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LORRAINE COPPER CORP.

(An Exploration Stage Company)
Condensed Interim Financial Statements
August 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

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Condensed Interim Financial Statements

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 condensed interim financial statements of Lorraine Copper Corp. as at August 31, 2015 and 2014, notes to interim condensed financial statements and related Management Discussion and Analysis have been prepared by and are the responsibility of management.

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

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Balance Sheets
(Unaudited – Expressed in Canadian Dollars)

		August 31, 2015	February 28, 2015
Assets			
Current Assets			
Cash and cash equivalents		$ 70,946	$ 120,072
Accounts receivable		3,348	4,183
		74,294	124,255
Project Deposits		12,000	12,000
Mineral Property Interests	(Note 6)	4,963,703	4,954,903
Equipment	(Note 7)	791	791
		$ 5,050,788	$ 5,091,949
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		14,670	12,127
Payable to related parties	(Note 9)	5,334	6,578
		$ 20,004	$ 18,705
Payable to related parties	(Note 9)	12,000	12,000
Promissory note (Note 6)	(Note 10)	106,628	106,628
		138,632	137,333
Shareholders' Equity			
Share Capital	(Note 8)	5,615,856	5,615,856
Warrants Reserve	(Note 8)	130,538	130,538
Share-based Payments Reserve		310,248	310,248
Deficit		(1,144,486)	(1,102,026)
		$ 4,912,156	$ 4,954,616
		$ 5,050,788	$ 5,091,949

Approved on behalf of the Board:

"Donald Sharp" Director
Donald Sharp

"James W. Morton" Director
James W. Morton

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2015	2014	**2015**	2014
General and Administrative Expenses				
Bank Charges and Interest expense	**$ 63**	$ 2,581	**$ 161**	$ 5,189
Consulting	**2,850**	2,124	**5,403**	5,780
Dues and licenses	**6**	-	**6**	6
Investor relations	**4,017**	3,808	**6,924**	6,540
Professional fees	**-**	7,785	**3,062**	7,785
Office	**1,171**	1,059	**1,828**	1,745
Rent	**5,912**	4,683	**11,890**	10,534
Salaries and benefits	**4,440**	4,309	**8,376**	8,415
Telephone	**427**	417	**820**	828
Transfer and filing fees	**2,838**	2,832	**3,990**	4,002
Loss before the following	**21,724**	29,598	**42,460**	50,824
Other (Income) Expense				
Interest Income	**-**	-	**-**	-
Net Loss	**21,724**	29,598	**42,460**	50,824
Other Comprehensive (income) loss				
Unrealized (gain) on investments, net of realized amounts	**-**	-	**-**	-
Comprehensive Loss	**$ 21,724**	$ 29,598	**$ 42,460**	$ 50,824
Loss Per Share, basic and fully diluted	**$ 0.001**	$ 0.001	**$ 0.001**	$ 0.001
Weighted Average Number of Common Shares Outstanding	**45,665,002**	43,665,002	**45,665,002**	43,665,002

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2015	2014	**2015**	2014
Deficit, Beginning of Period	**$ 1,122,762**	$ 1,019,371	**$ 1,102,026**	$ 998,145
Net loss / (income)	**21,724**	29,598	**42,460**	50,824
Deficit, End of Period	$ **1,144,486**	$ 1,048,969	**$ 1,144,486**	$ 1,048,969

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Amount	Warrants Reserve	Share-Based Payments Reserved	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, February 28, 2014	43,665,002	$ 5,565,856	$ 80,538	$ 310,248	$ (998,145)	$ -	$ 4,958,497
Issued for cash		-	-	-	-	-	-
Private placement, net of issue cost	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	-	-
Share-based payments				-			-
Net (loss) for period	-	-	-	-	(50,824)	-	(50,824)
Balance, August 31, 2014	43,665,002	$ 5,565,856	$ 80,538	$ 310,248	$ (1,048,969)	$ -	$ 4,907,673
Issued for cash							
Private placement, net of issue cost	2,000,000	100,000	-	-	-	-	100,000
Fair value assigned to warrants of private placement	-	(50,000)	50,000	-	-	-	-
Share-based compensation				-			-
Net (loss) for period	-	-	-	-	(53,057)	-	(53,057)
Balance, February 28, 2015	45,665,002	$ 5,615,856	$ 130,538	$ 310,248	$ (1,102,026)	$ -	$ 4,954,616
Issued for cash							
Private placement, net of issue cost	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	
Net (loss) for period	-	-	-	-	(42,460)	-	(42,460)
Balance, August 31, 2015	45,665,002	$ 5,615,856	$ 130,538	$ 310,248	$ (1,144,486)	$ -	$ 4,912,156

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statement of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

		For the Six Months Ended August 31		
		2015		2014
Cash provided by (used in) Operating Activities				
Net Gain (Loss)	**$**	**(42,460)**	$	(50,824)
		(42,460)		(50,824)
Changes in non-cash working capital				
Accounts receivable		**834**		46
Investments – Short Term		**-**		-
Accounts payable and accrued liabilities		**1,300**		5,050
		(40,326)		(45,728)
Investing Activities				
Expenditures on Mineral Properties		**(8,800)**		(3,640)
		(8,800)		(3,640)
		(49,126)		(49,368)
(Decrease) Increase in Cash and Cash Equivalents		**(49,126)**		(49,368)
Cash and Cash Equivalents, Beginning of Period		**120,072**		131,072
Cash and Cash Equivalents, End of Period	$	**70,946**	$	81,704

See notes to condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Lorraine Copper Corp. (the "Company") was incorporated in British Columbia, and the common shares are listed for trading on the TSX Venture Exchange – Tier Two: symbol: LLC. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow. The Company's head office and principal address is 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations. Such adjustments and reclassifications could be material.

Statement of Compliance

These interim financial statements for the Company's reporting period ended August 31, 2015 have been prepared in accordance with and using accounting policies which are, without reservation, in full compliance with IAS 34 as issued by the International Accounting Standards Board ("IASB") as required by National Instrument 52-107 sec. 3.2(1)(b)(ii) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and as set out in the Handbook of the Chartered Professional Accountants of Canada ("CPA Handbook").

These unaudited consolidated interim financial statements were approved by the Board of Directors on October 21, 2015.

Basis of Measurement

These interim financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value (Note 3), and are presented in Canadian dollars, the Company's reporting currency and the functional currency of all of its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Estimates and Judgments

The preparation of these financial statements required management to make estimates, judgments and assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, judgments and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Critical accounting estimates are estimates, judgments and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of accounts receivable, determination of realizable amounts of deferred tax asset, impairment of the carrying value of assets, estimation of provisions and measurement of share-based compensation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from property and equipment.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash, bank deposits or highly-liquid investments that are readily convertible into known amounts of cash.

(c) Financial Instruments

(i) Financial assets

The Company classifies its financial asset into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in net income (loss).

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income (loss).

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income as a component of equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in net income (loss).

All financial assets, except for those classified as FVTPL, are subject to review for impairment at least each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

(ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories. The Company's accounting policy for each category is as follows:

FVTPL – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in net income (loss).

Other financial liabilities – This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Financial liabilities (continued)

The Company's financial instruments are cash and cash equivalents, accounts receivable, receivable from related parties, project deposits, accounts payable and accrued liabilities and project deposits payable. The Company classifies its cash and cash equivalents as FVTPL, accounts receivable and receivable from related parties as loans and receivables, investments as available-for-sale, project deposits as held-to-maturity and accounts payable and accrued liabilities and project deposits payable as other financial liabilities. The carrying amounts of these financial assets and financial liabilities as at August 31, 2015 and February 28, 2015 approximate their fair values.

(iii) Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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 available-for-sale investment is based on quoted prices and is therefore considered to be Level 1.

(d) Exploration and Evaluation Assets, and Patented Claims

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse. Costs accumulated relating to projects that are abandoned are written-off in the period in which a decision to discontinue the project is made. Pre-exploration costs are expensed in the year they are incurred.

All deferred mineral property interests are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, costs will be depleted using the unit-of-production method over the estimated life of the ore body based upon recoverable metals to be mined from estimated proven and probable reserves by property.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded until the payments are made or received. Proceeds received on the sale or option of the Company's property interest is recorded as a reduction of the mineral property cost. When proceeds received in respect of a property exceed its carrying cost, such excess is recognized as net income (loss).

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(e) Provisions

(i) Environmental expenditures

The operations of the Company have been, and may in the future be, affected by changes in environmental regulations, including those relating to future reclamation and site restoration. The likelihood of new regulations and their overall effect on the Company are unknown and unpredictable. The Company plans to meet and, if possible, surpass standards set by legislation, by applying technically proven and economically feasible measures.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Environmental expenditures relating to ongoing environmental and reclamation programs are charged to operations as incurred, or depending on their future economic benefits, capitalized and amortized over the estimated remaining life of the related business operation, net of expected recoveries. These costs are recognized when the obligation is incurred and the fair value of the related costs is reasonably determinable. Management's estimate of reclamation and restoration costs has not been included in these financial statements as the amount is not currently material.

(ii) Other provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(f) Share Capital

Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(i) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through shares premium"). Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through share premium will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

(g) Exploration Tax Credits

The Company may receive refundable exploration tax credits and grants from provincial jurisdictions in Canada equal to a specified rate of qualifying expenditures incurred on properties located within that jurisdiction. The Company records these exploration tax credits and grants as a reduction of qualifying expenditures as it incurs the related expenditures.

(h) Income Recognition

Interest from cash and short-term investments is recorded on an accrual basis when collection is reasonably assured.

(h) Share-based Payments

The Company has a stock option plan that is described in Note 9. Share-based compensation to employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to options reserve. If measured at the fair value of equity instruments issued, fair value is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in options reserve is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Earning/Loss per Share

Earnings or loss per share is calculated using the weighted average number of common shares outstanding during the period. The computation of diluted earnings is performed by presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

(j) Comprehensive Income or Loss

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the balance sheet.

(k) Income Taxes

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current income tax expense is the expected taxes payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the period, adjusted for amendments to estimates of taxes payable made in previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date. Deferred tax assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized, by use of a valuation allowance to reflect the estimated realizable amount.

(l) New Accounting Standards and Interpretations

Standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below and include only those which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards and interpretations when they become effective.

The new standards and interpretations issued include:

- IFRS 9 'Financial Instruments' (effective for years beginning on or after January 1, 2015): IFRS 9 introduces new requirements for classifying and measuring financial assets and provides additional guidance on the fair value option for liabilities to address the entity's own credit risk.
- IFRS 10 'Consolidated Financial Statements' (effective for years beginning on or after January 1, 2013): IFRS 10 outlines the principles for the presentation and preparation of consolidated financial statements.
- IFRS 13 'Fair Value Measurement' (effective for years beginning on or after January 1, 2013): IFRS 13 defines fair value, summarizes the methods of determining fair value and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements.

Accounting standards that have been amended but are not yet effective include:

- IAS 1 'Presentation of Financial Statements' (effective for years beginning on or after July 1, 2012): The amendments to IAS 1 improve how components of other comprehensive income are presented.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

- Cash and cash equivalents as FVTPL
- Accounts receivable (excluding taxes receivable) as loans and receivables
- Deposits for reclamation as held-to-maturity

- Accounts payable and accrued liabilities and flow-through share premium as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivables and accounts payable (excluding due to related parties) approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of reclamation deposits approximates fair value since amounts held earn interest at market rates. The fair value of amounts due to related parties included in accounts payable and accrued liabilities have not been disclosed as their fair values cannot be reliably measured since there is no quoted market prices for such instruments. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk refers to the potential that a counter party to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by holding these at major Canadian financial institutions. In regards to accounts receivable, the Company is not exposed to significant credit risk. Concentration of credit risk exists with respect to the Company's cash s as all amounts are held at a major Canadian financial institution.

	August 31, 2015	February 28, 2015
Cash held in accounts with Bank of Montreal	$ 70,946	$ 120,072

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains sufficient cash at August 31, 2015 in the amount of $70,946 and receivables of $3,348 in order to meet short-term liabilities. At August 31, 2015, the Company had accounts payable and accrued liabilities of $20,004, which are expected to be paid within the next 90 days.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate and foreign currency risk as follows:

(i) Interest rate risk

The Company's cash held in bank accounts earns interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2015.

(ii) Foreign currency risk

The Company's operations are located in Canada with substantially all transactions denominated in Canadian dollars and, accordingly, the Company is not exposed to significant foreign currency risk.

5. CAPITAL MANAGEMENT

The Company's primary source of funds has been obtained through the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

The Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be on assurance that it will continue into the future.

6. MINERAL PROPERTIES

Acquisition and exploration expenditures incurred on the Lorraine mineral property for the quarter ended August 31, 2015 are as follows:

	Six Months Ended August 31, 2015	Six Months Ended August 31, 2014
Acquisition Costs		
Balance, beginning of period	$ 4,861,975	$ 4,861,975
Incurred during period	-	-
Balance, end of period	4,861,975	4,861,975
Exploration Expenditures		
Professional fees, field crews	8,800	3,640
Geological	-	-
Other	-	-
Total Expenditures for the period	8,800	3,640
Balance, beginning of the period	95,820	90,158
Written off during the period	-	-
Total Expenditures	104,620	93,798
Option Proceeds		
Balance, beginning of period	-	-
Additions	-	-
Balance, end of period	-	-
Mineral Property (METC)	(2,892)	(3,978)
Cumulative mineral property Costs	$ 4,963,703	$ 4,951,795

Lorraine-Jajay Project, Omineca Mining Division, British Columbia

The Company acquired the Lorraine-Jajay mineral property through the plan of arrangement with Eastfield Resources Ltd. and Lysander Minerals Corporation. This property is subject to a joint venture agreement with Teck Resources Limited ("Teck"). Teck earned a 51% joint venture interest in the property by completing $9,000,000 of exploration expenditures by December 31, 2010 (completed).

7. EQUIPMENT

	Office Equipment	Computer Software	Total
COST			
Balance, February 28, 2014 and February 28, 2015	$ 2,498	$ 188	$ 2,686
Additions	-	-	-
Disposals	-	-	-
Balance, Aug. 31, 2015	**2,498**	**188**	**2,686**
ACCUMULATED AMORTIZATION			
Balance, February 28, 2014	1,510	94	1,604
Amortization	197	94	332
Balance, February 28, 2015 and Aug. 31, 2015	**1,707**	**188**	**1,895**
Net Book Value, February 28, 2014	988	94	1,082
Net Book Value, February 28, 2015 and Aug. 31, 2015	**$ 791**	**$ -**	**$ 791**

8. SHARE CAPITAL

Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company has reserved up to 10% of issued share capital for the grant of options. Options will normally vest entirely at the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

No options were granted or expired during the quarter ended August 31, 2015. Common share purchase options outstanding during the year and as at August 31, 2015 were:

	2015			2014		
	Number of Shares	Weighted Average Exercise Price		Number of Shares	Weighted Average Exercise Price	
Balance, beginning of the year	**4,325,000**	**$**	**0.10**	4,325,000	$	0.13
Granted	**-**		**-**	2,625,000		0.10
Expired	**-**		**-**	(2,625,000)		0.15
Balance, end of the year	**4,325,000**		**0.10**	4,325,000		0.10
Options exercisable, end of the year	**4,325,000**	**$**	**0.10**	4,325,000	$	0.10

The following options are outstanding at August 31, 2015:

	Options Outstanding				Options Exercisable		
Expiry Date	Number of shares	Exercise price ($)		Weighted Average Remaining Life	Number of shares	Exercise price ($)	
26-May-23	2,625,000	$	0.10	7.5	2,625,000	$	0.15
29-Mar-16	1,700,000		0.10	0.61	1,700,000		0.10
	4,325,000			4.79	4,325,000		

Warrants

The following warrants are outstanding at August 31, 2015:

	Warrants Outstanding			
Expiry Date	Number of shares	Exercise price ($)		Weighted Average Remaining Life
10-Sep-19	2,000,000	$	0.06	4.03
1-Dec-15	1,500,000		0.10	0.25
	3,500,000			2.22

The Company determines the fair value of the warrants granted using the Black-Scholes option pricing model. No warrants were granted during the quarter.

9. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties.

During the quarter ended August 31, 2015 geological services totaling $7,200 (quarter ended August 31, 2014 - $2,280) were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. Related party transactions are recorded at the exchange amount as agreed by the parties.

In the normal course of business, the Company enters into transactions with a related company, Eastfield Resources Ltd. ("Eastfield") for the use of equipment, services and rental of office space. The Company is related to Eastfield through common directors. At August 31, 2015, accounts payable to related parties were $17,334 (2014- $18,578).

10. PROMISSORY NOTE

The Company borrowed, on December 15, 2013, the sum of $100,000 from Eastfield Resources Ltd., secured by a loan agreement and promissory note. The term of this loan was subsequently extended to June 15, 2016.

11. SEGMENTED DISCLOSURES

The Company operates in one industry segment. Mineral properties and other capital assets are located in Canada and all exploration expenditures have been incurred in Canada.