CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

AURIFÈRE MONARQUES GOLD

(Formerly Monarques Resources Inc.)

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

MONARQUES GOLD CORPORATION

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AURIFÈRE MONARQUES GOLD

(Formerly Monarques Resources Inc.)

Three-month period ended September 30, 2015

Consolidated Condensed Interim Financial Statements

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MONARQUES GOLD CORPORATION

(Formerly Monarques Resources Inc.)

MANAGEMENT'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The management is responsible for the preparation, integrity and objectivity of the unaudited condensed interim financial statements and other financial information presented in this Report. Other information included in these unaudited condensed interim financial statements are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the unaudited condensed interim financial statements are presented fairly in all material respects.

A system of administrative, internal accounting and disclosure controls have been developed and are maintained by management to provide reasonable assurance that assets are safeguarded and that financial information is accurate and reliable.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and is mainly composed of independent directors. The Audit Committee meets periodically with management and the independent auditors to review accounting, auditing and internal control matters. These unaudited condensed interim financial statements have been reviewed and approved by the Board of Directors on the recommendation of the Audit Committee.

The unaudited condensed interim financial statements for the three-month period ended September 30, 2015 and 2014 have been reviewed by KPMG LLP, the independent auditors. The independent auditors have full and free access to the Audit Committee.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that all transactions are being made only in accordance with the authorizations of management and/or directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

/s/ Jean-Marc Lacoste	*/s/ Steve Nadeau*
Jean-Marc Lacoste, President and CEO	Steve Nadeau, Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

SEPTEMBER 30, 2015 AND JUNE 30 2015

	NOTE	SEPTEMBER 30 2015	JUNE 30, 2015
		$	$
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	12 (E)	**884,385**	1,378,648
Sales tax receivable		**86,302**	136,936
Marketable securities	8	**-**	14,500
Tax credits and mining rights receivable		**54,947**	70,147
Prepaid expenses		**28,036**	38,678
		1,053,670	1,638,909
NON-CURRENT ASSETS:			
Deposits to suppliers for exploration and evaluation expense		**20,000**	20,000
In trust deposit	5	**208,078**	208,078
Mining properties	6	**3,022,255**	3,022,255
Exploration and evaluation assets	7	**2,673,028**	2,304,556
		5,923,361	5,554,889
TOTAL ASSETS		**6,977,031**	7,193,798
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		**321,093**	404,968
Liability related to flow-through shares	9 (iii)	**52,596**	121,685
		373,689	526,653
NON-CURRENT LIABILITIES:			
Deferred income taxes and mining taxes	17	**249,727**	190,771
Asset retirement obligations	13	**416,155**	416,155
		665,882	606,926
TOTAL LIABILITIES		**1,039,571**	1,133,579
EQUITY:			
Share capital and warrants	9	**20,274,089**	20,274,089
Contributed surplus		**699,775**	698,643
Accumulated other comprehensive income		**-**	11,500
Deficit		**(15,036,404)**	(14,924,013)
		5,937,460	6,060,219
TOTAL LIABILITIES AND EQUITY		**6,977,031**	7,193,798

Reporting entity, nature of operations and going concern (Note 1); Contingencies (Note 11);

Commitments (Note 12); Subsequent events (Note 21)

The notes on pages 7 to 29 are an integral part of these consolidated condensed interim financial statements.

On behalf of the Board:

'Jean-Marc Lacoste', Director *'Michel Baril'*, Director

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(UNAUDITED)

THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

	NOTE	2015	2014
		$	$
Expenses:			
Compensation	16	**80,222**	123,674
Share-based payments		**1,132**	901
Rent, office and other expenses		**9,410**	9,368
Registration, listing fees and shareholders' information		**1,237**	9,463
Promotion and advertising		**15,239**	1,155
Representation, missions and trade shows		**5,994**	8,240
Consultant fees		**3,526**	19,505
Professional fees		**17,060**	31,745
Total expenses		**133,820**	**204,051**
Net finance (income) expense:			
Finance income		**(3,660)**	(3,052)
Finance expense		**879**	974
		(2,781)	**(2,078)**
Operating loss		**131,039**	201,973
Other items:			
Other income related to flow-through shares	9 (iii)	**(69,089)**	(28,523)
Change in fair value of available-for-sale marketable securities		**(8,515)**	(4,000)
		(77,604)	(32,523)
Loss before income taxes		**53,435**	**169,450**
Current income tax recovery	17	**-**	(3,692)
Deferred income and mining taxes	17	**58,956**	21,264
		58,956	17,572
Net loss for the period		**112,391**	**187,022**
Other comprehensive loss			
Items that are or may be reclassified subsequently to net income or loss:			
Available-for-sale marketable securities - Change in fair value		-	16,000
Available-for-sale marketable securities - Reclassified to statement of loss		**11,500**	-
Comprehensive loss for the period		**123,891**	**203,022**
Basic and diluted loss per share		**0.001**	0.003
Weighted average number of shares outstanding		**83,871,765**	64,585,204

The notes on pages 7 to 29 are an integral part of these consolidated condensed interim financial statements.

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

	SHARE CAPITAL AND WARRANTS	CONTRIBUTED SURPLUS	ACCUMULATED OTHER COMPREHENSIVE INCOME	DEFICIT	TOTAL
	$	$	$	$	$
BALANCE AS AT JUNE 30, 2015	**20,274,089**	**698,643**	**11,500**	**(14,924,013)**	**6,060,219**
OPTIONS:					
Granted to employees, officers, directors, consultants or I.R. representatives (note 10)	-	1,132	-	-	**1,132**
	20,274,089	**699,775**	**11,500**	**(14,924,013)**	**6,061,351**
NET LOSS FOR THE PERIOD	-	-	-	(112,391)	**(112,391)**
OTHER COMPREHENSIVE LOSS:					
Change in fair value of available-for-sale marketable securities	-	-	(11,500)	-	**(11,500)**
BALANCE AS AT SEPTEMBER 30, 2015	**20,274,089**	**699,775**	**-**	**(15,036,404)**	**5,937,460**

The notes on pages 7 to 29 are an integral part of these consolidated condensed interim financial statements.

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(CONTINUED)

(UNAUDITED)

THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

	SHARE CAPITAL AND WARRANTS	CONTRIBUTED SURPLUS	ACCUMULATED OTHER COMPREHENSIVE INCOME	DEFICIT	TOTAL
	$	$	$	$	$
BALANCE AS AT JUNE 30, 2014	17,825,872	611,166	50,000	(13,631,815)	4,855,223
Options:					
Granted to employees, officers, directors, consultants or I.R. representatives (note 10)	-	901	-	-	901
	17,825,872	**612,067**	**50,000**	**(13,631,815)**	**4,856,124**
NET LOSS FOR THE PERIOD	-	-	-	(187,022)	**(187,022)**
OTHER COMPREHENSIVE INCOME:					
Change in fair value of available-for-sale marketable securities	-	-	(16,000)	-	**(16,000)**
BALANCE AS AT SEPTEMBER 30, 2014	**17,825,872**	**612,067**	**34,000**	**(13,818,837)**	**4,653,102**

The notes on pages 7 to 29 are an integral part of these consolidated condensed interim financial statements.

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(UNAUDITED)

THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
	$	$
Cash flows from operating activities:		
Net loss for the period	**(112,391)**	(187,022)
Adjustments for:		
Share-based payments	**1,132**	901
Other income related to flow-through shares	**(69,089)**	(28,523)
Change in fair value of available-for-sale marketable securities	**(8,515)**	(4,000)
Current income tax recovery	**-**	(3,692)
Deferred income tax expense	**58,956**	21,264
Net change in non-cash operating working capital	**46,060**	(69,082)
	(83,847)	**(270,154)**
Cash flows from financing activities:		
Share issuance costs	**(4,946)**	
	(4,946)	
Cash flows from investing activities:		
Addition to mining properties	**-**	(3,544)
Decrease in deposits to suppliers for exploration and evaluation expense	**-**	10,838
Disposal of marketable securities	**11,515**	31,000
Cashed tax credits	**15,200**	-
Increase in exploration and evaluation assets	**(432,185)**	(96,788)
	(405,470)	(58,494)
Net decrease in cash and cash equivalents	**(494,263)**	**(328,648)**
Cash and cash equivalents, beginning of period	**1,378,648**	1,245,702
Cash and cash equivalents, end of period	**884,385**	**917,054**

Additional information relating to statements of cash flows (Note 15)

The notes on pages 7 to 29 are an integral part of these consolidated condensed interim financial statements.

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN:

Monarques Gold Corporation (formerly Monarques Resources Inc.) (the "Company"), incorporated on February 16, 2011, under the *Canada Business Corporations Act*, is engaged in the acquisition and exploration of mining properties. Its shares trade on the TSX Venture Stock Exchange under the symbol MQR. Its activities are in Canada. The Company is an associate of Nemaska Lithium Inc. ("Nemaska"), a company that trades on the TSX Venture under the symbol NMX and owns 18.90% (24.54% as at June 30, 2015) of the share capital of the Company as at the date of these consolidated condensed interim financial statements.

On January 14, 2015, the Company changed its name from Monarques Resources Inc. to Monarques Gold Corporation.

The address of the head office of the Company is 450, rue de la Gare-du-Palais, 1st floor, Québec (Québec), Canada G1K 3X2 and the web site is www.monarquesgold.com.

The Company has not yet determined if the properties contain ore reserves that are economically recoverable. Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The recoverability of amounts shown for mining properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. As at the date of the consolidated condensed interim financial statements, management determined that the carrying amount of mining properties represents the best estimate of their net recoverable value. This value may nonetheless be reduced in the future.

Management estimates that the working capital available to the Company at the end of the period, combined with the closing of a non-brokered private placement on November 6, 2015 (see Note 21 A) "Subsequent events"), will provide the Company with adequate funding in order to cover its 2015-2016 fiscal year budget for general administrative expenses, to meet its short-term obligations, and to complete its planned 2015 calendar year exploration budget. Since the Company does not generate revenues, the Company will need to periodically obtain new funds to pursue its operations and, despite its ability to obtain funds in the past, there is no guarantee that it will be able to raise financing in the future.

These consolidated condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and on the assumption of going concern. The application of IFRS under the assumption of going concern may be inappropriate because the above condition indicates the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated condensed interim financial statements do not include adjustments that should be made to the carrying amount of assets and liabilities if the assumption of going concern proves to be unfounded.

2. BASIS OF PREPARATION:

(A) STATEMENT OF COMPLIANCE:

These unaudited consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a basis consistent with those accounting policies followed by the Company in the most recent audited annual financial statements except where noted below. These unaudited consolidated condensed interim financial statements have been prepared under IFRS in accordance with IAS 34, *Interim Financial Reporting*. Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited consolidated condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended June 30, 2015. On November 26, 2015, the Board of Directors approved, for issuance, these consolidated condensed interim financial statements.

(B) BASIS OF MEASUREMENT:

The consolidated condensed interim financial statements have been prepared on the historical cost basis, except for available-for-sale financial assets which are measured at fair value through other comprehensive income.

The consolidated condensed interim financial statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

(C) FUNCTIONAL AND PRESENTATION CURRENCY:

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(D) USE OF ESTIMATES AND JUDGMENTS:

The preparation of the consolidated condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

In preparing these consolidated condensed interim financial statements, the significant judgments made by management applying the Company accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's audited annual financial statements for the year ended June 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES:

These consolidated condensed interim financial statements have been prepared following the same accounting policies used in the audited financial statements for the years ended June 30, 2015 except as noted below:

(A) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE:

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied in preparing these consolidated condensed interim financial statements:

Business combination accounting for interests in a joint operation (Amendments to IFRS 11)

On May 6, 2014 the IASB issued *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)*

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business.

The Company intends to adopt the amendments to IFRS 11 in its financial statements for the annual period beginning on July 1, 2016. The Company does not expect the amendments to have a material impact on the consolidated condensed interim financial statements.

Disclosure Initiative: Amendments to IAS 1

On December 18, 2014 the IASB issued amendments to IAS 1, *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures.

The Company intends to adopt these amendments in its consolidated condensed interim financial statements for the annual period beginning on July 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

IFRS 9, Financial Instruments

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(A) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONTINUED):

IFRS 9, Financial Instruments (continued)

The standard introduces additional changes relating to financial liabilities.

It also amends the impairment model by introducing a new ‘expected credit loss’ model for calculating impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Special transitional requirements have been set for the application of the new general hedging model.

The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on July 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

Annual Improvements to IFRS (2012-2014) Cycle

On September 25, 2014 the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process.

The amendments will apply for annual periods beginning on or after January 1, 2016. Earlier application is permitted, in which case the related consequential amendments to other IFRS would also apply.

Each of the amendments has its own specific transition requirements.

Amendments were made to clarify the following in their respective standards:

- Changes in method for disposal under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations;*
- "Continuing involvement" for servicing contracts and offsetting disclosures in condensed interim financial statements under IFRS 7, *Financial Instruments: Disclosures;*
- Discount rate in a regional market sharing the same currency under IAS 19, *Employee Benefits;*
- Disclosure of information ‘elsewhere in the interim financial report’ under IAS 34 Interim Financial Reporting.

The Company intends to adopt these amendments in its financial statements for the annual period beginning on July 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

4. ACQUISITION OF X-ORE :

On May 12, 2014, the Company acquired 9,999 or 99.99% of all issued and outstanding common shares of X-Ore pursuant to the proposal of X-Ore under the *Bankruptcy and Insolvency Act*. The agreed subscription price for such shares consisted of $110,000 in cash and 1,455,000 common shares of the Company having a value of $145,500 as at May 12, 2014, for a total purchase price of $255,500. The Company determined that the acquisition was not a business in accordance with the definition in IFRS 3*, Business Combinations*, and therefore it accounted for the acquisition as an asset acquisition rather than a business combination. Therefore, the value attributed to the mining properties is $255,500. Also, the Company recorded a liability of $105,178 under "Asset retirement obligations", which amount is covered by a deposit held in trust for the same value (see Note 5).

Assets acquired	**$**
50% of the Croinor property and 100% of the Croinor-Pershing property (see Note 6)	255,500
In trust deposit (see Note 5)	105,178
	360,678
Liabilities assumed	
Asset retirement obligations (see Note 13)	105,178
Net value of assets acquired	**255,500**
Consideration paid	**$**
Cash	110,000
1,455,000 shares issued by the Company (see Note 9)	145,500
	255,500

5. IN TRUST DEPOSIT:

The Company's provision consists primarily of assets retirement obligations for costs associated with mine reclamation and closure activities at the Croinor property, following the acquisition of "X-Ore". Following the restoration plan submitted in 2014 by the Company to the Ministère des Ressources Naturelles et de la Faune of the province of Québec ("MRNF"), the MRNF advised the Company on January 23, 2015 that the total amount of the financial guarantee for the restoration of the mining site would be $416,155. As at September 30, 2015, the Company has investments totaling $208,078 ($208,078 as at June 30, 2015) in term deposits in accordance with the current financial guarantee requirements set forth by the MRNF for future site restoration costs at the Croinor mining site. These term deposits bears interest ranging from 1.50% to 1.55%, maturing between March 28, 2016 and September 7, 2018. The remaining amount of $208,078, will need to be deposited in a trust account on the following dates: i) $104,039 on January 23, 2016 and; ii) $104,039 on January 23, 2017. The change in the value of the asset retirement obligation was treated as a change in estimate and the amount of $310,977 was recorded as an increase in the cost of the Croinor Gold property during the year ended June 30, 2015.

6. MINING PROPERTIES:

PROPERTIES (1)	LOCALIZATION	ROYALTIES (2)	JUNE 30, 2015	ACQUISITION	ASSET RETIREMENT	SEPTEMBER 30, 2015
			$	$	$	$
Belcourt Gold	SNRC 32C06	1.5%	**3,453**	-	-	**3,453**
Croinor Gold	SNRC 32C02, 32C03,	1.5%	**2,822,488**	-	-	**2,822,488**
Regcourt Gold	SNRC 32C03	2.5%	**105,911**	-	-	**105,911**
Simkar Gold	SNRC 32C04	1.5%	**90,403**	-	-	**90,403**
			3,022,255	-	-	**3,022,255**

(1) Properties are all located in the province of Québec, Canada.

(2) The claims comprising the properties have either been acquired with different agreements or by map designation and therefore royalties applicable, if any, are covered under specific agreements as the case may be (see Note 12).

PROPERTIES (1)	LOCALIZATION	ROYALTIES (2)	JUNE 30, 2014	ACQUISITION (DISPOSITION)	ASSET RETIREMENT	JUNE 30, 2015
			$	$	$	$
Belcourt Gold	SNRC 32C06	1.5%	**3,453**	-	-	**3,453**
Croinor Gold	SNRC 32C02, 32C03,	1.5%	**2,498,252**	**13,259**	**310,977**	**2,822,488**
Regcourt Gold	SNRC 32C03	2.5%	**103,227**	**2,684**	-	**105,911**
Simkar Gold	SNRC 32C04	1.5%	**90,403**	-	-	**90,403**
			2,695,335	**15,943**	**310,977**	**3,022,255**

(1) Properties are all located in the province of Québec, Canada.

(2) The claims comprising the properties have either been acquired with different agreements or by map designation and therefore royalties applicable, if any, are covered under specific agreements as the case may be (see Note 12).

7. EXPLORATION AND EVALUATION ASSETS:

Exploration and evaluation assets by properties can be detailed as follows:

	JUNE 30, 2015	EXPLORATION EXPENSES	TAX CREDITS FOR RESOURCES	SEPTEMBER 30, 2015
	$	$	$	$
Belcourt Gold	2,449	-	-	2,449
Croinor Gold	1,222,262	368,472	-	1,590,734
Regcourt Gold	41,512	-	-	41,512
Simkar Gold	1,038,333	-	-	1,038,333
	2,304,556	368,472	-	2,673,028

	JUNE 30, 2014	EXPLORATION EXPENSES	TAX CREDITS FOR RESOURCES	JUNE 30, 2015
	$	$	$	$
Belcourt Gold	2,449	-	-	2,449
Croinor Gold	12,071	1,272,837	(62,646)	1,222,262
Regcourt Gold	34,885	6,627	-	41,512
Simkar Gold	1,015,027	23,306	-	1,038,333
	1,064,432	1,302,770	(62,646)	2,304,556

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED):

Exploration and evaluation assets by nature can be detailed as follows:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	YEAR ENDED JUNE 30, 2015
	$	$
Exploration expenses:		
Salaries, supervision and consultants	55,072	261,651
Geology and geophysics	105,615	409,623
Test, sampling and prospecting	18,821	32,302
Drilling, equipment rental and other material	182,409	564,945
Lodging, meals and travel expenses	6,555	34,249
Increase of exploration expenses	**368,472**	**1,302,770**
Tax credits for resources	-	(62,646)
Balance, beginning of period	**2,304,556**	1,064,432
Balance, end of period	**2,673,028**	**2,304,556**

8. MARKETABLE SECURITIES:

On September 23, 2013, the Company acquired a 50% undivided interest in the Simkar gold mining property owned by Eloro Resources Ltd. (“Eloro”) pursuant to a Conditional Asset Purchase Agreement (the “Agreement”) entered into between the Company and Eloro.

Pursuant to the terms of the Agreement and in consideration of the acquisition, the Company committed to invest $120,000 as a private placement in the share capital of Eloro, at a price of $0.015 per common share, for a total of 8,000,000 common shares of Eloro.

Effective October 1, 2014, Eloro proceeded with a share rollback on the basis of 10 old shares for one new share. During the period ended September 30, 2015, the Company sold 100,000 shares (400,000 in 2014) for a gross proceed of $11,515 ($31,000 in 2014). Following the transaction, the Company does not hold any shares of Eloro as at September 30, 2015.

9. SHARE CAPITAL AND WARRANTS:

Authorized:

Unlimited number of common shares without par value.

Changes in the Company share capital and warrants were as follows:

	NUMBER OF WARRANTS	NUMBER OF SHARES	AMOUNT $
Balance at June 30, 2014 (i)	**16,290,786**	**64,585,204**	**17,825,872**
Paid in cash (ii)	8,372,456	8,757,811	1,034,921
Flow-through shares (iii)	5,992,482	10,528,750	1,413,296
Balance at June 30, 2015 (i)	**30,655,724**	**83,871,765**	**20,274,089**
Balance at September 30, 2015 (i)	**30,655,724**	**83,871,765**	**20,274,089**

(i) A total of 64,102 shares are escrowed as at September 30, 2015 (64,102 as at June 30, 2015) related to the acquisition of mining properties. The common shares will be escrowed for a period of three years from the Closing Date, which was June 12, 2013, pursuant to the terms and conditions of an escrow agreement between the Vendor and the Escrow Agent on the Closing Date (the "Escrow Agreement"). A proportion of 33% of the Escrow Shares is released from escrow at 12-month intervals from the Closing Date.

(ii) The fair value of $60,920 related to the warrants issued to brokers during the financing that occurred in December 2014 was added to the value of the share capital, with the counterpart to deficit, as disclosed in the consolidated statement of changes in shareholders' equity for the year ended June 30, 2015.

(iii) The carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of $315,863 that was recorded when the flow-through shares were issued during the financing that occurred on December 15, 2014 and December 23, 2014. As at September 30, 2015, the balance of the liability related to these flow-through shares is $52,596. During the three-month period ended September 30, 2015, an amount of $69,089 has been recognized as other income related to flow-through shares in the consolidated condensed interim statements of loss and comprehensive loss, representing the portion of the liability related to the increase in the exploration and evaluation assets during the period in relation with the total flow-through shares financing.

9. SHARE CAPITAL AND WARRANTS (CONTINUED):

Changes in the Company share capital and warrants were as follows (continued):

(A) YEAR ENDED JUNE 30, 2015:

On May 4, 2015, the Company closed a non-brokered private placement of an aggregate of 4,000,000 units at a price of $0.10 per unit. Each unit is comprised of: (i) one common share in the capital of the Company at a price of $0.10 per share; and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.14 for a period of 24 months following the closing of the private placement.

On December 15 and 23, 2014, the Company closed two tranches of a brokered short-form prospectus placement for an aggregate gross proceeds of $2,303,160. Pursuant to these placements, the Company issued a total of 3,608,925 of “A units” at a price of $0.13 per unit, 747 of “B units” at a price of $1,000 per unit, and 6,793,750 of “C units” at a price of $0.16 per unit. Each “A unit” consists of one common share in the capital of the Company at a price of $0.13 per common share and one common share purchase warrant. Each “B unit” consists of 5,000 common shares to be issued as flow-through shares at a price of $0.16 per flow-through share, 1,538 common shares at a price of $0.13 per common share and 3,269 warrants. Each “C unit” consists of one flow-through share at a price of $0.16 per flow-through share and one-half of one warrant. Each warrant entitles its holder thereof to purchase one common share at a price of $0.18 per common share, until December 15, 2017. In consideration for its services, the agent received a cash commission of $230,316 and 917,195 agent’s compensation warrants to purchase, until December 15, 2017, a total of 917,195 common shares at a price of $0.13 per common share. The warrants issued to the shareholders related to this financing were listed on the TSX Venture Exchange on January 23, 2015 under the trading symbol “MQR.WT.A”.

9. SHARE CAPITAL AND WARRANTS (CONTINUED):

Changes in the Company share capital and warrants were as follows (continued):

(B) WARRANTS GRANTED TO OTHERS THAN THE BROKERS:

Changes in the Company's warrants granted to others than the brokers were as follows. Each warrant can be converted into one common share of the Company:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015		YEAR ENDED JUNE 30, 2015	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning of the period	**28,959,139**	**0.21**	15,511,396	0.25
Granted	**-**	**-**	13,447,743	0.17
Outstanding, end of period	**28,959,139**	**0.21**	**28,959,139**	**0.21**

The following table summarizes the information relating to the warrants:

NUMBER OF WARRANTS OUTSTANDING AS AT SEPTEMBER 30, 2015	EXERCISE PRICE	EXPIRY DATE
	$	
9,171,400 (exercisable)	0.30	December 2015
840,000 (exercisable)	0.20	December 2015
1,818,181 (exercisable)	0.14	February 2016
3,681,815 (exercisable)	0.14	June 2016
9,447,743 (exercisable)	0.18	December 2017
4,000,000 (exercisable)	0.14	May 2017
28,959,139		

9. SHARE CAPITAL AND WARRANTS (CONTINUED):

(D) WARRANTS GRANTED TO BROKERS:

Changes in the Company's warrants granted to brokers were as follows. Each warrant can be converted into one common share of the Company:

	Three-month period ended September 30, 2015		Year ended June 30, 2015	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning of the period	1,696,585	0.17	779,390	0.21
Granted	-	-	917,195	0.13
Outstanding, end of period	**1,696,585**	**0.17**	**1,696,585**	**0.17**

	Three-month period ended September 30, 2015	Year ended June 30, 2015
	$	$
Weighted average fair value of share purchase warrants granted to brokers during the period	-	0.07

The fair value of the warrants granted is established according to the Black & Scholes pricing model using the following weighted average assumptions:

	Three-month period ended September 30, 2015	Year ended June 30, 2015
Risk-free interest rate	-	1.02%
Expected annual dividend rate	-	0%
Expected annualized volatility	-	90%
Expected life of warrants	-	3 years

The following table summarizes the information relating to the warrants granted to brokers:

Number of warrants outstanding as at September 30, 2015	Exercise price	Expiry date
	$	
329,440 (exercisable)	0.25	December 2015
365,950 (exercisable)	0.20	December 2015
84,000 (exercisable)	0.12	December 2015
917,195 (exercisable)	0.13	December 2017
1,696,585		

10. SHARE PURCHASE OPTIONS:

The shareholders of the Company approved a share purchase option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors and consultants of the Company share purchase options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board of Directors. The exercise price may not be lower than the market price of the common shares at the time of grant.

The Plan provides that the maximum number of common shares of the Company that may be reserved for issuance under the Plan shall not be greater than 10% of the issued shares of the Company being outstanding from time to time.

The maximum number of common shares which may be reserved for issuance to any optionee may not exceed 5% of the outstanding common shares at the time of vesting and may not exceed 2% of the outstanding common shares for consultants and investors relation representative. These options are non-assignable and non-transferable unless by legacy or inheritance and will expire no later than five years after being granted. In the case an optionee leaves the Company, his options normally expires no later than one year following his departure, subject to the conditions established under the common share purchase option plan. The vesting period for the share purchase options and warrants to brokers varies from immediate vesting up to 36 months vesting periods and the life of the options varies from two to five years.

Changes in the Company's share purchase options granted to directors, officers, employees and consultants were as follows:

	Three-month period ended September 30, 2015		Year ended June 30, 2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Outstanding, beginning of period	**5,095,000**	**0.22**	3,696,250	0.25
Granted	**-**	**-**	1,450,000	0.12
Expired	**(45,000)**	**0.32**	(51,250)	0.16
Outstanding, end of period	**5,050,000**	**0.21**	**5,095,000**	**0.22**
Exercisable, end of period	**4,975,000**	**0.21**	**4,982,500**	**0.22**

	Three-month period ended September 30, 2015	Year ended June 30, 2015
	$	$
Weighted average fair value of share purchase options granted during the period	**-**	0.06

10. SHARE PURCHASE OPTIONS (CONTINUED):

The fair value of the options granted is established according to the Black & Scholes pricing model using the following weighted average assumptions:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	YEAR ENDED JUNE 30, 2015
Risk-free interest rate	-	0.94%
Expected annual dividend rate	-	0%
Expected annualized volatility	-	87%
Expected life of options	-	5 years

For the three-month period ended September 30, 2015, the application of the fair value model resulted in share-based payments expenses of $1,132 ($901 for the three-month period ended September 30, 2014).

The following table summarizes the information relating to the share purchase options:

NUMBER OF OPTIONS OUTSTANDING AS AT SEPTEMBER 30, 2015		EXERCISE PRICE	EXPIRY DATE
Outstanding	Exercisable	$	
150,000	150,000	0.250	March 2016
50,000	50,000	0.150	March 2016
25,000	25,000	0.140	March 2016
75,000	75,000	0.130	March 2016
1,225,000	1,225,000	0.400	July 2016
300,000	300,000	0.125	July 2017
400,000	400,000	0.250	October 2017
50,000	50,000	0.250	December 2017
800,000	800,000	0.150	September 2018
600,000	600,000	0.140	June 2019
425,000	350,000	0.130	January 2020
950,000	950,000	0.120	May 2020
5,050,000	**4,975,000**		

11. CONTINGENCIES:

(A) The Company's operations are governed by laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations. Asset retirement obligations are accrued in the financial statements only when it can be determined that a present obligation exists, resulting from the environmental consequences of the exploration activities performed on the lands, and when it can be reliably estimated. Such obligations will be capitalized to the cost of the related assets at that time.

(B) The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors or the Company. In such an event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

12. COMMITMENTS:

(A) REGCOURT GOLD

The Company has agreed to pay Plato Gold Inc. a 1% Net Smelter Return ("NSR") on all metals on some of the claims forming the property and has the right, at any time before commercial production, to purchase this 1% NSR by paying the seller $1,000,000 in cash. Also, the Company has agreed to pay Eloro Resources Inc. a 1.5% NSR on all metals from the claims and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying Eloro Resources Inc. $1,000,000 in cash.

(B) SIMKAR GOLD

The Company has agreed to pay Eloro Resources Inc. a royalty equal to 1.5% NSR on all metals on the claims acquired and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying the beneficiary a total of $1,000,000 in cash. This buyback clause does not apply to 11 of the claims forming the property.

(C) BELCOURT GOLD

The Company has agreed to pay Eloro Resources Inc. a royalty equal to 1.5% NSR on all metals on the claims acquired and has the right, at any time before commercial production, to purchase 1/3 of this NSR by paying the beneficiary a total of $1,000,000 in cash.

(D) CROINOR GOLD

The Company has agreed to pay the beneficiaries a total royalty of 1.5% NSR on all metals on some of the claims acquired and has the right, at any time before commercial production, to purchase 50% of this NSR by paying the beneficiaries a total of $500,000 in cash.

12. COMMITMENTS (CONTINUED):

(E) FLOW-THROUGH SHARES

The Company was committed to incur eligible exploration and evaluation expenses, pursuant to the Canada *Income Tax Act* and Québec *Taxation Act*, of $201,600 by December 31, 2014, and to transfer the tax deductions related to these expenditures to the subscribers of its flow-through shares completed on December 23, 2013. The Company has fulfilled this commitment since it incurred a cumulative amount of $201,600 of eligible expenses prior to December 31, 2014 and has no funds reserved for exploration related to this commitment.

The Company is also committed to incur eligible exploration and evaluation expenses, pursuant to the Canada *Income Tax Act* and Québec *Taxation Act*, of $1,684,600 by December 31, 2015, and to transfer the tax deductions related to these expenditures to the subscribers of its flow-through shares completed on December 15, 2014 and December 23, 2014. In relation to this commitment, the Company has incurred a cumulative amount of $1,404,091 of eligible expenses as at September 30, 2015 ($1,035,619 as at June 30, 2015) and has $280,509 ($648,981 as at June 30, 2015) of funds reserved for exploration.

(F) LEASE

The Company rents office space for a monthly amount of $925 until May 31, 2016. The Company is also renting storage space for an annual amount of $3,134. As at September 30, 2015, the total contractual payments remaining until May 31, 2016, assuming the lease will not be terminated before the end of the term, will amount to $10,534.

13. ASSET RETIREMENT OBLIGATIONS:

The Company has recorded an asset retirement obligations for costs associated with mine reclamation and closure activities at the Croinor property, which reflects the present value of the estimated amount of cash flows required to satisfy the asset retirement obligation. The primary component of this obligation is for the revegetation of the site including waste piles and overburden, infilled area, and polishing pond. Following the restoration plan submitted in 2014 by the Company to the MRNF, the MRNF advised the Company on January 23, 2015 that to cover the asset retirement obligation of $416,155 a financial guarantee for the full amount would be required.

As at September 30, 2015, the Company has invested $208,078 ($208,078 as at June 30, 2015) in term deposits in accordance with the current financial guarantee requirements set forth by the MRNF for future site restoration costs at the Croinor mining site. The remaining amount of $208,078 will need to be deposited in a trust account on the following dates: i) $104,039 on January 23, 2016 and; ii) $104,039 on January 23, 2017.

In the event the Company has no intention of operating the mine, it will be required to restore the mining site. However, in the case that the Company goes into production on the Croinor property, it will be required to provide a new closure plan to the MRNF in order to re-assess the asset retirement obligation related to the operation on the site.

14. RELATED PARTY TRANSACTIONS:

The Company has no ultimate parent.

Inter-company transactions carried out during the three-month period ended September 30, 2015 between the Company and Nemaska (entity having significant influence over the Company) totalled an amount of $22,500 ($28,500 in 2014) for compensation expenses.

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. There is no inter-company balance payable or receivable by the Company to or from Nemaska as at September 30, 2015 and as at June 30, 2015.

15. ITEMS NOT AFFECTING CASH AND CASH EQUIVALENTS:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30,	
	2015	2014
	$	$
Non-cash items:		
Changes in accounts payable and accrued liabilities related to exploration and evaluation assets	**(63,713)**	106,601
Changes in accounts payable and accrued liabilities related to share issuance costs	**(4,946)**	-

16. COMPENSATION:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30,	
	2015	2014
	$	$
Wages and fringe benefits paid to key management personnel	**64,397**	92,794
Wages and fringe benefits paid to the other staff employees	**7,215**	12,630
Fees paid to the members of the Board of Directors	**8,610**	18,250
	80,222	**123,674**

During the three-month period ended September 30, 2015, the Company incurred $1,132 ($901 in 2014) of share-based payments expenses, of which nil ($901 in 2014) were attributed to key management personnel and nil (nil in 2014) were attributed to the members of the Board of Directors in relation with the share purchase options granted.

17. INCOME TAXES AND MINING TAXES:

The income tax expense differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.90% (26.90% in 2014) to the loss before income taxes due to the following:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30,	
	2015	2014
	$	$
Loss before income taxes	**(53,435)**	(169,450)
Expected tax recovery	**(14,374)**	(45,582)
Increase (decrease) in income taxes resulting from:		
Non-deductible share-based payment	**305**	242
Deferred tax arising from exploration and evaluation assets financed through flow-through shares	**99,119**	-
Current period losses for which no deferred tax assets recognized	**-**	21,017
Deductibility of mining tax expenses	**(15,859)**	-
Change in unrecognized tax asset	**(69,190)**	-
Permanent difference arising from the non-taxable income related to flow-through shares		(7,673)
Non-deductible capital loss related to change in fair value of marketable securities financial assets	**-**	1,614
Mining tax expense	**58,956**	17,262
Future tax arising from flow-through shares renunciation	**-**	30,692
Income tax expense	**58,956**	**17,572**

17. INCOME TAXES AND MINING TAXES (CONTINUED):

Movements in temporary differences during the three-month period ended September 30, 2015 and year ended June 30, 2015 are detailed as follows:

	BALANCE JUNE 30, 2015 $	RECOGNIZED IN PROFIT OR LOSS $	BALANCE SEPTEMBER 30, 2015 $
Deferred tax assets:			
Operating losses	216,651	110,249	**326,900**
Assets retirement obligations	111,946	-	**111,946**
Property plant and equipment	29,305	-	**29,305**
Share issuance costs	77,172	(26,989)	**50,183**
Exploration and evaluation assets	65,271	(83,260)	**(17,989)**
	500,345	-	**500,345**
Deferred tax liabilities:			
Deferred mining duties	(190,771)	(58,956)	**(249,727)**
Mining properties	(500,345)	-	**(500,345)**
	(691,116)	(58,956)	**(750,072)**
	(190,771)	(58,956)	**(249,727)**

	BALANCE JUNE 30, 2014 $	RECOGNIZED IN PROFIT OR LOSS $	BALANCE JUNE 30, 2015 $
Deferred tax assets:			
Operating losses	107,924	108,727	**216,651**
Assets retirement obligations	-	111,946	**111,946**
Property plant and equipment	-	29,305	**29,305**
Share issuance costs	149,544	(72,372)	**77,172**
Exploration and evaluation assets	(326,960)	392,231	**65,271**
	(69,492)	569,837	**500,345**
Deferred tax liabilities:			
Deferred mining duties	-	(191,771)	**(190,771)**
Mining properties	69,492	(569,837)	**(500,345)**
	69,492	(760,608)	**(691,116)**
	-	**(190,771)**	**(190,771)**

17. INCOME TAXES AND MINING TAXES (CONTINUED):

Deferred tax assets have not been recognized in respect of the following items:

	THREE-MONTH PERIOD ENDED SEPTEMBER 30,	
	2015	2014
Non-capital losses carry forwards	**1,210,820**	1,583,663
Share issuance costs	**176,823**	143,003
Capital losses	**3,551**	-
Unrealised loss on investment	**-**	1,614
	1,391,194	**1,728,280**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize benefits therefrom.

As at September 30, 2015, the Company has the following non-capital tax losses, available to reduce future years income for tax purposes:

YEAR INCURRED	FEDERAL	PROVINCIAL	EXPIRY
	$	$	
2007	569,407	511,578	2027
2008	566,242	563,958	2028
2009	187,288	186,829	2029
2010	-	-	2030
2011	61,391	61,391	2030
2011	174,690	174,690	2031
2012	1,152,397	1,152,397	2032
2013	644,585	644,585	2033
2014	1,029,279	1,024,668	2034
2015	1,258,293	1,258,293	2035
2016 (3 months)	152,636	152,636	2036
	5,796,208	**5,731,025**	

Following the acquisition by the Company of X-Ore Resources on May 12, 2014, the Company has acquired deferred tax assets relating to non-capital tax losses incurred from 2007 to 2014.

18. EARNINGS PER SHARE:

The warrants and share purchase options were excluded from the diluted weighted average number of common shares calculation since the Company is at loss and, therefore, their effect would have been antidilutive.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of short-term financial assets and liabilities, which include cash and cash equivalents, sales tax receivable, term deposit, other receivables and deposits and accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturity of these financial instruments.

RISK EXPOSURE AND MANAGEMENT

The Company is exposed to a certain amount of risks at different levels. The type of risk and the way the exposure is managed are described hereafter.

(i) MARKET RISK:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash equivalents bear interest at variable rates ranging from 0.70% to 1.25% per year. In relation with those items, there is no exposure to fair value variation due to the fact that they are redeemable at any time. The other financial assets and liabilities of the Company as at the financial statement date do not represent interest risk because they are without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Currency risk:

The Company is not exposed to currency fluctuations as all transactions up to now have occurred in Canadian dollars, which is the functional currency of the Company.

(ii) 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. Credit risk arises principally from the Company's cash and cash equivalents, other receivables and the carrying amount of these financial assets represents the Company's maximum exposure to credit risk as at the date of the financial statements. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED):

RISK EXPOSURE AND MANAGEMENT (CONTINUED)

(iii) **LIQUIDITY RISK:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they fall due.

The Company manages liquidity risk through the management of its capital structure as outlined in Note 20. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

As at September 30, 2015, all of the Company's financial liabilities had contractual maturities of less than one year and the Company had enough funds available to meet its current financial liabilities. At the same date, the Company had $603,876 in cash and cash equivalents not reserved for exploration ($729,667 as at June 30, 2015) plus $86,302 in sales tax receivables ($136,936 as at June 30, 2015) plus $54,947 in tax credits and mining rights ($70,147 as at June 30, 2015) to meet its financial liabilities and future financial liabilities from its commitments. The Company also had $280,509 ($648,981 as at June 30, 2015) of funds reserved for exploration as at September 30, 2015.

20. CAPITAL MANAGEMENT:

There were no significant changes in the Company's approach to capital management during the current period compared with the prior year.

As at September 30, 2015, the Company's capital consists of shareholders' equity amounting to $5,937,460 ($6,060,219 as at June 30, 2015).

The Company's capital management objective is to have sufficient capital to be able to pursue its exploration activities plan in order to ensure the growth of its assets. It has also the objective to have sufficient liquidity to finance the exploration expenses, the investing activities and its working capital requirements.

In order to maintain or adjust the capital structure, the Company may issue new capital instruments, obtain debt financing and acquire or sell mining properties to improve its financial performance and flexibility.

The access to financing depends on the economic situation and state of the equity and credit markets.

The Company is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be incurred for eligible exploration expenses in accordance with the Canada *Income Tax Act* and Québec *Taxation Act* (see Note 12 (E)). During the period, the Company complied with all of its regulatory requirements. The Company has a no dividend policy.

21. SUBSEQUENT EVENT:

A) On November 6, 2015, the Company closed a non-brokered private placement of an aggregate of 3,875,000 units at a price of $0.08 per unit for a gross proceed of $310,000. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.10 for a period of 24 months following the closing of the private placement.

21. SUBSEQUENT EVENT (CONTINUED):

B) On November 17, 2015, the Company signed a letter of intent to acquire the Beacon property from 9965-9911 Québec Inc. The property consists of a metallurgical processing plant, tailings management ponds, underground installations, a 500-metre deep shaft, a mechanical shop and all mineral rights attached to the transaction, namely one mining concession, one mining lease and 11 mineral claims totalling 180 hectares (the "Beacon property"). The Company has until April 30, 2016, or such other date as the parties may agree, to proceed with the acquisition of the Beacon property in consideration of the payment of $3,500,000, as follows: i) $500,000 on closing of the transaction, payable, at Company discretion, in cash or in common shares at a price per share equal to the greater of a) the average closing price of the common shares of the Company listed on the TSX Venture Exchange (the "Exchange") over the five days preceding the closing; or b) the lowest price at which the common shares of the Company were issued in any private placement entered into between the date the letter of intent was signed and the closing, the whole subject to the minimum price allowed by the policies of the Exchange; and ii) $500,000 payable in cash at the 30th, 36th, 42nd, 48th, 54th and 60th month following closing of the transaction. The agreement is subject to: i) the completion of a due diligence review of Beacon property, including but not limited to the mining rights, processing plant, surface and underground infrastructure, and engineering reports, to the Company satisfaction; ii) the completion of a due diligence review of the Company by the Vendor; iii) regulatory and Ministerial approvals; iv) payment by the Vendor of 50% of the amount earmarked for the Beacon property rehabilitation plan to the *Ministère de l'Énergie et des Ressources naturelles*; and v) negotiation and signature of the formal deeds of sale and hypothec.