MARITIME RESOURCES CORP.

FINANCIAL STATEMENTS

December 31, 2014

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Maritime Resources Corp.

We have audited the accompanying financial statements of Maritime Resources Corp., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Maritime Resources Corp. as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Maritime Resources Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Accountants

March 17, 2015

MARITIME RESOURCES CORP.

Statements of Financial Position

As at December 31

(Expressed in Canadian Dollars)

	Note		**2014**		**2013**
Assets					
Current assets					
Cash		$	155,709	$	158,478
Receivables	6		6,284		9,378
Prepaid expenses			4,853		10,785
Advance			8,500		-
			175,346		178,641
Exploration and evaluation assets	7		4,798,178		4,600,234
		$	4,973,524	$	4,778,875
Liabilities and Shareholders' Equity					
Current liabilities					
Accounts payable and accrued liabilities	8	$	34,118	$	140,693
Loans	9		237,930		120,000
			272,048		260,693
Shareholders' Equity					
Share capital	11		6,082,485		5,524,652
Warrants	12		6,400		-
Share-based payments reserve	11		574,498		402,652
Deficit			(1,961,907)		(1,409,122)
			4,701,476		4,518,182
		$	4,973,524	$	4,778,875

See accompanying notes to the financial statements.

Nature of operations and ability to continue as a going concern (note 1)

Subsequent events (note 15)

Approved on behalf of the Board:

"Douglas Fulcher" Director

Douglas Fulcher

"Maynard Brown" Director

Maynard Brown

MARITIME RESOURCES CORP.

Statements of Loss and Comprehensive Loss

For the Years Ended December 31

(Expressed in Canadian Dollars)

	Note		**2014**		**2013**
Expenses					
Administration		$	91,662	$	87,018
Consulting			137,167		151,600
Directors' fees			-		90,000
Financing expense and interest on loans payable	9		11,665		96,674
Investor relations and promotion			86,308		106,634
Professional fees			68,487		43,374
Share-based payments	11(c)		173,620		114,526
Loss Before Deferred Tax Recovery			(568,909)		(689,826)
Deferred tax recovery - flow-through	14		14,350		64,950
Deferred tax recovery	14		-		27,934
Loss and Comprehensive Loss for the Year		**$**	**(554,559)**	**$**	**(596,942)**
Loss Per Share - Basic and Diluted		$	(0.016)	$	(0.019)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted			34,697,342		31,157,145

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.

Statements of Cash Flows

For the Years Ended December 31

(Expressed in Canadian Dollars)

		2014		2013
Operating Activities				
Loss for the year	$	(554,559)	$	(596,942)
Items not involving cash:				
Share-based payments		173,620		114,526
Financing expense and interest accrued on loan payable		11,665		96,674
Deferred tax recovery - flow-through		(14,350)		(64,950)
Deferred tax expense (recovery)		-		(27,934)
Changes in non-cash working capital:				
Receivables		3,094		85,301
Prepaid expenses		5,932		(399)
Advance		(8,500)		-
Accounts payable and accrued liabilities		(105,173)		64,499
Cash Used in Operating Activities		(488,271)		(499,827)
Investing Activities				
Exploration and evaluation expenditures (net)		(200,041)		(250,192)
Government grants and cost recovery received on exploration and evaluation assets		-		153,898
Cash Used in Investing Activities		(200,041)		(96,294)
Financing Activities				
Loan proceeds		275,000		-
Repayment of loan		(120,000)		(280,000)
Interest paid		(6,707)		(42,317)
Shares and warrants issued for cash		537,250		699,576
Cash Provided by Financing Activities		685,543		377,259
Change in cash for the year		(2,769)		(218,862)
Cash, Beginning of Year		158,478		377,340
Cash, End of Year	$	155,709	$	158,478
Cash paid for interest	$	6,707	$	42,317
Cash paid for taxes	$	-	$	-
Exploration and evaluation assets included in accounts payable and accrued liabilities	$	779	$	2,876
Non-Cash Financing activities:				
Fair value of shares issued to lenders	$	41,333	$	-
Fair value of warrants issued	$	6,400	$	-
Adjustment for exercise/expiry of warrants	$	-	$	102,664
Adjustment for exercise/expiry of options	$	-	$	67,168

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.

Statements of Changes in Shareholders' Equity
For the Years Ended December 31
(Expressed in Canadian Dollars)

	Note	Share Capital Shares	Share Capital Amount	Warrants	Share-based Payments Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2012		**30,524,825**	**$ 4,698,373**	**$ 102,664**	**$ 355,304**	**$ (855,319)**	**$ 4,301,022**
Loss for the year		-	-	-	-	(596,942)	(596,942)
Exercise of stock options		400,000	80,000	-	-	-	80,000
Exercise of warrants		2,478,305	619,576		-	-	619,576
Non-cash transactions							
Reclassification of share-based payments on options exercise		-	52,354	-	(52,354)	-	-
Transfer of fair value assigned under IFRS on exercise of warrants		-	74,349	(74,349)	-	-	-
Share-based payments		-	-	-	114,526	-	114,526
Transfer of warrants expired		-	-	(28,315)	-	28,315	-
Transfer of share-based payments expired		-	-	-	(14,824)	14,824	-
Balance, December 31, 2013		**33,403,130**	**$ 5,524,652**	**$ -**	**$ 402,652**	**$ (1,409,122)**	**$ 4,518,182**
Loss for the year		-	-	-	-	(554,559)	(554,559)
Shares and warrants issued upon private placement	11(b)	2,098,000	530,850	6,400	-	-	537,250
Non-cash transactions							
Other liability on flow-through share premium	14	-	(14,350)	-	-	-	(14,350)
Shares issued to lenders		366,665	41,333	-	-	-	41,333
Share-based payments		-	-	-	173,620	-	173,620
Transfer of share-based payments expired		-	-	-	(1,774)	1,774	-
Balance, December 31, 2014		**35,867,795**	**$ 6,082,485**	**$ 6,400**	**$ 574,498**	**$ (1,961,907)**	**$ 4,701,476**

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Maritime Resources Corp. (the "Company" or "Maritime") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007. The principal activities of the Company are the exploration of resource properties in Green Bay, Newfoundland, Canada. The Company is considered to be in the exploration stage.

The address of the Company's corporate office and principal place of business is Suite 615 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical basis, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

These financial statements were authorized for issue by the Board of Directors on March 17, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value.

(a) Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated 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 of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these financial statements include:

Judgment:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Estimates:

Valuation of share-based payments, agent compensation and finders' warrants – The Company uses the Black-Scholes Pricing Model for valuation of *share*-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(b) Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

(c) Cash

Cash consists of cash on hand and demand deposits that are subject to an insignificant risk of change in value.

(d) Exploration and evaluation assets ("E&E")

Once the legal right to explore a property has been obtained, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property 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. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of the project are deemed to be impaired. As a result those E&E costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses E&E assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit is the smallest identifiable group of E&E assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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 that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

(e) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

(f) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where 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.

(g) Financial instruments

The Company classifies 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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial assets

Financial assets are classified into one of the following categories. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(a) Fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as FVTPL if:
- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

(b) Available-for-sale investments ("AFS")

Short-term investments and other assets held not otherwise designated, are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive loss. Impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive loss is included in profit or loss for the period. The Company does not have any assets classified as AFS financial assets.

(c) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are held to maturity, and are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the reporting period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(d) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include trade accounts payable, other payables, advances from non-controlling interest, deferred credits and loans.

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade payables and accrued liabilities. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(h) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and non-employees. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number at options that vest. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-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 share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

(j) Flow-through shares and unit offerings

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through share premium") as follows:

- Share capital – the market value of the share
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature based on the residual value method.
- Warrants – recorded as reserves based on the residual value method.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed and the flow-through share premium is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the quoted market price of the common shares at the time the units are priced, then to the flow-through tax premium, if any and thereafter to warrants.

(k) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated 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.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(l) Segmented information

The Company has one operating segment, mineral exploration and development, and operates in one geographical segment, being Canada.

(m) Adoption of new IFRS pronouncements

The adoption of the following new IFRS pronouncements did not have an effect on the Company's financial statements:

- IAS 32, "Financial Instruments: Presentation" was adopted by the Company on January 1, 2014. IAS 32 applies to the offsetting of financial assets and financial liabilities.
- IFRS 10, "Exception from Consolidation for "Investment Entities"" in conjunction with IFRS 12 and IAS 27, was adopted by the Company on January 1, 2014. IFRS 10 amends the definition of "Investment Entity" and introduces and an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures required by an investment entity.

(n) New accounting standards not yet adopted

- IAS 36, "Impairment of Assets" is effective for annual periods beginning on or after July 1, 2014.
- IFRS 7, "Financial Instruments: Disclosures" (amendments) is effective for annual periods beginning on or after January 1, 2015.
- IFRS 14, "Regulatory Deferral Accounts" is effective for annual periods beginning on or after January 1, 2016.
- IFRS 15, "Revenue from Contracts with Customers" is effective for annual periods beginning on or after January 1, 2017.
- IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.

The Company is currently evaluating the impact of these new and amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations.

4. FINANCIAL INSTRUMENTS

The Company has classified its cash as FVTPL (using level 1 of the fair value hierarchy); receivables (excluding tax arrangements) as loans and receivables; and accounts payable and accrued liabilities and loans as other financial liabilities.

The carrying values of cash, accounts receivables and accounts payable approximate their fair values due to the short-term maturity of these financial instruments.

5. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables, other than Goods and Services Tax ("GST") and any government funding receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(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 is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to managing the above risks.

(Expressed in Canadian Dollars)

6. RECEIVABLES

	December 31, 2014	December 31, 2013
GST receivable	$ 6,284	$ 7,261
Other	-	2,117
	$ 6,284	$ 9,378

7. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Company's 100% owned Green Bay Property, located in central Newfoundland, during the years ended December 31, 2014 and 2013 follow:

	December 31, 2014	December 31, 2013
Balance at the beginning of the year	$ 4,600,234	$ 4,302,405
Exploration costs:		
Drilling	3,075	5,988
Geology and reports writing	160,934	277,621
Geochemistry	7,063	-
Property	26,872	12,162
Trenching	-	11,489
Mettallurgy	-	16,132
Reports	-	18,300
Other	-	10,035
	197,944	351,727
Less:		
Recoveries & Grants	-	(53,898)
Net additions	197,944	297,829
Balance at the end of the year	**$ 4,798,178**	**$ 4,600,234**

During 2010, the Company acquired a 50% initial interest in the Green Bay mineral property in Newfoundland, Canada, by way of issuance of 12,000,000 shares at a fair value of $0.18 per share, and legal, listing fees and other costs of $64,563, for total consideration of $2,224,563.

On January 31, 2012, the Company exercised its option to acquire the remaining 50% interest in the Green Bay property from a significant shareholder, through the issuance of an additional 5,000,000 common shares at $0.20 per share for total consideration of $1,000,000, such that the Company now owns a 100% interest in the property, subject to a 2% net smelter return royalty on future production from the property with the exception of production from the Orion deposit.

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
Accounts payable	$ 11,856	$ 6,014
Accrued liabilities	15,000	15,000
Interest payable	2,733	2,038
Due to related parties (note 13)	4,529	117,641
	$ 34,118	$ 140,693

9. LOANS

On November 7, 2012, the Company completed loan arrangements by way of promissory notes ("2012 Notes") for total proceeds of $400,000. The 2012 Notes matured on October 31, 2013 and bore interest of 10% per annum. In connection with the 2012 Notes, the Company, as a bonus to the lenders, issued in the aggregate 400,000 common shares at a total fair value of $68,000, which transaction cost was amortized and expensed prior to December 31, 2013. During the year ended December 31, 2013, the Company repaid, in the aggregate, principal of $280,000 and interest of $42,317 to some of the lenders, and re-entered into a loan arrangement ("2013 Notes") for total principal of $120,000, bearing interest of 10% per annum and due on demand. During 2014, the Company repaid the principal of $120,000 and interest of $6,707.

On December 15, 2014, the Company completed loan arrangements by way of promissory notes ("2014 Notes") for total proceeds of $275,000. The 2014 Notes mature in one year and bear interest of 10% per annum. In connection with the 2014 Notes, the Company, as a bonus to the lenders, issued in the aggregate 366,665 common shares at a total fair value of $41,333, which transaction cost is amortized and expensed over the term of the loan. At December 31, 2014, $4,263 had been expensed, resulting in a fair value of the loans, excluding interest, of $237,930 and an unexpended balance of $37,070. At December 31, 2014, the Company had principal of $275,000 and interest of $2,733 owing to the lenders bearing interest of 10% per annum (Note 13(b)). The effective interest rate, including bonus shares, is 25%.

		Principal ($)	Value of bonus shares ($)	Amortized values of bonus shares ($)	Principle (net of unamortized value of bonus shares) ($)	Interest payable ($)	Total ($)
December 31, 2013	2013 Notes	120,000	-	-	**120,000**	2,038	**122,038**
December 31, 2014	2014 Notes	275,000	(41,333)	4,263	**237,930**	2,733	**240,663**

10. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity and debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its share capital and promissory notes to fund operations, and the identification and evaluation of exploration assets. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company's approach to capital management during the year ended December 31, 2014. The Company is not subject to any externally imposed capital restrictions.

11. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

During the year ended December 31, 2014, the Company:

- Closed the first tranche of the Private Placement on May 22, 2014, announced on May 9, 2014, and issued 913,000 non-flow-through unit ("NFT Units") at $0.25 per unit, 235,000 flow-through units ("FT Units") at $0.30 per unit and 850,000 common shares at $0.25 per common share, for total proceeds of $511,250. Each NFT Unit consists of one non-flow-through common share and one share purchase warrant ("Warrant'). Each FT Unit consists of one flow-through common share and one Warrant. Each warrant entitles the holder to purchase one non-flow-through common share at a price of $0.35 per common share until May 22, 2015.

- Closed the second tranche of the Private Placement on June 18, 2014, announced on May 9, 2014, and issued 80,000 NFT Units at $0.25 per unit and 20,000 FT Units at $0.30 per unit for total proceeds of $26,000. Each warrant entitles the holder to purchase one common shares at $0.35 per common share until June 18, 2015.

  No finders' fees were paid in connection with the Private Placement.

- in December, 2014, issued in the aggregate 366,665 common shares at a total fair value of $41,333, as a bonus to the lenders in connection with the 2014 Notes (note 9).

During the year ended December 31, 2013, the Company:

- issued 2,478,305 common shares at $0.25 per share on the exercise of warrants
- issued 400,000 common shares at $0.20 per share on the exercise of stock options.

(c) Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX Venture Exchange, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

(Expressed in Canadian Dollars)

A summary of the Company's stock options as at December 31, 2014 and 2013 and changes during the years then ended follows:

	Number of Options	Weighted Average
Outstanding, December 31, 2012	2,325,000	$ 0.176
Granted	675,000	$ 0.200
Exercised	(400,000)	$ 0.200
Expired	(175,000)	$ 0.229
Outstanding, December 31, 2013	2,425,000	$ 0.175
Granted	860,000	$ 0.250
Expired	(10,000)	$ 0.200
Outstanding, December 31, 2014	3,275,000	$ 0.195
Exercisable, December 31, 2014	3,267,500	$ 0.194

During the year ended December 31, 2014, options allowing for the purchase of up to, in the aggregate, 860,000 (2013: 675,000) shares in the capital of the Company were granted with a fair value of $174,392 (2013: $114,526) or $0.20 (2013: $0.17) per option and options allowing for the acquisition of 10,000 shares in the capital of the company expired.

At December 31, 2014, options allowing for the purchase, in the aggregate, of 3,267,500 (2013: 2,418,750) shares were vested and exercisable, with a weighted average exercise price of $0.194 (2013: $0.175) per share and a weighted average remaining contractual life of 2.46 (2013: 2.73) years.

The Company has estimated the forfeiture rate to be 0.00%. Expected volatility was determined based on the historical movements in the closing price of the Company's, or comparable companies' stocks for a length of time to the expected life of each option.

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

	2014	2013
Risk-free interest rate	1.49%	1.41%
Expected dividend yield	Nil	Nil
Expected stock price volatility	122%	127%
Expected option life in years	5	5

As at December 31, 2014, stock options outstanding are as follows:

(Expressed in Canadian Dollars)

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise
1,000,000	$0.150	01-Oct-15		
150,000	$0.165	26-Nov-15		
390,000	$0.200	14-Dec-16		
200,000	$0.175	26-Apr-17		
675,000	$0.200	21-Jan-18		
660,000	$0.280	29-May-19		
200,000	$0.150	15-Oct-19		
3,275,000			2.46	0.195

As at December 31, 2013, stock options outstanding were as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
1,000,000	$0.150	01-Oct-15		
150,000	$0.165	26-Nov-15		
400,000	$0.200	14-Dec-16		
200,000	$0.175	26-Apr-17		
675,000	$0.200	21-Jan-18		
2,425,000			2.73	$ 0.175

12. WARRANTS

During the year ended December 31, 2014, the Company, in connection with a private placement, issued warrants allowing for the purchase of up to 1,248,000 common shares. All the warrants entitle the holder to purchase one common share at a price of $0.35, with 1,148,000 of the warrants expiring on May 22, 2015 and 100,000 expiring on June 18, 2015. The warrants were valued using the residual method (Note 3(i)), such that the 1,148,000 warrants issued on May 22, 2014 were valued at $Nil and 100,000 warrants issued on June 18, 2014 were valued at $6,400, (80,000 warrants from NFT units valued at $6,400 and 20,000 warrants from FT units valued at $Nil).

During the year ended December 31, 2013, 2,478,305 common shares were issued at $0.25 per common share on the exercise of warrants, for gross proceeds of $619,576, and warrants allowing for the acquisition of up to in the aggregate 943,820 common shares expired.

(Expressed in Canadian Dollars)

A summary of the status of the Company's warrants as at December 31, 2013 and 2014 follows:

	Number of Warrants		Amount	Expiry Date
Outstanding and exercisable, December 31, 2012	3,422,125	$	102,664	
Exercised	(2,478,305)		(74,349)	
Expired	(943,820)		(28,315)	
Outstanding and exercisable, December 31, 2013	-	$	-	
Issued during the year				
Private placement				
- *Tranche 1*	1,148,000		-	22-May-15
- *Tranche 2*	100,000		6,400	18-Jun-15
Outstanding and exerciable, December 31, 2014	1,248,000	$	6,400	

13. RELATED PARTY TRANSACTIONS

(a) Services

i. From January 1 to June 30, 2014, the Company had arrangements with a company related by virtue of common directorship and which, at December 31, 2014, held approximately 32% of the Company's issued and outstanding shares, in respect of rent, accounting, investor relations, office administration, and insurance. The Company incurred the following charges during the years ended December 31, 2014 and 2013:

		2014		2013
Rent		20,912		35,341
Accounting		-		10,000
IR & conference		20,084		36,843
Office administration		2,413		11,010
Insurance		3,712		4,308
	$	47,121	$	97,502

At December 31, 2014, accounts payable and accrued liabilities included $3,865 (2013: $5,141) due to that party.

At December 31, 2014 accounts receivable included $Nil (2013: $2,117) from that party,

ii. Effective July 1, 2014 the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. For the period ended December 31, 2014 the Company was charged for exploration costs and to reimburse office and administrative costs as follows:

		2014		2013
Rent	$	11,014	$	-
Consulting		15,000		-
Office administration		7,515		-
	$	33,529	$	-

(Expressed in Canadian Dollars)

At December 31, 2014, the Company had advanced $8,500 to AESC for future services (2013: $Nil). At December 31, 2014 the company owed $6,965 (2013: $Nil) to AESC.

(b) Loans

In respect of the 2012 Notes, the Company received, during the year ended December 31, 2012, total gross proceeds of $400,000, of which $182,500 was provided by key management personnel, directors, and a significant shareholder of the Company, and issued 182,500 common shares valued at $31,025 as bonus shares to these related parties. During the year ended December 31, 2013, the Company repaid principal of $87,500 to those related parties.

In respect of the 2013 Notes, the Company repaid, during the year ended December 31, 2014, total principal of $120,000 and interest of $6,707 to the lenders, which amounts include $95,000 and $5,310, respectively, to key management personnel and directors of the Company. At December 31, 2013, interest of $1,614 was owed to those parties.

In respect of the 2014 Notes, the Company received gross proceeds of $275,000, of which $125,000 was provided by parties related to the Company, and issued 166,666 common shares valued at $17,330 as bonus shares to these related parties. At December 31, 2014, interest of $836 was owed to those related parties.

	2012 Notes		2013 Notes		2014 Notes	
	Principal	Bonus shares	Principal	Bonus shares	Principal	Bonus shares
	($)	(#)	($)	(#)	($)	(#)
December 31, 2011	-	-	-	-	-	-
Unrelated parties	217,500	217,500	-	-	-	-
Related parties	182,500	182,500	-	-	-	-
December 31, 2012	**400,000**	**400,000**	-	-	-	-
Unrelated parties	(192,500)		25,000		-	
Related parties	(87,500)		95,000		-	
Cancelled	(120,000)		-		-	
December 31, 2013	-	**400,000**	**120,000**	-	-	-
Unrelated parties	-		(25,000)		150,000	199,999
Related parties	-		(95,000)		125,000	166,666
December 31, 2014	-	**400,000**	-	-	**275,000**	**366,665**

(c) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including stock-based compensation, of key management personnel during the years ended December 31, 2014 and 2013 were as follows:

	2014	2013
Consulting	$ 137,167	$ 151,600
Directors' fees	-	90,000
Geological consulting	64,800	64,800
Share-based payments	130,893	93,574
	$ 332,860	$ 399,974

At December 31, 2014, accounts payable and accrued liabilities included $Nil (2013:$112,500) in respect to Directors' fees.

(Expressed in Canadian Dollars)

From October 1, 2012, the Company agreed to compensate its 5 non-executive directors for their services, as to $1,500 per month for each non-executive director. The Company and the 5 non-executive directors agreed to terminate the arrangement effective with January 1, 2014.

(d) Other

At December 31, 2014, $664 (2013:$Nil) was owed to a director of the Company in respect of expenses incurred on behalf of the Company.

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2014		2013
Earnings (loss) for the year	$	(554,559)	$	(689,826)
Expected income tax (recovery)	$	(144,000)	$	(178,000)
Change in statutory, foreign tax, foreign exchange rates and other		(16,000)		(23,934)
Permanent Difference		41,000		30,000
Impact of flow through share		20,000		6,000
Change in unrecognized deductible temporary differences		99,000		138,000
Total income tax expense (recovery)	**$**	**-**	**$**	**(27,934)**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2014		2013
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	(292,000)	$	(270,000)
Share issue costs		7,000		6,000
Non-capital losses available for future period		494,000		374,000
		209,000		110,000
Unrecognized deferred tax assets		(209,000)		(110,000)
Net deferred tax assets (liabilities)	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2014	Expiry Date Range	2013	Expiry Date Range
Temporary differences					
Exploration and evaluation assets	$	(1,164,000)	No expiry date	$ (1,078,000)	No expiry date
Investment tax credit		14,000	2020 to 2034	14,000	2020 to 2033
Share issue costs		27,000	2035 to 2038	22,000	2034 to 2037
Non-capital losses available for future period		1,900,000	2015 to 2034	1,438,000	2014 to 2033
Canada		1,900,000	2015 to 2034	1,438,000	2014 to 2033

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Funds raised through the issuance of FT shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined within the Canadian Income Tax Act. Upon incurring the qualified expenditures, the deferred tax liability in the amount of $14,350 relating to the premium on the issuance of flow-through shares was relieved to the Statement of Loss and Comprehensive Loss.

15. SUBSEQUENT EVENTS

a) On February 13, 2015 Commander Resources Ltd. ("Commander") granted Maritime, or its nominees (the "Maritime Group"), the option to purchase 10,000,000 of the 11,440,000 common shares of Maritime owned by Commander; should Maritime elect to acquire any of the shares, that acquisition will be subject to regulatory approval.

b) On March 4, 2015, the Company granted stock options allowing for the purchase, in the aggregate, of up to 150,000 common shares of the capital of the Company at $0.16 per common share until March 4, 2020.