



## **Interim Financial Statements**

**First Quarter 2015**

**(Unaudited)**

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### **IMPORTANT NOTICE**

The attached financial statements have been prepared by Management of Nunavik Nickel Mines Ltd. 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.

**Nunavik Nickel Mines Ltd**  
**Statements of Financial Position**  
(In Canadian dollars) Unaudited

	Notes	March 31, 2015 \$	December 31, 2014 \$
<b>ASSETS</b>			
Current			
Cash and cash equivalents	7	166,187	1,470
Sales taxes recoverable		7,895	2,761
Prepaid expenses and deposits		<u>2,973</u>	<u>5,507</u>
		177,055	9,738
Non-current			
Exploration and evaluation assets	8	<u>1,381,437</u>	<u>1,381,437</u>
Total assets		<u><u>1,558,492</u></u>	<u><u>1,391,175</u></u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities and total liabilities		<u>2,839</u>	<u>31,100</u>
<b>EQUITY</b>			
Capital stock	9	2,521,466	2,298,006
Contributed surplus		137,283	137,283
Warrants		4,877	-
Deficit		<u>(1,107,973)</u>	<u>(1,075,214)</u>
Total equity		<u>1,555,653</u>	<u>1,360,075</u>
Total liabilities and equity		<u><u>1,558,492</u></u>	<u><u>1,391,175</u></u>

The accompanying notes are an integral part of the financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on May 22, 2015.

"Glenn J. Mullan"  
(signed Glenn J. Mullan)  
Director

"Dr. C. Jens Zinke"  
(signed C. Jens Zinke)  
Director

**Nunavik Nickel Mines Ltd**  
**Statements of Comprehensive Loss**  
(In Canadian dollars) Unaudited

	Notes	<u>March 31, 2015</u> \$	<u>March 31, 2014</u> \$
Operating expenses			
Exploration expenses		-	527
Office expenses		2,735	2,839
Professional fees	12	27,613	19,207
Travel expenses		2,347	
Operating loss		<u>32,695</u>	<u>22,573</u>
Financial costs (income)			
Interest income		-	(1,234)
Interest expense		64	58
		<u>64</u>	<u>(1,176)</u>
Net loss and total comprehensive loss		<u>32,759</u>	<u>21,397</u>
Basic and diluted loss per share	11	<u>0.003</u>	<u>0.002</u>

The accompanying notes are an integral part of the financial statements.

**Nunavik Nickel Mines Ltd**  
**Statements of Changes in Equity**  
(In Canadian dollars) Unaudited

	Notes	Common shares outstanding Number	Capital stock \$	Contributed surplus \$	Warrants \$	Deficit \$	Total Equity \$
Balance at January 1, 2015		10,081,994	2,298,006	137,283		(1,075,214)	1,360,075
Common shares issued by private placement	9.2	2,500,000	250,000				250,000
Warrants issued (Finder's warrants)					4,877		4,877
Share issue expenses	9.2		(26,540)				(26,540)
Net loss and total comprehensive loss						(32,759)	(32,759)
<b>Balance at March 31, 2015</b>		<b>12,581,994</b>	<b>2,521,466</b>	<b>137,283</b>	<b>4,877</b>	<b>(1,107,973)</b>	<b>1,555,653</b>
Balance at January 1, 2014		9,892,722	2,278,544	130,161	-	(928,159)	1,480,546
Net loss and total comprehensive loss			-	-	-	(21,397)	(21,397)
<b>Balance at March 31, 2014</b>		<b>9,892,722</b>	<b>2,278,544</b>	<b>130,161</b>	<b>-</b>	<b>(949,556)</b>	<b>1,459,149</b>

The accompanying notes are an integral part of the financial statements.

**Nunavik Nickel Mines Ltd**  
**Statements of Cash Flows**  
(In Canadian dollars) Unaudited

	March 31, 2015	March 31, 2014
	\$	\$
<b><i>OPERATING ACTIVITIES</i></b>		
Net loss	(32,759)	(21,397)
Changes in working capital items		
Sales taxes recoverable	(5,134)	(4,549)
Prepaid expenses and deposits	2,534	2,535
Accounts payable and accrued liabilities	(28,261)	936
Cash flows from operating activities	<u>(63,620)</u>	<u>(22,475)</u>
<b><i>INVESTING ACTIVITIES</i></b>		
Additions to exploration and evaluation assets	-	(905)
Tax credit received	-	51,667
Cash flows from investing activities	<u>-</u>	<u>50,762</u>
<b><i>FINANCING ACTIVITIES</i></b>		
Issue of capital stock	250,000	
Share issue costs	(21,663)	
Cash flows from financing activities	<u>228,337</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>164,717</b>	<b>28,287</b>
Cash and cash equivalents, beginning of period	<u>1,470</u>	<u>56,992</u>
Cash and cash equivalents, end of period	<u><u>166,187</u></u>	<u><u>85,279</u></u>

**Additional cash flow information (Note 16)**

**Cash transactions:**

Interest received related to operating activities:	1,348	514
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The accompanying notes are an integral part of the financial statements.

# Nunavik Nickel Mines Ltd

## Notes to Financial Statements

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

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### *1 - NATURE OF OPERATIONS*

Nunavik Nickel Mines Ltd (the "Company") is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The Company is nevertheless seeking opportunities in various resource and non-resource sectors, which, if it materializes, may result in the Company undertaking a change in business under the policies of the Exchange.

### *2 - GOING CONCERN ASSUMPTION AND STATEMENT OF COMPLIANCE WITH IFRS*

These interim financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. Given its short history, the Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at March 31, 2015, the Company has a cumulated deficit of \$1,107,973 (\$1,075,214 as at December 31, 2014). These material uncertainties cast significant doubts regarding the Company's ability to continue as a going concern.

The carrying amounts of assets, liabilities and expenses presented in the interim financial statements and the classification used in the interim financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

### *3 - GENERAL INFORMATION*

The Company was incorporated on February 18, 2010 under the Business Corporations Act of British Columbia. The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Quebec, Canada. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has administrative offices located at 800 René-Lévesque Boulevard West, Suite 425, Montréal, Quebec, H3B 1X9. As at March 31, 2015, Golden Valley Mines Ltd. ("Golden Valley"), the parent company, is holding a 61.7 % participation in the Company.

### *4 - BASIS OF PRESENTATION*

These interim financial statements are covering the three month period ended March 31, 2015 and were prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), under International Accounting Standard ("IAS") 34 - Interim Financial Reporting. These interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 5 - Summary of Accounting Policies, as described in the Company's annual audited financial statements for the year ended December 31, 2014. Interim financial statements do not include all the notes required in annual financial statements and, accordingly, should be read in conjunction with with the annual financial statements for the year ended December 31, 2014.

The interim financial statements of the Company will be included in the consolidation perimeter of its controlling shareholder Golden Valley.

**Notes to Financial Statements**

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

**5 - SUMMARY OF ACCOUNTING POLICIES**

**5.1 - Overall considerations**

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 5 - Summary of Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2014.

**5.2 - Functional and presentation currency**

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

**6 - JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. These judgements, estimates and assumptions are summarized in Note 6 - Judgements Estimates and Assumptions, of the Company's annual audited financial statements for the year ended December 31, 2014.

**6.1 - Impairment of exploration and evaluation assets**

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

See Note 8 for the exploration and evaluation assets impairment analysis.

No impairment loss was recognized during the period ended March 31, 2015 and during the year ended December 31, 2014.

Management judged that there was no testing for impairment required this period on the Marymac Prospect property. Considering the private placement closed on January 30, 2015, the Company has sufficient funds to respect its short term obligations and has both the intention and capacity to keep the property until the economic context improves and the Company can pursue its exploration activities on the property after raising additional capital. Additionally, claims will not expire in the near future or will be renewed, promising results were obtained on this property and works were performed during previous years.

**7 - CASH AND CASH EQUIVALENTS**

	March 31, 2015	December 31, 2014
	\$	\$
Cash	41,187	1,470
Demand deposit, 0.7% redeemable at any time	125,000	
	<u>166,187</u>	<u>1,470</u>

# Nunavik Nickel Mines Ltd

## Notes to Financial Statements

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

### 8 - EXPLORATION AND EVALUATION ASSETS

The summary of carrying amount can be analyzed as follows:

Properties	Balance as at January 1, 2015	Additions	Impairment	Balance as at March 31, 2015
	\$	\$	\$	\$
Quebec				
<u>Marymac Prospect</u>	<u>1,381,437</u>	<u>-</u>	<u>-</u>	<u>1,381,437</u>
	<u>1,381,437</u>	<u>-</u>	<u>-</u>	<u>1,381,437</u>
Properties				
	\$	\$	\$	\$
Quebec				
<u>Marymac Prospect</u>	<u>1,366,964</u>	<u>11,565</u>	<u>-</u>	<u>1,378,529</u>
	<u>1,366,964</u>	<u>11,565</u>	<u>-</u>	<u>1,378,529</u>



**Notes to Financial Statements**

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

**8 - EXPLORATION AND EVALUATION ASSETS (continued)***Marymac Prospect - Labrador Trough, Quebec*

The Marymac Prospect located in the Labrador Trough of Quebec, consists of 182 Map Designated Units (each an "MDU") that collectively encompass approximately 10,000 hectares. The Company holds a 100% interest in the Marymac Prospect. The Marymac Prospect is subject to a 2% net smelter royalty ("NSR") interest in favour of Capex Group Inc.(formerly 862539 Alberta Ltd.), which was granted to 862539 Alberta Ltd. pursuant to an agreement dated March 1, 2001.

*Shoot-Out Prospect (combined East and West) - Northern Quebec*

The Shoot-Out Prospect is the combination of two properties, Shoot-Out East and Shoot-Out West, and consists of 161 claims covering a surface area of approximately 7,526 hectares located in the Raglan Belt of northern Quebec. The Company has a 100% ownership interest in this property that is subject to a 3% NSR in favour of the original vendors, one of which is a director and officer of the Company. In the year ended December 31, 2013, the Company has impaired this exploration and evaluation assets for a total amount of \$345,363.

*Fortin Property - Abitibi, Quebec*

The Fortin Property is located in the central part of Ducros Township, approximately 80 kilometres northeast of the City of Val-d'Or, Quebec, and consists of 5 contiguous mining claims. The Company holds a 100% interest in this property, subject to a 1.5% NSR in favour of the original vendors. The Company retains the right to buyback the NSR at anytime ; 0.5% buyback for \$500,000 and 1% buyback for \$1,000,000. In the year ended December 31, 2013, the Company has impaired this exploration and evaluation assets for a total amount of \$193,030.

*Donnybrook Claims and Overtime Claims - Northern Quebec*

The Company holds a 100% interest in the Donnybrook and Overtime Claims located in the Raglan Belt of northern Quebec. These two properties are comprised of an aggregate 36 claims covering an approximate surface area of 1,429.1 hectares, and are contiguous to the north and southeast blocks of the Shoot Out Prospect. In the year ended December 31, 2013, the Company has impaired these exploration and evaluation assets for a total amount of \$11,848 (\$6,250 for Donnybrook Claims and \$5,598 for Overtime Claims).

**9 - EQUITY****9.1 - Capital stock**

The capital stock of the Company consists only of fully paid common shares.

## Authorized

Unlimited number of common shares, without par value, voting and participating.

Unlimited number of preferred shares, without par value, non-participating. The directors will define the rights, privileges, restrictions and conditions of these shares upon issuance.

**9.2 - Private Placement**

On January 30, 2015, the Company closed a non-brokered private placement financing pursuant to which it has issued 2,500,000 units at a price of \$0.10 per unit for a gross proceeds of \$250,000. Each unit consists of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling the purchase of one common share at a per share price of \$0.12 until January 30, 2017. No amount related to issued warrants was recorded.

## Notes to Financial Statements

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

**9.2 - Private Placement (continued)**

In connection with this private placement, the Company has paid finder's fees of \$3,300 and issued finder's fee warrants entitling the purchase of 41,250 of its common shares at a per share price of \$0.10 until January 30, 2017. The fair value of finder's fee warrants has been estimated using the Black-Scholes option-pricing model at \$4,877. The total issuance cost related to this private placement amounted to \$26,540 (including finder's fees and finder's warrants).

**10 - SHARE-BASED PAYMENTS**

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange.

All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

The Company's stock options are as follows for the reporting periods presented:

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding at January 1	1,008,199	0.18	875,000	0.20
Granted	-	-	-	-
Exercised	-	-	-	-
Cancelled	(165,000)	0.19	-	-
Outstanding and exercisable at March 31	843,199	0.18	875,000	0.20

The table below summarizes the information related to outstanding share options as at March 31, 2015 and 2014:

Exercise price	2015		2014	
	Number of options	Weighted average remaining contractual life (year)	Number of options	Weighted average remaining contractual life (year)
0.065	60,000	4.25	-	-
0.080	58,199	4.87	-	-
0.20	725,000	2.58	875,000	3.31
	843,199		875,000	

**Notes to Financial Statements**

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

**11 - LOSS PER SHARE**

The calculation of basic loss per share is based on the net loss for the period divided by the weighted average number of shares in circulation during the period. The diluted loss per share, calculated as if potential common shares had been issued, would have had the effect of decreasing the loss per share which would be antidilutive. Therefore potential dilutive common shares such as stock options have not been included in the calculation as they would result in a reduction of the loss per share. Detail of stock options issued that could potentially dilute earnings per share in the future is given in Note 10.

Both the basic and diluted loss per share have been calculated using the net loss attributable to owners of the Company as the numerator, i.e. no adjustment to the net loss were necessary in either of the periods ended March 31, 2015 and 2014.

	March 31,	
	2015	2014
Loss for the period attributable to the owners of the Company	<u>\$32,759</u>	<u>\$21,397</u>
Weighted average number of shares in circulation	<u>11,776,438</u>	<u>9,892,722</u>
Basic and diluted loss per share	<u>\$0.003</u>	<u>\$0.002</u>

Refer to Note 22 Subsequent Events for transactions involving shares completed after March 31, 2015.

**12 - PROFESSIONAL FEES**

	March 31,	
	2015	2014
	\$	\$
Audit, tax and accounting fees	9,360	11,414
Legal fees	10,321	952
Exchange, regulatory and transfer agent fees	7,932	6,841
	<u>27,613</u>	<u>19,207</u>

**13 - MANAGEMENT FEES**

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in house legal counsel for day to day general enquiries, services of a chief financial officer and investors relations services to the Company in consideration of \$96,000 per year (the "Fee"), payable on a monthly basis, plus applicable taxes. The provision of services by Golden Valley commenced on October 1, 2010, but payment of monthly fees started as of July 15, 2011 (the "Trading Date").

**Notes to Financial Statements**

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

**13 - MANAGEMENT FEES (continued)**

From June 1, 2012, Golden Valley has agreed to suspend the charges of the management fees to enable the Company to conserve cash for its operations. Accordingly, the Company has not been charged management fees by Golden Valley for the periods ended March 31, 2015 and 2014. The Company will resume payment of the management fees when its cash situation will permit.

The Management Agreement is for an initial term of two years commencing on the Trading Date, and will be automatically renewed after the initial term for successive period of 12 months. The Management Agreement can be terminated at any time and by either party, upon delivery of a twelve month written notice. The Management Agreement provides for the Fee to be reviewed on an annual basis.

The Company entered into an amending agreement (an "Amending Agreement") with Golden Valley dated as of May 21, 2014, amending the terms of the Management Agreement. The Amending Agreement confirms, among other things, that:

- if there is a change of control of the Company and Golden Valley terminates the Management Agreement within six months of the change of control;
- if the Company terminates the Management Agreement within twelve months of the change of control; or
- if the Company and Golden Valley agree to terminate the Management Agreement within six months of the change of control.

Then the Company will pay Golden Valley a termination payment equal to the aggregate of the amounts that would have been payable by the Company to Golden Valley as the fee for the period from the date of the Amending Agreement to the date on which the Management Agreement is terminated if payment of the fee had not been suspended during such period.

**14 - ADDITIONAL CASH FLOWS INFORMATION**

Non-cash activities:

	March 31,	
	2015	2014
	\$	\$
Accounts payable and accrued liabilities included in exploration and evaluation assets	-	10,660

**15 - RELATED PARTY TRANSACTIONS****15.1 - Transactions with the parent company**

No management fees for services has been charged to the Company for the periods ended March 31, 2015 and March 31, 2014, (refer to Note 13).

In addition, pursuant to the terms of the Management Agreement, Golden Valley has agreed to provide the Company with the services of a qualified geologist at an hourly charge equal to the hourly charge to Golden Valley, plus 10%. During the period ended March 31, 2015, the Company did not incur any geological fees (\$11,187 for the period ended March 31, 2014; of this amount \$10,660 was included in exploration and evaluation assets and \$527 included in exploration expenses).

On January 30, 2015, the Company closed a private placement of 2,500,000 units at \$0.10 per unit. The Company's parent and majority shareholder, Golden Valley Mines Ltd, purchased 800,000 units under the offering for total proceed to the Company of \$80,000. Taking into account the shares issued pursuant to this private placement, Golden Valley holds, at March 31, 2015, 7,763,634 common shares of the Company for a 61.7% ownership.

# Nunavik Nickel Mines Ltd

## Notes to Financial Statements

March 31, 2014 and 2015

(In Canadian dollars) Unaudited

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### 15.2 - Transactions with key management

No remuneration or compensation of any kind has been paid by the Company to its directors or officers during the quarters ended March 31, 2015 and 2014.

In connection with the private placement, the Company paid finder's fees of \$3,300 and issued finder's fee warrants entitling the purchase of 41,250 of its common shares at a per share price of \$0.10 until January 30, 2017, to an individual related to the President and CEO of the Company. The fair value of finder's fee warrants has been estimated using the Black-Scholes option-pricing model at \$4,877.

In February 2015, the Company entered into a mining option agreement with 2973090 Canada Inc a private company wholly-owned and controlled by Glenn J. Mullan the CEO and a director of the Company. For more detail on this transaction refer to Note 17 Subsequent Events.

### 16 - COMMITMENT

The Company has no commitment other than the Management Agreement described in Note 13.

### 17 - SUBSEQUENT EVENTS

#### *Boston Bulldog Prospect*

On February 16, 2015, The Company entered into a Mining Option Agreement, amended on March 27, 2015, pursuant to which it has been granted by 2973090 Canada Inc, a Canadian private company wholly-owned and controlled by Glenn J. Mullan, the CEO and a director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, located in Kirkland Lake, Ontario, subject to a 3% net smelter returns royalty.

In consideration of the grant of the option, the Company paid 2973090 Canada Inc a sum of \$5,000 in cash to cover the cost of staking the property and issued 300,000 common shares. To maintain and exercise the option, the Company must keep the property in good standing and incur minimum mining operations expenditures of \$50,000 by the second anniversary of the date that the Exchange issues its written acceptance of the option.

In accordance with the terms of the option, the Company has the right to reduce the royalty from 3% to 2% of the net smelter returns by paying 2973090 Canada Inc \$1,000,000 at any time on or before February 16, 2022.

On April 7, 2015 the Company received the Exchange acceptance of the option and the issuance of the 300,000 shares. The shares were issued on April 10, 2015 at a price of \$0.12 per share.