CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED NOVEMBER 30, 2014

(Unaudited – Prepared by Management)

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Tres-Or trades on the TSX Venture Exchange under the symbol TRS

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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note	November 30, 2014	February 28, 2014
ASSETS			
Current assets			
Cash		$ 48,546	$ 84,446
Marketable securities	3	18,111	43,055
Receivables	4	3,369	6,449
Prepaid expenses		2,739	58
Total current assets		72,765	134,008
Non-current assets			
Property and equipment	6	-	53,047
Exploration and evaluation assets	7	3,352,936	3,330,739
Total non-current assets		3,352,936	3,383,786
TOTAL ASSETS		$ 3,425,701	$ 3,517,794
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 239,652	$ 273,286
Accounts payable to related parties	8	273,503	210,989
TOTAL LIABILITIES		513,155	484,275
EQUITY			
Share capital	9	15,931,587	15,946,587
Shares subscribed	9	(14,167)	(29,167)
Equity reserves	9	1,679,256	1,679,256
Accumulated other comprehensive loss	3	(99,139)	(74,195)
Deficit		(14,584,991)	(14,488,962)
TOTAL EQUITY		2,912,546	3,033,519
TOTAL LIABILITIES AND EQUITY		$ 3,425,701	$ 3,517,794

Nature and continuance of operations (Note 1)
Subsequent event (Note 14)

Approved by the Board of Directors on January 27, 2015:

"Gareth E. Mason "	*"Laura Lee Duffett"*
Director	Director

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

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note	Three months ended November 30, 2014	Three months ended November 30, 2013	Nine months ended November 30, 2014	Nine months ended November 30, 2013
GENERAL AND ADMINISTRATIVE EXPENSES					
Consulting fees		$ 2,430	$ 12,729	$ 4,530	$ 34,974
Depreciation		-	571	-	1,713
Management fees	8	13,500	13,500	40,500	40,500
Office and miscellaneous		8,123	4,999	19,073	16,282
Professional fees	8	5,995	13,874	19,714	22,572
Telephone		1,369	1,331	3,744	3,196
Transfer agent and regulatory fees		2,390	3,548	6,383	8,104
Travel and promotion	8	5,302	5,909	15,243	34,078
		(39,109)	(56,461)	(109,187)	(161,419)
Interest income		39	67	118	396
Gain on sale of property and equipment	6	-	-	8,040	-
Repayment of advances on projects	5	-	-	5,000	-
Loss for the period		(39,070)	(56,394)	(96,029)	(161,023)
OTHER COMPREHENSIVE LOSS					
Fair value loss on available-for-sale investments		(19,972)	(2,834)	(24,944)	(14,362)
Total comprehensive loss for the period		$ (59,042)	$ (59,228)	$ (120,973)	$ (175,385)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		91,674,634	91,674,634	91,674,634	91,674,634

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

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares Subscribed	Equity Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance – February 28, 2013	**91,674,634**	**$ 15,946,587**	**$ (29,167)**	**$ 1,679,256**	**$ (66,361)**	**$ (13,939,036)**	**$ 3,591,279**
Unrealized loss on available-for-sale investments	-	-	-	-	(14,362)	-	(14,362)
Loss for the period	-	-	-	-	-	(161,023)	(161,023)
Balance – November 30, 2013	**91,674,634**	**$ 15,946,587**	**$ (29,167)**	**$ 1,679,256**	**$ (80,723)**	**$ (14,100,059)**	**$ 3,415,894**
Balance – February 28, 2014	**91,674,634**	**$ 15,946,587**	**$ (29,167)**	**$ 1,679,256**	**$ (74,195)**	**$ (14,488,962)**	**$ 3,033,519**
Shares returned to treasury	(100,000)	(15,000)	15,000	-	-	-	-
Unrealized loss on available-for-sale investments	-	-	-	-	(24,944)	-	(24,944)
Loss for the period	-	-	-	-	-	(96,029)	(96,029)
Balance – November 30, 2014	**91,574,634**	**$ 15,931,587**	**$ (14,167)**	**$ 1,679,256**	**$ (99,139)**	**$ (14,584,991)**	**$ 2,912,546**

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

TRES-OR RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	For the nine months ended November 30, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (96,029)	$ (161,023)
Items not affecting cash		
Depreciation	-	1,713
Gain on sale of building	(8,040)	-
Changes in non-cash working capital items		
Receivables	3,080	25,788
Prepaid expenses	(2,681)	124
Accounts payable and accrued liabilities	(27,587)	(17,546)
Accounts payable to related parties	25,563	19,113
Net cash used in operating activities	(105,694)	(131,831)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(60,949)	(106,717)
Recovery of exploration and evaluation assets expenditures	64,656	70,148
Repayment of advances on projects	5,000	-
Proceeds from sale of property and equipment	61,087	-
Net cash provided by (used in) investing activities	69,794	(36,569)
Change in cash	(35,900)	(168,400)
Cash, beginning of the period	84,446	253,565
Cash, end of the period	$ 48,546	$ 85,165

Supplemental disclosure with respect to cash flows (Note 13).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tres-Or Resources Ltd. (the “Company”) was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company’s head office and registered office address is Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7, Canada.

The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company and its subsidiary.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. The Company had not generated revenue from operations; additional financing will be required in the foreseeable future to fund the Company’s established business plan. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or related party loans to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company’s ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The significant accounting policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and outstanding as of November 30, 2014.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Tres-Or (Ghana) Limited which is incorporated in Ghana. All significant intercompany balances and transactions have been eliminated upon consolidation.

Name of subsidiary	Principal activity	Incorporation	Interest November 30, 2014	Interest February 28, 2014
Tres-Or (Ghana) Ltd.	Participating interest in profit sharing agreement (Note 5)	Ghana	100%	100%

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. whether or not an impairment has occurred in its exploration and evaluation assets;
ii. the inputs used in the accounting for share-based payments expense;
iii. the inputs used in the accounting for finders' warrants and compensation options in share capital and equity reserves; and
iv. the estimated useful lives of the equipment and whether or not an impairment has occurred.

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

- the accounting policies for exploration and evaluation assets
- classification of financial instruments; and
- determination of the functional currency.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting policies

The accounting policies used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the Company's most recent consolidated annual financial statements for the year ended February 28, 2014. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated annual financial statements for the year ended February 28, 2014.

New accounting standards and interpretation

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, IAS 32*, Financial Instruments: Presentation* provides for amendments relating to offsetting financial assets and financial liabilities. The Company has adopted these policies and they did not have a significant effect on the condensed consolidated interim financial statements.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. 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 condensed consolidated interim financial statements.

Accounting Standards Issued and tentatively effective January 1, 2018:

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

3. MARKETABLE SECURITIES

Marketable securities are recorded at fair market value as they are classified as available-for-sale financial instruments.

Marketable securities are comprised of the following:

	November 30, 2014			February 28, 2014		
	Common shares	**Market value**	**Cost**	**Common shares**	**Market value**	**Cost**
Arctic Star Exploration Corp.	27,778	$ 1,111	$ 50,000	27,778	$ 3,055	$ 50,000
Logan Copper Ltd.	15,000	-	-	15,000	-	-
Pershimco Resources Inc.	100,000	17,000	67,250	100,000	40,000	67,250
		$ 18,111	$ 117,250		$ 43,055	$117,250

4. RECEIVABLES

The Company's receivables arise from one main source: goods and services tax ("GST") receivable due from the Canadian taxation authorities.

	November 30, 2014	**February 28, 2014**
GST receivable	$ 3,369	$ 6,449

(Expressed in Canadian Dollars)

5. ADVANCES ON PROJECTS

The Company, through its wholly owned subsidiary, entered into a profit sharing agreement with Warwick Mineral Resources Ltd. ("Warwick"), a private Ghanaian company whereby the two parties will collaborate in providing mining and related services to gold mining projects located in Ghana and will share in the net profits on a 50/50 basis. After the profit sharing agreement was signed, a director of Warwick was appointed as a director and officer of the Company's wholly-owned subsidiary.

As at February 28, 2014, the Company funded a total of $664,405 with respect to this agreement and received a repayment of $20,500. The net advances of $643,905 were converted by Warwick to promissory notes bearing interest at 12% per annum. These promissory notes are not secured and are repayable on demand. During the period ended November 30, 2014, the Company received a $5,000 repayment and was recorded as a repayment of advances on the statement of operations. As at November 30, 2014, the amount due from Warwick is $789,700 (February 28, 2014 - $794,700), which consists of advances of $638,905 (February 28, 2014 - $643,905) and accrued interest of $150,795 (February 28, 2014 – $150,795).

As at November 30, 2014, the Company provided a valuation allowance for the recovery of the advances and accrued interest for a total of $789,700 (February 28, 2014 - $794,700). The Company has not accrued further interest income starting March 1, 2011. The Company will continue to pursue collection of the promissory notes.

6. PROPERTY AND EQUIPMENT

	Building	Land	Total
Cost			
Balance, February 28, 2014	$ 71,291	$ 2,648	$ 73,939
Disposals	(71,291)	(2,648)	(73,939)
Balance, November 30, 2014	-	-	-
Accumulated depreciation			
Balance, February 28, 2014	20,892	-	20,892
Disposals	(20,892)	-	(20,892)
Balance, November 30, 2014	-	-	-
Carrying amounts			
February 28, 2014	50,399	2,648	53,047
November 30, 2014	$ -	$ -	$ -

During the period ended November 30, 2014, the Company sold its property and equipment with a carrying value of $53,047 for net proceeds of $61,087.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Quebec Gold Projects, Quebec	Fontana and Duvay Gold Projects, Quebec	Other Projects	Total
Balance, February 28, 2013	$ 621,375	$ 1,372,427	$ 1,590,278	$ 3,584,080
Expenditures				
Acquisition costs	1,630	6,192	265	8,087
Assays, staking, mapping	-	800	-	800
Drilling	-	4,672	-	4,672
Geological and geophysical	38,783	59,987	11,480	110,250
Office, miscellaneous and travel	7,893	14,931	5,968	28,792
	48,306	86,582	17,713	152,601
Cost recoveries	(105,942)	-	-	(105,942)
Write-down of exploration and evaluation assets	-	(300,000)	-	(300,000)
	(57,636)	(213,418)	17,713	(253,341)
Balance, February 28, 2014	563,739	1,159,009	1,607,991	3,330,739
Expenditures				
Acquisition costs	1,125	385	3,675	5,185
Geological and geophysical	21,600	39,260	13,570	74,430
Office, miscellaneous and travel	2,564	5,014	4,661	12,239
	25,289	44,659	21,906	91,854
Cost recoveries	(32,757)	(33,433)	(3,467)	(69,657)
	(7,468)	11,226	18,439	22,197
Balance, November 30, 2014	$ 556,271	$ 1,170,235	$ 1,626,430	$ 3,352,936

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its assets are in good standing.

7. EXPLORATION AND EVALUATION ASSETS (Cont'd)

a) Quebec Gold Projects, Quebec, Canada

The Company completed an option to acquire a 76% interest in several groups of project claims in Quebec. The Company paid $40,000, reimbursed the optionor for work performed on the properties in 2009, expended $200,000 in exploration work and issued 277,778 common shares with a value of $50,000 to complete its initial 51% interest. During the year ended February 29, 2012, the Company elected to acquire a further 25% interest for a total of 76% by paying $20,000 and completing further exploration expenditures of $100,000.

On December 20, 2010 the Company purchased the Destor claim block for an $11,088 cash payment and issued 75,000 shares with a value of $12,000 for a 100% interest subject to a 2.0% Net Smelter Royalty ("NSR"). The Company can purchase 1.0% of the NSR for $1,000,000.

On March 16, 2011 the Company entered into an option agreement with Pershimco Resources Inc. ("Pershimco") whereby Pershimco could earn up to a 100% interest in several project claims in the Pascalis area of the Quebec Gold project, subject to a 2.0% NSR. These claims were packaged together by the original optionor and the Company, accordingly the proceeds will be allocated to the Company and the original optionor on a 50/50 basis. Pershimco can buy-back a 1.0% NSR for $1,000,000 and retains the first right to buy back the remaining 1.0% NSR. In order to complete the earn-in over a 3 year period, Pershimco agreed to pay $50,000 cash on signing and issue 50,000 shares of Pershimco (the Company received its portion in the amount of $25,000 cash and 25,000 common shares during the fiscal year ended February 29, 2012). Pershimco has also committed to spend $500,000 in exploration work over the next 24 month period. In addition, 12 months after signing the agreement, Pershimco agreed to pay $50,000 cash and issue 50,000 common shares and in 24 months, $100,000 cash and issue 100,000 common shares of Pershimco (the Company received its portion in the amount of $75,000 cash and 25,000 common shares during the fiscal year ended February 28, 2013 and 50,000 common shares during the year ended February 28, 2014). Pershimco can spend a further $500,000 in exploration work in order to complete the 100% earn-in subject to a 2.0% NSR. To complete the purchase of the Pascalis claims, Pershimco signed an amending agreement on February 20, 2013, and paid the optioner and the Company a total of $100,000 in lieu of a work commitment (the Company received $50,000). The claims were transferred to Pershimco, subject to a 2.0% NSR.

On March 22, 2011, the Company entered into an agreement with the optionor to purchase the remaining 24% interest in the Quebec Gold projects in conjunction with the Duvay Nord and East Mac Sud claims outlined in note 7(b) below.

b) Fontana and Duvay Gold Projects, Quebec, Canada

On May 23, 2010, the Company signed an option agreement to earn up to a 100% interest in the Duvay property in Quebec which comprises 4 contiguous claims in Duverny Township. The 4 claim property is subject to a Gross Metals Royalty (GMR) of 1.5% (where gold is US$800 per ounce or less) and 2% (where gold is greater than US$800 per ounce).

The Company paid an initial non-refundable cash payment of $10,000 to the optionor and was granted the sole exclusive right and option to earn an undivided 40% interest in the property by paying the sum of $115,000 cash (paid) and issuing 250,000 shares (issued with a value of $20,000) and by incurring expenditures on the property totaling $275,000 on or before September 30, 2010 (completed). The Company can acquire a further 10% interest for a total of a 50% undivided interest by (a) issuing a total of 500,000 shares (b) incurring exploration work expenditures of $1,000,000 (c) making a payment for the sum of $225,000 on or before June 30, 2011. If the Company does not fulfill any of the conditions to earn the additional 10% in the property, the Company is deemed to have forfeited the 40% interest it has earned.

7. EXPLORATION AND EVALUATION ASSETS (Cont'd)

b) Fontana and Duvay Gold Projects, Quebec, Canada (Cont'd)

On June 21, 2011, the Company entered into an amended agreement regarding the earn-in of the additional 10% interest in the property. The Company can complete the 50% earn-in by a) incurring exploration expenditures of $1,000,000 by December 31, 2011 (completed), and b) issuing 500,000 common shares (200,000 issued in December 2010 with a value of $36,000 and 300,000 shares issued in June 2011 with a value of $22,500), and c) making property payments for the sum of $300,000 by September 30, 2011 (paid).

Having earned the 50% interest, the Company can earn a further 15% interest by completing a technical report on the property (complete as at November 30, 2012) and issuing 500,000 shares (issued in May 2012 with a value of $27,500) within 24 months of the signing of the Option Agreement.

The Company earned a 65% interest and can earn a further 15% interest for a total 80% interest by incurring $4,000,000 in exploration expenditures. The Company has the right to acquire the remaining 20% interest by effecting a merger, amalgamation or other form of business combination with the optionor, or the Company can purchase any or all of the 20% interest by paying the sum of $1,000,000 for each 1% interest in the property to be purchased.

The Company has a 100% interest in additional claims known as the Duvay Nord and East Mac Sud properties that form part of the Duvay Gold Project. The optionor retains a 2.0% NSR and the Company has the right to purchase 1.0% of the NSR for $1,000,000 and retains the first right of refusal to purchase the remaining 1.0% NSR.

On September 26, 2011, the Company entered into an option agreement with Aurizon Mines Ltd. ("Aurizon") on its Duvay Gold Project whereby Aurizon can earn an initial 50% interest in the Duvay over a four year period by making cash payments totaling $1,500,000 ($1,000,000 paid) and incurring exploration expenditures totaling $6,500,000 (approximately $2,500,000 in exploration work was completed by Aurizon). In June 2012, the Company entered into an Amended and Restated Option Agreement (the "Amended Agreement") with Aurizon which incorporates an option over the Fontana Gold Project into the existing Duvay Gold Project Option Agreement. On April 9, 2013, the Company was advised that Aurizon would not proceed with the Amended Agreement and the Option lapsed.

Subsequent to November 30, 2014, the Company announced that Secova Metals Corp. ("Secova") has executed a term sheet to option up to a 90% interest in the Duvay Gold Project, comprising 105 claims in the Abitibi region, 15 kilometres northeast of Amos, Quebec. Under the provisions of the term sheet, upon which a definitive acquisition agreement will be based, Tres-Or (the "Optionor") grants to Secova the sole and exclusive right and option to acquire a 65% right, title and interest in and to the Duvay claims by paying to the Optionor the sum of $500,000 and incurring $3,750,000 in exploration expenses over a four year period. Secova can earn the full 90% of the property (an additional 25% ownership) by funding a pre-feasibility study and making aggregate expenditures of $12 million to bring the property towards production.

To earn the initial 65% interest in the project, Secova will be required to make the cash payments and exploration expenditures as follows:

a. Secova pays the Optionor the sum of $15,000 on execution of the term sheet (paid subsequently);

b. Secova pays the Optionor the sum of $60,000 on Exchange approval;

c. Secova pays the Optionor the sum of $125,000 and has incurred $500,000 in exploration on the first anniversary of the execution of the Agreement (the "Effective Date");

d. Secova pays the Optionor the sum of $300,000 and has incurred a further $750,000 in exploration on the second anniversary of the Effective Date;

e Secova will incur a further $1,000,000 in exploration by the third anniversary of the Effective Date; and

f. Secova will incur a further $1,500,000 in exploration by the fourth anniversary of the Effective Date.

7. EXPLORATION AND EVALUATION ASSETS (Cont'd)

b) Fontana and Duvay Gold Projects, Quebec, Canada (Cont'd)

Secova shall act as operator and in circumstances where Secova earns the 90% interest in the Property, Tres-Or would revert to a 10% carried interest through to commercial production. In addition, Secova would grant to Tres-Or the right to receive a resource payment (the "Resource Payment") based on the initial NI 43-101 compliant resource estimate on the claims, such payment to be equal to $30 for each gold ounce equivalent categorized as "measured", $25 for each gold ounce equivalent categorized as "indicated", and $15 for each gold ounce equivalent categorized as "inferred" to be paid from the proceeds of commercial production after deducting operating costs and other senior payments. If Secova chooses to remain at a 65% ownership interest then a joint venture will be formed with Tres-Or and the Resource Payment would be payable within 180 days of the joint venture formation. The proposed acquisition agreement is subject to TSX Venture Exchange approval.

Fontana Gold Project

On November 9, 2011, the Company entered into an option agreement (the "Option") with Globex Mining Enterprises Inc. ("Globex") to acquire the interests of certain mineral claims in Quebec, being a 75% interest in 16 claims and a 100% interest in a further 7 claims, collectively known as the Fontana Gold Project ("Fontana"). The interests of Globex in Fontana are subject to a 3.0% Gross Metals Royalty ("GMR") and the 16 claims held by Globex as to 75% are also subject to a 15% Net Profits Interest ("NPI"). In order to exercise the option the Company is required to pay Globex $400,000 (paid) and is required to purchase the NPI from Globex for a total of $1,200,000, payable in increments over 84 months ($50,000 paid).

During to the period ended November 30, 2014, the Company and Globex made certain amendments to the Fontana Property Option Agreement dated November 9, 2011 which are subject to the satisfaction of certain conditions. The amended payment schedule under the Fontana NPI acquisition agreement terms is as follows:

November 30, 2014 - $50,000 cash payments (extended to December 31, 2014 and paid in December 2014)
November 30, 2015 - $50,000 cash payments
November 30, 2016 - $50,000 cash payments
November 30, 2017 - $50,000 cash payments
November 30, 2018 - $50,000 cash payments
November 30, 2019 - $100,000 cash payments
November 30, 2020 - $200,000 cash payments
November 30, 2021 - $200,000 cash payments

During the year ended February 29, 2012, the Company completed agreements to purchase additional Duvay Gold Project claims for cash payments totaling $125,000 (paid) and 4 of these claims are subject to a 2.0% GMR. Also during the year, the Company entered into purchase agreements to acquire an additional 13 claims in the Duvay-Fontana area for cash payments of $112,850 (paid). Certain of the claims have various underlying royalties.

In April 2012, the Company entered into a property option agreement with Merrex, wherein the Company has been granted the option to acquire Merrex's 25% interest in 16 mineral claims in Duverny Township, Quebec, forming part of the Fontana Gold Project. The claims are subject to a 15% NPI in favour of Globex. In order to exercise the option, the Company has paid to Merrex a total of $300,000 as at February 28, 2014 and was required to make the final payment of $200,000 on or before April 16, 2013 (not paid) to complete the acquisition.

The Company has been advised that Merrex has elected to treat the option as terminated for non-payment and thus during the year ended February 28, 2014, the Company recorded a $300,000 write-down in connection with the acquisition costs pursuant to the option agreement with Merrex.

7. EXPLORATION AND EVALUATION ASSETS (Cont'd)

b) **Other Projects**

The Company holds a 100% interest in certain mineral claims in the Notre Dame du Nord area of Quebec. In 2003, the Company paid $133,920, completed $171,200 of exploration expenditures and issued 280,000 common shares with a value of $70,000 to earn its interest in certain of these claims subject to a 2.0% NSR. The Company may purchase 1.0% of the NSR for $1,000,000 at any time prior to commercial production of any mineral discovered on the claims and also retains the First Right of Refusal to buy back the remaining 1.0% NSR. In addition, the Company agreed to deliver 100,000 common shares one day prior to commencement of commercial production subject to regulatory approval.

The Company has certain claims and holds an option to acquire a 100% interest in certain claims in the Porcupine Mining Division, Ontario. In addition, the Company has an interest in 2 mining licences in Sharpe and Savard townships, Ontario.

8. RELATED PARTY TRANSACTIONS

Accounts payable to related parties of $273,503 (February 28, 2014 - $210,989) consists of amounts due to a private company controlled by a director and to a law firm in which a director of the Company is a partner.

During the period ended November 30, 2014, the Company entered into the following transactions with related parties:

(a) Incurred $59,730 (2013 - $57,255) to a company controlled by a director for geological services which have been capitalized to deferred exploration costs and incurred $40,500 (2013 - $40,500) to this company for management services. At November 30, 2014, there was $266,611 (February 28, 2014 - $196,431) owing to this company.

(b) Incurred $471 (2013 - $2,556) in professional fees expense to a law firm in which a director is a partner. At November 30, 2014, there was $6,892 (February 28, 2014 - $14,558) owing to this law firm.

(c) Incurred $7,650 (2013 - $7,650) as automobile allowance (included in travel and promotion) to a private company controlled by a director.

At November 30, 2014, share subscriptions receivable included $Nil (February 28, 2014 - $15,000) due from a director of the Company.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES

The authorized share capital of the Company consists of an unlimited number of common shares without par value and unlimited Class A preferred shares without par value.

Stock options

The Company has adopted a formal stock option plan which follows the TSX Venture Exchange ("TSX-V") policy under which it is authorized to grant options to directors and employees to acquire up to 10% of issued and outstanding common stock. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall be not less than the minimum price permitted by the TSX-V. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

	Number of options	Weighted average exercise price
Balance, February 28, 2013	5,475,000	$ 0.13
Expired	(1,900,000)	0.10
Balance, February 28, 2014	3,575,000	$ 0.15
Expired	(1,800,000)	0.15
Balance and exercisable, November 30, 2014	1,775,000	$ 0.15

The weighted average contract life remaining on the above stock options is 0.22 years.

As at November 30, 2014, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
1,375,000	$ 0.16	January 21, 2015*
400,000	0.12	May 19, 2015
1,775,000		

*Expired subsequent to November 30, 2014 unexercised

There are no warrants outstanding.

Shareholders Rights Plan Agreement

The Company has adopted a shareholder rights plan (the "Rights Plan") to ensure the fair treatment of all Company shareholders in connection with any take-over bid for the outstanding common shares of the Company. The Rights Plan will provide the Company's shareholders and Board of Directors with adequate time to properly evaluate and assess an unsolicited take-over bid. Under such circumstances, the Rights Plan will provide the Board of Directors with sufficient time to explore and develop alternative transactions to maximize shareholder value.

The Rights Plan attaches one right to each existing Common Share and to all future shares issued while the Rights Plan is in effect. The Rights will be evidenced by certificates for common shares and will not be transferable separately from the common shares.

9. SHARE CAPITAL AND EQUITY RESERVES (Cont'd)

Shareholders Rights Plan Agreement (Cont'd)

The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "Permitted Bid" or with the concurrence of the Board of Directors. A Permitted Bid is a bid made by way of take-over bid circular to all holders of the Company's common shares which is open for acceptance for not less than 60 days. If at the end of 60 days, at least 50% of the outstanding shares have been tendered, other than those owned by the offeror and certain related parties, the offeror may take up and pay for the shares but must extend the bid for a further 10 days to allow other shareholders to tender. If a take-over bid fails to meet these minimum standards of the Rights Plan and is not waived by the Board of Directors, each Right would, upon exercise, entitle a Rights holder, other than the acquirer and certain related parties of the acquirer, to purchase additional common shares at a significant discount to market, thus exposing the acquirer to a substantial dilution of its holding.

The Rights Plan will continue in effect until the third annual meeting of the shareholders thereafter.

10. MANAGEMENT OF CAPITAL

The Company's capital structure consists of items in equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placement or debt financing.

11. FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, currency, and interest rate risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada has experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

11. FINANCIAL INSTRUMENTS (Cont'd)

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, marketable securities and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

The Company's cash is held with major Canadian based financial institutions.

Receivables mainly consist of sales tax refunds due from the governments of Canada.

Currency risk

The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash is generally not exposed to interest rate risk because of its short-term maturity.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's marketable securities are classified as available-for-sale and trade on the stock market. The Company closely monitors its marketable securities, stock market movements and commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Fair Value

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities and accounts payable to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash and marketable securities are based on level 1 inputs of the fair value hierarchy.

12. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions of the Company for the period ended November 30, 2014 were as follows:

(a) Included in exploration and evaluation asset costs is $732 which relates to accounts payable and accrued liabilities.

(b) Included in exploration and evaluation costs is $136,768 which relates to account payable to related parties.

(c) 100,000 common shares held by a director of the Company with a value of $15,000 were returned to treasury.

Significant non-cash transactions of the Company for the period ended November 30, 2013 were as follows:

(a) Included in exploration and evaluation asset costs is $6,387 which relates to accounts payable and accrued liabilities.

(b) Included in exploration and evaluation costs is $95,926 which relates to accounts payable to related parties.

(c) The Company received 50,000 shares of Pershimco Resources Inc. with a value of $19,500 in connection with a Quebec Gold Projects option agreement.

14. SUBSEQUENT EVENT

Subsequent to the period ended November 30, 2014, the Company announced that Secova Metals Corp. has executed a term sheet to option up to a 90% interest in the Duvay Gold Project (Note 7b).