,760
Government taxes recoverable (note 4)	**64,023**	49,651
Prepaid expenses	**13,771**	38,858
	78,307	91,269
Non-current		
Equipment (note 5)	**20,246**	30,528
Exploration and evaluation assets (note 6)	**891,821**	672,050
	990,374	793,847
LIABILITIES		
Current		
Trade payables and accrued liabilities	**169,189**	208,816
Loan from officer (note 9)	**-**	20,000
Due to related parties (note 9)	**130,620**	19,012
	299,809	247,828
Deferred income tax liability	**50,000**	50,000
	349,809	297,828
SHAREHOLDERS' EQUITY		
Share capital, warrants and share-based payment reserves (note 7)	**3,118,335**	2,751,639
Share subscriptions receivable	**-**	(35,740)
Accumulated deficit	**(2,477,770)**	(2,219,880)
	640,565	496,019
	990,374	793,847

The accompanying notes are an integral part of these condensed consolidated interim financial statements.
Nature of operations and going concern (notes 1 and 2)

Approved on behalf of the board on December 22, 2014

(signed) "Tom Atkins"
Director

(signed) "Nigel Kirkwood"
Director

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	October 31 2014 $	October 31 2013 $	**October 31 2014 $**	October 31 2013 $
Expenses				
General and administrative (note 10)	**20,033**	57,666	**58,560**	149,898
Consulting fees	**42,213**	33,959	**91,156**	85,172
Professional fees	**4,233**	7,784	**56,320**	44,527
Share-based payments (note 7)	**-**	58,313	**24,646**	74,395
Depreciation	**-**	487	**-**	1,445
Foreign exchange	**23,963**	6,162	**2,208**	1,013
Total operating expenses	**90,442**	164,371	**232,890**	356,450
Write off of share subscription receivable (note 7)	**25,000**		**25,000**	-
Write-off of exploration and evaluation assets (note 6)	-	-	**-**	627,056
Net loss and comprehensive loss for the year	**115,442**	164,371	**257,890**	983,506
Loss per share - basic and diluted (note 8)	**0.00**	0.01	**0.01**	0.05
Weighted average number of shares outstanding – basic and diluted	**33,485,954**	16,386,513	**30,520,636**	16,283,551

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

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

		For the nine months ended
	October 31	October 31
	2014	2013
	$	$
Operating activities		
Loss for the period	**(257,890)**	(983,506)
Adjustments for non-cash items:		
Depreciation	**-**	1,445
Write-off of exploration and evaluation assets	**-**	627,056
Write-off of share subscriptions receivable	**25,000**	-
Share-based payments	**24,646**	74,395
Net change in non-cash working capital balances:		
Government taxes recoverable	**(14,372)**	(32,622)
Prepaid expenses	**25,087**	(34,020)
Trade payables and accrued liabilities	**(39,627)**	64,882
Related party account payables	**6,264**	39,056
Common shares to be issued	**-**	48,750
Net cash provided from (used in) operating activities	**(230,892)**	(194,564)
Investing activities		
Exploration and evaluation assets	**(103,937)**	(392,734)
Disposal (purchase) of capital assets	**2,292**	(20,246)
Net cash used in investing activities	**(101,645)**	(412,980)
Financing activities		
Repayment of loan from officer	**(20,000)**	-
Common shares issued for cash	**326,210**	496,420
Share issuance costs	**(4,860)**	(2,400)
Exercise of stock options	**28,940**	-
Exercise of warrants	**-**	8,000
Net cash provided by financing activities	**330,290**	502,020
Net change in cash	**(2,247)**	(105,524)
Cash, beginning of the period	**2,760**	252,904
Cash, end of the period	**513**	147,380
Supplemental cash flow information:		
Common shares issued for property acquisition	**2,500**	-
Transfer to share capital from reserves on exercise of options	**-**	7,482
Depreciation capitalized to exploration and evaluation assets	**7,990**	8,285
Trade payables and accrued liabilities balances in exploration and evaluation costs	**114,707**	144,297

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

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share capital		Warrants	Share-based payments reserves	Sub-total	Share subscriptions receivable	Accumulated deficit	Total
	#	$	$	$	$	$	$	$
Balance, January 31,2013	**16,135,000**	**1,533,284**	**-**	**494,502**	**2,027,786**	**-**	**(995,235)**	**1,032,551**
Issuance of common shares	11,082,400	496,420	-	-	107,120	-	-	107,120
Share issuance costs		(2,400)						
Shares issued for property acquisition	100,000	8,500	-	-	8,500	-	-	8,500
Exercise of warrants	100,000	8,000	-	-	8,000	-	-	8,000
Share-based payments	-	-	-	16,082	16,082	-	-	16,082
Net loss for the period	-	-	-	-	-	-	(819,135)	(819,135)
Balance, October 31, 2013	**27,417,400**	**2,043,804**	**-**	**510,584**	**2,159,488**	**-**	**1,814,370**	**345,118**
Issuance of common shares	1,105,000	112,950	-	-	502,250	(25,000)	-	477,250
Share issuance costs	-	(19,036)	5,436	-	(13,600)	-	-	(13,600)
Shares issued for property acquisition	125,000	5,000	-	-	5,000	-	-	5,000
Share-based payments	-	-	-	79,761	79,761	-	-	79,761
Exercise of stock options	179,000	18,222	-	(7,482)	10,740	(10,740)	-	-
Net loss for the period	-	-	-	-	-	-	(405,510)	(405,510)
Balance, January 31, 2014	**28,826,400**	**2,163,340**	**5,436**	**582,863**	**2,751,639**	**(35,740)**	**(2,219,880)**	**496,019**
Issuance of common shares	9,320,285	326,210			326,210	-	-	326,210
Share issuance costs	-	(7,743)	2,883	-	(4,860)	-	-	(4,860)
Shares issued for property acquisition	125,000	2,500	-	-	2,500		-	2,500
Write off of share subscriptions receivable	-	-	-	-	-	25,000	-	25,000
Exercise of stock options	303,333	30,879	-	(12,679)	18,200	10,740	-	28,940
Share-based payments	-	-	-	24,646	24,646	-	-	24,646
Net loss for the period	-	-	-	-	-	-	(257,890)	(257,890)
Balance, October 31, 2014	**38,826,400**	**2,515,186**	**8,319**	**594,830**	**3,118,335**	**-**	**(2,477,770)**	**640,565**

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

1. Nature of operations

Mammoth Resources Corp. ("Mammoth" or the "Company") was incorporated on January 7, 2011 under the *Canada Business Corporations Act*, and is involved in the acquisition, exploration and evaluation of mining properties in Mexico. Its stock is listed on the TSX Venture Exchange under the symbol MTH. The head office of the Company is located at 410-150 York Street, Toronto, Ontario, Canada M5H 3S5. The registered and records office of the Company is located at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada V6E 3X1.

Mammoth is an exploration stage company and currently has interests in mineral exploration properties in Mexico. Substantially all of the Company's efforts are devoted to financing and developing these properties and/or acquiring new ones. There has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable.

2. Going concern

These condensed consolidated interim financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes 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. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the nine months ended October 31, 2014, the Company incurred a net loss of $257,890 (2013 – $983,506), and used cash from operations of $230,892 (2013 - used cash from operations of $194,564). As at October 31, 2014, the Company had an accumulated deficit of $2,477,770 (January 31, 2014 - $2,219,880) and a working capital deficit of $221,502 (January 31, 2014 – $156,559). The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations. The Company also is dependent upon its ability to continue to raise adequate financing and there can be no assurances that the Company will be successful. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values. The Company is actively targeting sources of additional financing which may assure continuation of the Company's operations and exploration programs.

3. Basis of preparation and significant accounting policies

Statement of compliance
The Company prepares its condensed consolidated interim financial statements (the "Financial Statements") in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended January 31, 2014 and have been prepared using accounting policies consistent with those used in the Company's January 31, 2014 annual consolidated financial statements except for new standards and amendments mandatorily effective for the first time from February 1, 2014.

(Expressed in Canadian dollars)

New and amended standards adopted effective February 1, 2014

IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities"
IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, Financial Instruments: Presentation
IAS 32 is amended to clarify requirements for offsetting of financial assets and financial liabilities.

The adoption of the above standards did not have an impact on the condensed consolidated interim financial statements.

These Financial Statements were approved by the Board of Directors for issue on December 22, 2014.

4. Government taxes recoverable

The Company's receivables arise from two main sources: harmonized sales tax ("GST"/"HST") receivable due from Canadian government taxation authorities and value added tax ("VAT") due from Mexican government taxation authorities. The receivables balance is broken down as follows:

	October 31 2014 $	January 31 2014 $
GST/HST Recoverable	**33,789**	25,554
Mexican Sales Tax (VAT)	**30,234**	24,097
	64,023	49,651

The Company exercises judgment in presenting the Mexican Sales Tax (VAT) recoverable as current or non-current. It is management's judgment that the VAT recoverable is due and owing, and as such, the receivable is a current asset.

(Expressed in Canadian dollars)

5. Equipment

For the nine months ended October 31, 2014	Cost beginning of period	Additions disposals	Impairment	Cost end of period
	$	$	$	$
Equipment	10,300	-	-	10,300
Vehicles	36,035	(2,292)	-	33,743
	46,335	**(2.292)**	**-**	**44,043**

For the nine months ending October 31, 2014	Accumulated depreciation beginning of period	Depreciation	Accumulated depreciation end of period	Net book value
	$	$	$	$
Equipment	8,405	2,595	10,300	-
Vehicles	7,402	6,095	13,497	20,246
	15,807	**7,990**	**23,797**	**20,246**

For the year ended January 31, 2014	Cost beginning of year	Additions	Impairment	Cost end of year
	$	$	$	$
Equipment	10,300	-	-	10,300
Vehicles	15,789	20,246	-	36,035
	26,089	**20,246**	**-**	**46,335**

For the year ending January 31, 2014	Accumulated depreciation beginning of year	Depreciation	Accumulated depreciation end of year	Net book value
	$	$	$	$
Equipment	2,348	6,057	8,405	1,895
Vehicles	3,729	3,673	7,402	28,633
	6,077	**9,730**	**15,807**	**30,528**

(Expressed in Canadian dollars)

6. Exploration and evaluation assets

The Company has incurred the following acquisition costs and deferred exploration costs on its exploration and evaluation assets:

For the nine months ended October 31, 2014	**Urique Project** $	**Tenoriba Project** $	**Total** **$**
Acquisition costs, January 31, 2014	-	18,398	**18,398**
Additions	-	25,858	**25,858**
Acquisition costs, October 31, 2014	-	44,256	**44,256**
Deferred exploration costs, January 31, 2014	-	653,652	**653,652**
Additions for nine months ended October 31, 2014			
Depreciation	-	7,989	**7,989**
Geophysics	-	-	**-**
Geology	-	125,918	**125,918**
Professional fees	-	1,445	**1,445**
Supplies	-	11,395	**11,395**
Taxes and permitting	-	31,786	**31,786**
Travel and accommodation	-	15,381	**15,381**
	-	193,914	**193,914**
Deferred exploration costs, October 31, 2014	-	847,566	**847,566**
Total exploration and evaluation assets, October 31, 2014	-	891,822	**891,822**

For the year ended January 31, 2014	**Urique Project** $	**Tenoriba Project** $	**Total** **$**
Acquisition costs, January 31, 2013	75,000	-	**75,000**
Additions	-	18,398	**18,398**
Write-off of acquisition costs	(75,000)		**(75,000)**
Acquisition costs, January 31, 2014	-	18,398	**18,398**
Deferred exploration costs, January 31, 2013	548,714	197,075	**745,789**
Additions for year ended January 31, 2014			
Depreciation	-	8,285	**8,285**
Geophysics	-	74,915	**74,915**
Geology	-	206,629	**206,629**
Supplies	3,342	24,478	**27,820**
Taxes and permitting	-	64,485	**64,485**
Travel & accommodation	-	77,785	**77,785**
	3,342	456,577	**459,919**
Write-off of deferred exploration costs	(552,056)	-	**(552,056)**
Deferred exploration costs, January 31, 2014	-	653,652	**653,652**
Total exploration and evaluation assets, January 31, 2014	-	672,050	**672,050**

Tenoriba Project
On July 3, 2012 the Company signed a definitive agreement with two private Mexican citizens to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). The Tenoriba project is comprised of three concessions, Mapy 1, Mapy 2 and Fernanda.

The terms of the Agreement permit the Company to acquire a 100% interest in the Tenoriba property by issuing a total of 900,000 common shares and making total cash payments of US$160,000 to the vendors over the four year option period and spending US$1,000,000 in exploration expenditures on or before June 30, 2016. The Agreement also allows for a 2% NSR royalty payable to the vendors upon commercial production. The royalty can be purchased by the Company at any time within a three year period from commencement of commercial production for US$1,500,000.

<u>‘Fernanda’ Concession Option Details</u>
Pursuant to the Agreement the Company will issue 425,000 common shares and make cash payments of US$97,500 as follows:

1. 50,000 common shares and USD$5,000 on or before December 30, 2012 (issued and paid);
2. 50,000 common shares and USD$5,000 on or before June 30, 2013 (issued and paid);
3. 50,000 common shares and USD$12,500 on or before December 30, 2013 (issued and US$6,250 paid with the remaining US$6,250 agreed to be paid by July 1, 2014 with interest, not paid);
4. 50,000 common shares and USD$12,500 on or before June 30, 2014 (issued, not paid);
5. 50,000 common shares and USD$12,500 on or before December 30, 2014;
6. 50,000 common shares and USD$12,500 on or before June 30, 2015;
7. 62,500 common shares and USD$18,750 on or before December 30, 2015 and
8. 62,500 common shares and USD$18,750 on or before June 30, 2016

<u>‘Mapy’ Concession Option Details</u>
Pursuant to the Agreement the Company will issue 475,000 common shares and make cash payments of US$62,500 as follows:

1. 75,000 common shares on or before December 30, 2013 (issued);
2. 75,000 common shares on or before June 30, 2014 (issued);
3. 75,000 common shares and USD$12,500 on or before December 30, 2014;
4. 75,000 common shares and USD$12,500 on or before June 30, 2015;
5. 87,500 common shares and USD$18,750 on or before December 30, 2015 and;
6. 87,500 common shares and USD$18,750 on or before June 30, 2016

Urique Project
On September 8, 2011, the Company entered into an option agreement with Yale Resources Ltd. (“Yale”), subsequently amended by an amending agreement dated October 7, 2011 (the “Amending Agreement”), pursuant to which the Company can earn up to a 100% interest in 11 mining concessions, known as the Urique Project, owned by Yale (the “Option Agreement”).

On May 24, 2013, the Company decided to terminate the Option Agreement and return the property to Yale; as a result of the termination, all of the acquisition costs and deferred exploration costs were written-off.

7. Shareholders’ equity

Share capital
The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

During the nine months ended October 31, 2014, 303,333 stock options were exercised for proceeds of $28,940.

On September 18 and 23, 2014, the Company completed a non-brokered private placement of 9,320,285 units at $0.035 per unit for gross proceeds of $326,210. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.10 per share until either September 18, 2016 or September 23, 2016. The Company issued 176,857 compensation options valued at $2,883. These options are exercisable at $0.10 until either September 18, 2016 or September 23, 2016.

During the nine months ended October 31, 2014, pursuant to the Tenoriba Option Agreement, the Company issued 125,000 common shares to the optionor valued at $2,500. During the year ended January 31, 2014, pursuant to the Tenoriba Option Agreement, the Company issued 225,000 common shares to the optionor valued at $13,500.

On July 23, 2013, the Company completed the first tranche of a non-brokered private placement of 2,142,400 units at $0.05 per unit for gross proceeds of $107,120. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until July 22, 2014 and at $0.10 from July 23, 2014 until July 23, 2015. The Company issued 80,000 compensation options valued at $2,472. These options are exercisable at $0.08 per share for the first year and $0.10 for the second.

On August 6, 2013, the Company completed the second tranche of a non-brokered private placement of 3,270,000 units at $0.05 per unit for gross proceeds of $163,500. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until August 6, 2014 and at $0.10 from August 7, 2014 until August 6, 2015.

On September 13, 2013, the Company completed the third tranche of a non-brokered private placement of 5,870,000 units at $0.05 per unit for gross proceeds of $293,500. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until September 13, 2014 and at $0.10 from September 14, 2014 until September 13, 2015. The Company issued 104,000 compensation options valued at $2,964. These options are exercisable at $0.08 per share for the first year and $0.10 for the second. Subsequent to closing of this tranche of the private placement the Company realized that a cash subscription for $25,000 was not received on closing and a certificate for 500,000 shares was issued and delivered in error. Legally, the shares are not issued and the share certificate is not valid. However, attempts to recover the money and retrieve the share certificate have been unsuccessful to date. Accordingly, the receivable has been written off, the transfer agent has been advised to refuse transfer of the share certificate and the warrants have been cancelled.

On November 27, 2013, the Company completed the fourth tranche of a non-brokered private placement of 905,000 units at $0.05 per unit for gross proceeds of $45,250. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until November 27, 2014 and at $0.10 from November 28, 2014 until November 27, 2015.

As at October 31, 2014, 1,071,000 shares are held in escrow. These shares are being released from escrow over a 36 month period from the date of the Initial Public Offering and completion of the Qualifying Transaction completed in fiscal 2011.

Stock options

On September 30, 2014 the shareholders of the Company approved the conversion of the Company's stock option plan (the "Plan") from a 20% fixed Plan to a 10% rolling Plan, where by the maximum number of common shares that may be reserved for issuance under it shall not exceed 10% of the then outstanding common shares at the time of grant. The terms upon which any options are issued under the plan are subject to vesting provisions determined by the board of directors. The term of any options granted may not exceed 10 years and their exercise price and vesting conditions will be determined by the board of directors pursuant to the policies of the TSX Venture Exchange.

(Expressed in Canadian dollars)

A summary of the Company's stock options and compensation stock options at October 31, 2014 is presented below:

	Number of options	**Weighted average exercise price $**
Outstanding, January 31, 2013	**2,633,000**	**0.20**
Granted	1,704,000	0.07
Exercised	(179,000)	0.06
Expired	(618,000)	0.17
Forfeited	(370,000)	0.10
Outstanding, January 31, 2014	**3,170,000**	**0.13**
Granted	482,333	0.06
Exercised	303,333	0.05
Options exercisable at October 31, 2014	**3,349,000**	**0.08**

The following table sets out the details of the stock options granted and outstanding:

Date of grant	**Remaining life years**	**Number of options**	**Exercise price $**
May 12, 2011	1.54	605,000	0.10
December 22, 2011	2.15	100,000	0.10
January 13, 2012	2.21	300,000	0.10
April 12, 2012	2.46	450,000	0.10
June 30, 2012	2.67	190,000	0.10
February 12, 2013	0.29	200,000	0.12
August 3, 2013	0.76	300,000	0.06
September 19, 2013	3.90	537,667	0.06
April 9, 2014	4.45	363,000	0.05
April 16, 2014	4.47	119,333	0.05
		3,165,000	

The following table sets out the details of the compensation stock options granted and outstanding:

Date of grant	**Remaining life years**	**Number of options**	**Exercise price $**
July 31, 2013	0.75	80,000	0.10
September 13, 2013	0.87	104,000	0.10
		184,000	

Share-based payments
The fair value of the stock options granted for the nine months ended October 31, 2014 was $24,646 or $0.04 per option (nine months ended October 31, 2014 - nil). The share-based payments expense for the nine months ended October 31, 2014 was $24,646 (for the nine months ended October 31, 2014 - $16,082).

(Expressed in Canadian dollars)

The following table sets out the details of the valuation of stock option grants during the year ended January 31, 2014 and the nine months ended October 31, 2014:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
August 3, 2013	300,000	1.75%	Nil	116.20%	2 years
September 19, 2013	1,020,000	2.12%	Nil	104.50%	5 years
April 9, 2014	363,000	1.71%	Nil	111.69%	5 years
April 16, 2014	119,333	1.65%	Nil	112.76%	5 years

The following table set out the details for the re-pricing of stock options during the year ended January 31, 2014:

Date of original grant	Number re-priced	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
December 22, 2011	100,000	1.13%	Nil	100.00%	3.61 years
January 13, 2012	300,000	1.13%	Nil	100.00%	3.67 years
April 12, 2012	450,000	1.13%	Nil	100.00%	3.92 years
June 30, 2012	560,000	1.13%	Nil	100.00%	4.13 years

The following table sets out the details of the valuation of compensation options granted during the year ended January 31, 2014:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
July 23, 2013	80,000	1.15%	Nil	99.90%	2 years
September 13, 2013	104,000	1.28%	Nil	103.55%	3 years

Warrants
The following table summarizes information on outstanding warrants as at October 31, 2014:

	Number of warrants	**Weighted average exercise price $**
Outstanding, January 31, 2013	3,000,000	0.40
Granted	12,187,400	0.10
Exercised	(100,000)	0.08
Expired	(3,000,000)	0.40
Outstanding, January 31, 2014	**12,087,400**	**0.08**
Granted	9,497,142	0.10
Cancelled	(500,000)	0.08
Outstanding, October 31, 2014	**21,084,542**	**0.10**

(Expressed in Canadian dollars)

The composition of the outstanding warrants as at October 31, 2014 consists of the following:

	Expiry range	Number of warrants	Price range $
Warrants	July 23, 2015	2,042,400	0.10
Warrants	August 6, 2015	3,270,000	0.10
Warrants	September 13, 2015	5,370,000	0.10
Warrants	November 27, 2015	905,000	0.10
Warrants	September 18, 2016	2,741,714	0.10
Warrants	September 23, 2016	6,755,428	0.10
		21,084,542	

8. Loss Per Share

The calculation of basic loss per share for the three and nine months ended October 31, 2014 was based on the loss attributable to common shareholders of $115,442 and $257,890 respectively (three and nine months ended October 31, 2013 - $164,371 and $983,506) and a weighted average number of common shares outstanding of 33,485,954 and 30,520,636.

9. Related party transactions and key management compensation

The Company defines its key management as the directors, Chief Executive Officer and Chief Financial Officer and Vice-President of Exploration. For the nine months ended October 31, 2014, key management compensation was $146,161 (for the nine months ended October 31, 2013 - $172,580) including share-based payments of $24,646 (for the nine months ended October 31, 2013 - $16,082).

The following table summarizes information on related party transactions:

	Nine months ended October 31	
	2014	2013
	$	$
Professional fees	**22,500**	18,000
Consulting fees	**59,656**	44,998
Rent	**8,000**	13,500
Geologic consulting costs included in exploration and evaluation assets	**122,961**	80,000
Share-based payments	**24,646**	16,082

During the year ended January 31, 2014, the Company entered into a loan agreement with an officer of the Company in the amount of $20,000, which was repaid during the period reducing the balance owing at October 31, 2014 to $nil. The loan incurred interest at Canadian prime rate (3%) plus 2% and was due on demand.

At October 31, 2014 related party accounts payable was $130,620 (January 31, 2014 - $19,012) in connection with various services provided to the Company, including professional fees, corporate and geological consulting fees and office rent.

(Expressed in Canadian dollars)

10. General and administrative expenses

The following table illustrates spending activity related to general and administrative expenses for the three and nine months ended October 31, 2014 and 2013:

	Three months ended October 31		**Nine months ended October 31**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Shareholder and investor relations	**3,023**	43,322	**16,881**	73,896
Office costs	**622**	4,512	**1,654**	16,859
Communications	**178**	1,612	**2,155**	7,279
Office rent	**1,475**	7,500	**11,255**	28,380
Regulatory and filing fees	**3,443**	200	**8,584**	10,187
Insurance	**11,292**	4,890	**17,054**	14,511
Travel and accommodations	**-**	(4,370)	**977**	(1,214)
	20,033	57,666	**58,560**	149,898

11. Financial instrument risk management

a) Fair value of financial instruments

The carrying values of cash, government taxes receivable and trade and accrued liabilities, loan from officer and due to related parties approximates fair values due to the short-term nature of these financial instruments.

b) Risk management

Credit risk
The Company's credit risk is primarily attributable to its cash and government taxes recoverable. The risk exposure is limited to their carrying values at the statement of financial position date. Cash is held as cash deposits with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Government taxes recoverable consist of input tax credits reimbursable to the Company.

Interest rate risk
The Company is not exposed to interest rate risk since it has no interest-bearing debt and its cash balances are not invested in interest-bearing instruments.

Liquidity risk
The Company's objective is to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As October 31, 2014, the Company has $513 in cash to settle current liabilities of $299,809. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk
The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk or credit risk.

12. Capital risk management

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan and to meet its ongoing administrative costs. At October 31, 2014, the Company's capital consists of items in shareholders' equity, in the amount of $640,565 (January 31, 2014 - $496,019).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements or covenants.

13. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Mexico. All of the Company's equipment and exploration and evaluation assets are located in Mexico.