

**KILLDEER MINERALS INC.**

Condensed Interim Financial Statements

For the Nine Months Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

**KILLDEER MINERALS INC.**

Condensed Interim Statements of Financial Position  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	Note	December 31, 2014	March 31, 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 15,591	\$ 2,703
Receivables		7,413	22,614
Prepaid expenses		5,460	460
<b>Total current assets</b>		28,464	25,777
<b>Total assets</b>		\$ 28,464	\$ 25,777
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 105,274	\$ 107,804
Loan payable	6	47,130	-
Due to related parties	5	1,050,256	992,148
<b>Total current liabilities</b>		1,202,660	1,099,952
<b>Shareholders' deficit</b>			
Share capital		2,337,381	2,192,381
Share-based payment reserve		187,304	187,304
Deficit		(3,698,881)	(3,453,860)
<b>Total shareholders' deficit</b>		(1,174,196)	(1,074,175)
<b>Total liabilities and shareholders' deficit</b>		\$ 28,464	\$ 25,777

Going concern (Note 2)  
Contingency (Note 10)  
Subsequent event (Note 11)

Approved and authorized for issuance by the Board of Directors on February 16, 2015:

*"Stan Szary"*

Director

*"David Pugh"*

Director

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

**KILLDEER MINERALS INC.**

Condensed Interim Statements of Comprehensive Loss  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2014	2013	2014	2013
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>					
Accounting and audit	5	\$ 8,250	\$ 8,250	\$ 24,750	\$ 24,750
Administration	5	32,400	32,400	97,200	97,200
Consulting		-	-	3,000	-
Filing and regulatory fees		1,736	-	4,897	-
Legal fees		1,669	188	4,457	1,048
Management fees	5	18,000	18,000	54,000	54,000
Office	5	10,650	878	13,986	4,033
Rent	5	11,803	11,803	35,409	35,409
Transfer agent fees		3,293	659	7,322	2,046
<b>Comprehensive loss for the period</b>		\$ (87,801)	\$ (72,178)	\$ (245,021)	\$ (218,486)
<b>Basic and diluted loss per share</b>		\$ (0.04)	\$ (0.04)	\$ (0.12)	\$ (0.11)
<b>Weighted average number of shares outstanding</b>		2,253,013	1,963,014	2,073,740	1,963,014

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

**KILLDEER MINERALS INC.**

Condensed Interim Statements of Changes in Equity  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share- based Payment Reserve	Deficit	Total
<b>Balance, March 31, 2013</b>	<b>1,963,013</b>	<b>\$ 2,192,381</b>	<b>\$ 187,304</b>	<b>\$ (3,092,344)</b>	<b>\$ (712,659)</b>
Net loss for the period	–	–	–	(218,486)	(218,486)
<b>Balance, December 31, 2013</b>	<b>1,963,013</b>	<b>\$ 2,192,381</b>	<b>\$ 187,304</b>	<b>\$ (3,310,830)</b>	<b>\$ (931,145)</b>
<b>Balance, March 31, 2014</b>	<b>1,963,013</b>	<b>\$ 2,192,381</b>	<b>\$ 187,304</b>	<b>\$ (3,453,860)</b>	<b>\$ (1,074,175)</b>
Shares issued for debt settlement	290,000	145,000	–	–	145,000
Net loss for the period	–	–	–	(245,021)	(245,021)
<b>Balance, December 31, 2014</b>	<b>2,253,013</b>	<b>\$ 2,337,381</b>	<b>\$ 187,304</b>	<b>\$ (3,698,881)</b>	<b>\$ (1,174,196)</b>

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**KILLDEER MINERALS INC.**

Condensed Interim Statements of Cash Flows  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	<b>Nine months ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (245,021)	\$ (218,486)
Item not affecting cash		
Interest on loan payable	2,130	-
Changes in non-cash working capital:		
Receivables	15,201	15,534
Prepaid expenses	(5,000)	-
Accounts payable and accrued liabilities	142,470	(6,685)
Due to related parties	58,108	159,587
Net cash used in operating activities	(32,112)	(50,050)
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	10,000	58,000
Repayments to related parties	(10,000)	(35,000)
Proceeds from loan payable	45,000	-
Net cash provided by financing activities	45,000	23,000
Change in cash	12,888	(27,050)
Cash, beginning of period	2,703	27,360
Cash, end of period	\$ 15,591	\$ 310
<b>Non-cash investing and financing activities:</b>		
Exploration and evaluation assets expenditures included in accounts payable	\$ 63,911	\$ 63,911
Shares issued for debt settlement	\$ 145,000	\$ -
<b>Supplemental disclosures:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

## **KILLDEER MINERALS INC.**

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Nine months ended December 31, 2014

### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Killdeer Minerals Inc. (the “Company”) is a resource exploration company focused on acquiring and exploring resource properties in Canada.

The Company was incorporated on May 28, 2008 under the laws of British Columbia. The Company's head office and registered office is Suite 312, 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5. The Company is listed on the TSX Venture Exchange under the symbol “KMI”. Subsequent to December 31, 2014, the Company consolidated its share capital, options and warrants on a ten to one basis. These statements reflect the share consolidation retroactively.

The condensed interim financial statements of the Company are presented in Canadian dollars which is the functional currency.

### **2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The significant accounting policies applied in these condensed interim financial statements are based on the IFRS issued and effective as of December 31, 2014.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- 1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
- 2) deferred income tax asset valuation allowances; and
- 3) measurement of for share-based payments.

## **KILLDEER MINERALS INC.**

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

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Nine months ended December 31, 2014

### **2. BASIS OF PREPARATION (continued)**

#### *Going concern*

These condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company has a working capital deficiency of \$1,174,196, has an accumulated deficit of \$3,698,881 since inception, and expects to incur further losses in the development of its business. The ability of the Company to continue as a going-concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of the financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at March 31, 2014. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2014.

#### **New accounting standards and interpretation**

Accounting Standards Issued and Effective January 1, 2014 include amendments to IAS 32, *Financial Instruments: Presentation* provides for amendments relating to offsetting financial assets and financial liabilities. The Company has adopted this policy and it does not have significant effect on the condensed interim financial statements.

#### **Accounting standards issued but not yet applied**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed interim financial statements.

Accounting Standards Issued with the effective date to be finalized:

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



## KILLDEER MINERALS INC.

Notes to the Condensed Interim Financial Statements  
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### 4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of:

	Wildcat Property	Kathleen Property	Osilinka Property	Total
Balance, March 31, 2013	\$ 1	\$ 23,158	\$ 17,020	\$ 40,179
Impairment provision	(1)	(23,158)	(17,020)	(40,179)
<b>Balance, March 31, 2014 and December 31, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(a) Wildcat Property, Yukon

On June 24, 2008, the Company entered into an option agreement to acquire a 100% undivided interest in 94 contiguous mineral claims known as the Wildcat Property located in the Watson Lake Mining District of the Yukon, subject to a 3% net smelter return royalty to the optionor. The Company may elect to purchase 1.5% of the net smelter return royalty upon payment of \$1,000,000.

The Company's obligation under the agreement includes an aggregate of \$140,000 in option payments and the issuance of 115,000 shares of the Company as follows:

- (i) Pay \$2,000 upon execution of the agreement (paid);
- (ii) Pay \$10,000 within 30 days after the execution of the agreement (paid);
- (iii) Issue 15,000 common shares on the date the Company's shares are listed on the TSX Venture Exchange (October 7, 2009) (issued with a fair value of \$30,000);
- (iv) Pay \$18,000 and issue 20,000 common shares on or before October 7, 2010;
- (v) Pay \$25,000 and issue 25,000 common shares on or before October 7, 2011;
- (vi) Pay \$35,000 and issue 25,000 common shares on or before October 7, 2012; and
- (vii) Pay \$50,000 and issue 30,000 common shares on or before October 7, 2013.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company has withheld making further option payments and share issuances until the contingency with the Government of Yukon has been settled (refer to Note 10). During the year ended March 31, 2011, the Company wrote down the Wildcat Property to a nominal amount of \$1. The remaining amount of \$1 was written off as at March 31, 2014.

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### **4. EXPLORATION AND EVALUATION ASSETS (continued)**

(b) Kathleen Property, British Columbia

During the year ended March 31, 2011, the Company acquired a 100% undivided interest by staking in 3 mineral claims known as the Kathleen Property located in south central British Columbia.

During the year ended March 31, 2014, the Company decided to discontinue exploration of this property. As a result, the Company recognized an impairment of \$23,158.

(c) Osilinka Property, British Columbia

During the year ended March 31, 2013, the Company acquired by staking 13 mineral claims known as the Osilinka Property in the Omineca Mining Division located north central British Columbia.

During the year ended March 31, 2014, the Company decided to discontinue exploration of this property. As a result, the Company recognized an impairment of \$17,020.

### **5. RELATED PARTY TRANSACTIONS**

During the periods ended December 31, 2014 and 2013, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$54,000 (2013 - \$54,000) to the President of the Company.
- (b) Incurred administration services of \$22,500 (2013 – \$22,500) to a director of the Company.
- (c) Incurred accounting fees of \$24,750 (2013 - \$24,750) to an accounting firm where the Chief Financial Officer of the Company is a partner.
- (d) Incurred \$45,000 (2013 - \$45,000) for administration services to a family member of the President of the Company.
- (e) Incurred \$29,700 (2013 – \$29,700) for administration services and \$35,409 (2013 - \$35,409) for rent to a company with a common officer and directors.
- (f) As at December 31, 2014, the Company owed \$437,820 (March 31, 2014 - \$368,274) to a company with a common officer and directors which is non-interest bearing, unsecured, and due on demand.
- (g) As at December 31, 2014, the Company owed \$612,436 (March 31, 2014 - \$623,874) to directors, officers and family members of the Company for management, accounting and administrative services. Included in this amount is an advance to the Company of \$5,000 (March 31, 2014 - \$5,000) from the brother of a director of the Company which is non-interest bearing, unsecured, and due on demand. Included in this amount is an advance to the Company of \$10,000 (March 31, 2014 - \$nil) from the President of the Company which was repaid during the period ended December 31, 2014. The advance was non-interest bearing, unsecured, and due on demand.
- (h) Entered into a debt settlement agreement with a related party and settled aggregate debts of \$75,000 by the issuance of 150,000 common shares of the Company at \$0.50 per share.
- (i) A family member of the President of Company entered into an assignment of debt agreement and transferred aggregate debt of \$70,000 to an arm's length party.

## KILLDEER MINERALS INC.

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### 6. LOAN PAYABLE

During the period ended December 31, 2014, the Company entered into a loan agreement with a third-party company for \$45,000. The loan is unsecured, bears 8% interest per annum and is payable on demand. As at December 31, 2014, the Company accrued \$2,130 of interest.

### 7. SHARE CAPITAL

#### Authorized

Unlimited common shares without par value

During the period ended December 31, 2014, the Company entered into debt settlement agreements with certain creditors and settled aggregate debts of \$145,000 by the issuance of 290,000 common shares of the Company at \$0.50 per share. All shares issued pursuant to the debt settlement were subject to a hold period expiring January 17, 2015.

#### **Stock options**

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2013 and 2014	50,960	\$ 1.50
Expired	(50,960)	1.50
Outstanding, December 31, 2014	-	\$ -

### 8. FINANCIAL INSTRUMENTS AND RISKS

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

#### (a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at December 31, 2014 the Company does not have any debt and is not subject to externally imposed capital requirements.

## **KILLDEER MINERALS INC.**

Notes to the Condensed Interim Financial Statements

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### **8. FINANCIAL INSTRUMENTS AND RISKS (continued)**

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2014, the Company had a cash balance of \$15,591 (March 31, 2014 - \$2,703) and current liabilities of \$1,202,660 (March 31, 2014 - \$1,099,952). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

#### (c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, other assets and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Receivables are comprised of GST refunds from the Canadian government.

#### (d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

#### (e) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment grade short-term certificates of deposit issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company does not hold any financial liabilities with variable interest rates.

#### (f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

#### (g) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

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

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

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of other financial assets and financial liabilities is equal to their carrying values due to the short-term nature of these instruments.

## **KILLDEER MINERALS INC.**

Notes to the Condensed Interim Financial Statements

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Nine months ended December 31, 2014

### **9. SEGMENTED INFORMATION**

The Company currently conducts substantially all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

### **10. CONTINGENCY**

On December 4, 2009, the Kaska Dena Council of the Kaska Dena First Nation filed a Petition in the Supreme Court of Yukon seeking an order to quash the recording and granting of the Wildcat 92 mineral claim which was optioned to the Company as part of the Wildcat Property. The Government of Yukon, the Watson Lake Mining Recorder, the Minister of Energy, Mines and Resources, the Optionor and the Company are named in the Petition. The Petition states that the recording and granting of the mineral claim known as Wildcat 92 without first consulting the Kaska Dena Council constituted a breach of the government's duty to consult the Kaska Dena Council. The Company continues to monitor the proceedings between the Government of Yukon and the Kaska Dena Council.

### **11. SUBSEQUENT EVENT**

Subsequent to December 31, 2014, the Company consolidated its share capital, options and warrants on a ten to one basis. These statements reflect the share consolidation retroactively.