

**RT MINERALS CORP.**

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

UNAUDITED

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed interim consolidated financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

**RT MINERALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FEBRUARY 28, 2015 AND 2014  
(UNAUDITED – SEE “NOTICE TO READER” BELOW)**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the periods February 28, 2015 and 2014.

**NOTICE TO READER OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The condensed interim consolidated financial statements of RT Minerals Corp. and the accompanying condensed interim consolidated statements of financial position as at February 28, 2015 and the condensed interim consolidated statements of comprehensive loss, statements of changes in equity and cash flows for the three months ended February 28, 2015 and 2014 are the responsibility of the Company’s management. These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Manning Elliott LLP.

The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards. The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

*“Paul Antoniazzi”*

*“Sandra Wong”*

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Paul Antoniazzi  
Chief Executive Officer

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Sandra Wong  
Chief Financial Officer

April 28, 2015

April 28, 2015

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

(Expressed in Canadian Dollars)

	Note	February 28, 2015 \$	November 30, 2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		439	1,391
Amounts receivable		924	76
Prepaid expenses		7,304	3,404
		8,667	4,871
<b>Non-current assets</b>			
Deferred share issuance costs		6,624	-
Exploration and evaluation assets	4	87,190	87,190
		93,814	87,190
		102,481	92,061
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	179,645	182,070
Due to related parties	9	75,672	63,361
<b>Total</b>		255,317	245,431
<b>Shareholders' deficiency</b>			
Share capital	6	10,121,402	10,121,402
Contributed surplus	6	1,279,807	1,279,807
Accumulated deficit		(11,554,045)	(11,554,579)
		(152,836)	(153,370)
		102,481	92,061

Nature of operations and going concern (Note 1)

Commitments (Note 10)

Subsequent events (Note 14)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 28, 2015 and are signed on its behalf by:

/s/ "Paul Antoniazzi"

Director

/s/ "Fred Kiernicki"

Director

The accompanying notes form an integral part of these consolidated financial statements.

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

	Note	2015 \$	2014 \$
<b>Expenses</b>			
Employee costs	8	1,500	85,547
Finance expense	8	493	159
General and administrative expenses	8	15,122	81,376
Impairment of exploration and evaluation assets	4	(18,692)	6,055
<b>Total expenses</b>		1,577	(173,137)
<b>Other income and expenses</b>	8	(1,043)	(5,719)
<b>Net and comprehensive income (loss) for the period</b>		534	(178,856)
<b>Loss per common share, basic and diluted</b>		0.00	(0.01)
<b>Weighted average number of common shares outstanding</b>		25,338,066	13,663,891

The accompanying notes form an integral part of these consolidated financial statements.

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

(Expressed in Canadian Dollars)

	<b>Number of Shares (post-consolidation Note 6 (a))</b>	<b>Share Capital \$</b>	<b>Contributed Surplus \$</b>	<b>Accumulated Deficit \$</b>	<b>Total \$</b>
Balance at November 30, 2013	5,838,806	9,044,344	1,210,562	(10,578,588)	(323,682)
Net loss for the period	-	-	-	(178,856)	(178,856)
Shares issued for private placement	10,000,000	500,000	-	-	500,000
Shares issued for Matachewan	1,000,000	75,000	-	-	75,000
Shares issued for debt settlement	304,260	18,256	-	-	18,256
Share issue costs	-	(7,898)	-	-	(7,898)
<b>Balance at February 28, 2014</b>	<b>17,143,066</b>	<b>9,629,702</b>	<b>1,210,562</b>	<b>(10,757,444)</b>	<b>82,820</b>
Balance at November 30, 2014	25,338,066	10,121,402	1,279,807	(11,554,579)	(153,370)
Net income for the period	-	-	-	534	534
<b>Balance at February 28, 2015</b>	<b>25,338,066</b>	<b>10,121,402</b>	<b>1,279,807</b>	<b>(11,554,045)</b>	<b>(152,836)</b>

On December 17, 2013, the Company completed a twelve-for-one common share consolidation. All current and comparative references to the number of shares, warrants, options, weighted average number of common shares and loss per share have been restated to give effect to the twelve-for-one share consolidation (Note 6 (a)).

The accompanying notes form an integral part of these consolidated financial statements.

**RT MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

	Note	2015 \$	2014 \$
<b>Operating activities</b>			
Net income (loss) for the period		534	(178,856)
Items not involving cash:			
Impairment of exploration and evaluation assets		198	6,055
Changes in non-cash working capital accounts:			
Amounts receivable		(848)	(3,945)
Prepaid expenses		(3,900)	(4,568)
Trade and other payables		(2,425)	(233,453)
Total cash used in operating activities		(6,441)	(414,767)
<b>Investing activities</b>			
Expenditures on exploration and evaluation assets		(198)	(7,260)
Total cash flows used in investing activities		(198)	(7,260)
<b>Financing activities</b>			
Proceeds from share issuances		-	500,000
Share issuance costs		(6,624)	(7,641)
Advances from (repayments to) related parties		12,311	(20,444)
Total cash flows provided by financing activities		5,687	471,915
<b>Total increase (decrease) in cash during the period</b>		(952)	49,888
<b>Cash, beginning of period</b>		1,391	1,204
<b>Cash, end of period</b>		439	51,092
<b>Supplemental information</b>			
Interest paid		493	-
Income taxes paid		-	-

Refer to Note 13 for non-cash transactions incurred during the period ended February 28, 2015 and 2014.

The accompanying notes form an integral part of these consolidated financial statements.

# **RT MINERALS CORP.**

## **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 1 FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014 (Expressed in Canadian Dollars)**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

RT Minerals Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on March 9, 2007. The Company’s business activity is the exploration and evaluation of mineral properties in Canada and Guyana, South America. The Company is listed on the TSX Venture Exchange (“TSXV”), having the symbol RTM-V, as a Tier 2 mining issuer.

The address of the Company’s corporate office and principal place of business is 300 - 555 West Georgia Street, Vancouver, British Columbia, Canada.

The Company has not generated revenue from operations since inception. The Company has a working capital deficiency of \$246,650 as at February 28, 2015, incurred a net income of \$534 during the three months ended February 28, 2015, has accumulated losses of \$11,554,045 since inception and expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

### **2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements for the three month period ended February 28, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2014 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2014 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2014. Note 2c) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 28, 2015.

The preparation of condensed interim consolidated financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

## **RT MINERALS CORP.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 2**

#### **FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

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## **2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **a) Basis of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, RT Minerals Corp (Guyana) Inc. (“RTMG”). RTMG was incorporated in Guyana. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

### **b) Foreign Currency Translation**

The presentation currency and functional currency of the Company and its Guyana subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which they operate. The Company’s Guyana subsidiary is financially and operationally dependent on the Company. The Company translates transactions in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in income.

### **c) New Accounting Standards, Interpretations and Amendments to Existing Standards**

The following new standards, amendments and interpretations are effective for the Company beginning on December 1, 2014. Management does not expect that the adoption of these standards and interpretations will have a significant effect on the consolidated financial statements of the Company other than additional disclosures.

- IAS 36 ‘Impairment of Assets’

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company’s future results and financial position:

- IFRS 9 ‘Financial Instruments’

IFRS 9 is part of the IASB’s wider project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortized cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

## **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

There has been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company’s 2014 annual financial statements.



**RT MINERALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 3****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

**4. EXPLORATION AND EVALUATION ASSETS**

	Canada Bazooka \$	Canada McWatters \$	Canada Golden Stock \$	Guyana Mahdia \$	Guyana Demerara River \$	Guyana Tiger River \$	Guyana Konawaruk \$	Total \$
Balance at November 30, 2013	25,000	25,000	-	-	-	-	-	50,000
Exploration costs								
Administration	2,250	-	15	587	75	-	-	2,927
Data, drafting, reporting	405	-	1,898	7,432	5,576	3,949	813	20,073
Facility rental	11,350	-	-	-	-	-	-	11,350
Field crew expenses	-	-	-	1,174	371	-	-	1,545
Geology	-	-	-	4,008	22,707	1,497	-	28,212
Permitting	-	737	-	-	-	-	-	737
Project management	3,200	3,200	7,127	32,194	21,506	23,386	-	90,613
Road access	-	-	1,250	-	-	-	-	1,250
Sampling	-	-	-	9,851	70,676	20,305	-	100,832
Site meals, lodging, travel	-	-	648	20,747	11,087	470	-	32,952
Stripping/trenching	-	-	1,250	-	-	-	-	1,250
	17,205	3,937	12,188	75,993	131,998	49,607	813	291,741
Acquisition of property	-	-	75,000	-	-	-	-	75,000
Impairment	(42,204)	(28,936)	-	(75,993)	(131,998)	(49,607)	(813)	(329,551)
Balance at November 30, 2014	1	1	87,188	-	-	-	-	87,190
Acquisition of property	198	-	-	-	-	-	-	198
Impairment	(198)	-	-	-	-	-	-	(198)
Balance at February 28, 2015	1	1	87,188	-	-	-	-	87,190

## **RT MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 4**

**FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

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

#### **a) Bazooka and McWatters Properties (Rouyn Noranda, Quebec)**

By an agreement dated December 10, 2010, the Company acquired a 100% interest in the Bazooka and McWatters gold properties in Quebec from Lake Shore Gold Corp. The Company made the decision to discontinue work on the properties and has recorded a write-down of \$198 for the three months ended February 28, 2015 and \$71,140 for the year ended November 30, 2014 for the difference between the estimated recoverable amount and the carrying value of the properties.

#### **b) Golden Stock Property (Matachewan, Ontario)**

On September 30, 2013, the Company signed an Agreement (the “Property Agreement”) with an arms-length vendor to acquire the Golden Stock gold property located near the Cairo Township in Matachewan, Ontario. Under the terms of the Property Agreement, the Company would acquire a 100% interest, subject to a 2% retained royalty, in the property and as consideration would issue 1,000,000 shares of the Company to the vendor. The shares were issued on December 27, 2013 and had a fair value of \$75,000.

#### **c) Mahdia Property (Guyana, South America)**

By an agreement (the “Mahdia Agreement”) dated March 31, 2014, the Company acquired the right to conduct exploration and mining operations on three mining permits (the “Claims”) located in the Potaro-Siparuni region of north eastern Guyana, South America. The Company had the exclusive right to explore and develop the most northerly Claim comprised of 1,165 acres, and non-exclusive rights to the remaining two Claims of 1,200 acres each, over the next five years by carrying out a Phase One surface alluvial exploration program and a Phase Two bulk sampling program within three months of signing the Mahdia Agreement. The Company had the option to extend the period for completing the work programs to up to six months by paying the Vendor USD \$100,000 for each month beyond the initial three-month period. To maintain its rights to the Claims and to advance the development of the Claims to commercial production, the Company is required to incur USD \$4,000,000 annually in all costs related to the Claims. The Vendor is entitled to 15% of any gold or other minerals produced from the Claims.

During the term of the agreement, the Company was unable to carry out exploration activities on the property due to the existence of force majeure conditions, which included inclement weather conditions and inability to access the property. The Company did not extend the option and accordingly \$75,993 in exploration costs were written off during the year ended November 30, 2014.

#### **d) Demerara River Property (Guyana, South America)**

By an agreement dated June 30, 2014, the Company acquired the exclusive exploration rights to 51 mining claims (the “Demerara River” property) consisting of 1,100 acres located in north eastern Guyana, South America. The Company had the exclusive exploration rights on this property to November 30, 2014 whereupon the Company may elect to commence alluvial operations on the property by paying USD \$20,000 per month. The Company did not extend the option and accordingly \$131,998 in exploration costs were written off during the year ended November 30, 2014.

# **RT MINERALS CORP.**

## **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 5**

### **FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014**

(Expressed in Canadian Dollars)

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

##### **e) Tiger River Property (Guyana, South America)**

By an agreement dated June 28, 2014, the Company acquired the exclusive exploration rights to one mining claim (the “Tiger River” property) consisting of 1,200 acres located in north eastern Guyana, South America. The Company had the exclusive exploration rights on this property to November 30, 2014 whereupon the Company may elect to commence alluvial operations on the property by paying USD \$10,000 per year and 15% of all gold produced from the alluvial operations. The Company did not extend the option and accordingly \$49,607 in exploration costs were written off during the year ended November 30, 2014.

##### **f) Konawaruk Property (Guyana, South America)**

By an agreement dated June 28, 2014, the Company acquired the exclusive exploration rights to two mining claims (the “Konawaruk” property) consisting of 2,400 acres located in north eastern Guyana, South America. The Company had the exclusive exploration rights on this property to November 30, 2014 whereupon the Company may elect to commence alluvial operations on the property by paying USD \$20,000 per year and 15% of all gold produced from the alluvial operations. The Company did not extend the option and accordingly \$813 in exploration costs were written off during the year ended November 30, 2014.

#### **5. DEMAND LOAN**

- i) On June 4, 2014, the Company received a demand loan of \$100,000 from an arm’s length party, bearing interest at 8% per annum and with a loan fee payable of 10%. The demand loan was repaid on June 26, 2014 along with interest of \$482 and loan fee of \$10,000.
- ii) On July 9, 2014, the Company received a demand loan of \$25,000 from an arm’s length party, bearing interest at 8% per annum and with a loan fee payable of 10%. The amounts owing are included in trade and other payables.

#### **6. SHARE CAPITAL AND RESERVES**

##### **a) Common Shares**

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company’s residual assets.

On December 12, 2013, the Company received shareholders’ approval of its proposed consolidation of the Company’s issued and outstanding common shares on the basis of one (1) post-consolidation common share for every twelve (12) pre-consolidation common shares then issued and outstanding (the “Share Consolidation”). The Share Consolidation was approved by the TSXV with an effective date of December 17, 2013.

As a result of the Share Consolidation, the number of shares, warrants, options presented in these consolidated financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earnings per share calculation are based on the post-consolidation shares for all years presented.

## RT MINERALS CORP.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 6

#### FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

(Expressed in Canadian Dollars)

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#### 6. SHARE CAPITAL AND RESERVES (CONTINUED)

The Company did not issue any common shares during the three months ended February 28, 2015.

During the year ended November 30, 2014:

- i) On December 27, 2013, the Company completed a non-brokered private placement consisting of 2,000,000 flow-through units (the “FT Units”) and 8,000,000 non flow-through units (the “NFT Units”), for aggregate gross proceeds of \$500,000. Each FT Unit and NFT Unit is priced at \$0.05 and is comprised of a share and a warrant exercisable at \$0.06 for a term of two years (in the case of the FT Units) and five years (in the case of the NFT Units). All securities were subject to a hold period expiring April 28, 2014.
- ii) On December 27, 2013, the Company issued 1,000,000 common shares pursuant to the Golden Stock property acquisition described in Note 4(b).
- iii) On January 22, 2014, the Company issued 304,260 common shares with a fair value of \$0.06 per share to settle \$18,256 in amounts payable to a company with common directors. The shares were subject to a hold period and restricted from trading until May 23, 2014.
- iv) On June 30, 2014, 5,245,000 common share purchase warrants were exercised at \$0.06 per share for gross proceeds of \$314,700.
- v) On July 28, 2014, 1,050,000 common share purchase warrants were exercised at \$0.06 per share for gross proceeds of \$63,000.
- vi) On August 15, 2014, 1,450,000 common share purchase warrants were exercised at \$0.06 per share for gross proceeds of \$87,000.
- vii) On August 29, 2014, 450,000 common share purchase warrants were exercised at \$0.06 per share for gross proceeds of \$27,000.

#### b) Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares. No preferred shares have been issued since the Company’s inception.

#### c) Contributed Surplus

	February 28, 2015 \$	November 30, 2014 \$
Fair value of warrants issued	284,725	284,725
Fair value of stock options granted or vested	995,082	995,082
Contributed surplus	<u>1,279,807</u>	<u>1,279,807</u>

## RT MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 7  
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014  
(Expressed in Canadian Dollars)

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### 6. SHARE CAPITAL AND RESERVES (CONTINUED)

#### d) Share Purchase Warrants

The following is a summary of changes in warrants from November 30, 2013 to February 28, 2015:

	Number of Warrants	Weighted Average Exercise Price
Balance at November 30, 2013	-	-
Issue of warrants	10,000,000	\$0.06
Exercise of warrants	(8,195,000)	\$0.06
Balance at November 30, 2014 and February 28, 2015	1,805,000	\$0.06

As at February 28, 2015, the Company had outstanding and exercisable warrants as follows:

Number of Warrants Outstanding and Exercisable			
February 28, 2015	November 30, 2014	Exercise Price per Share	Contractual Life Remaining
1,805,000	1,805,000	\$0.06	3.33

### 7. SHARE-BASED PAYMENTS

#### a) Option Plan Details

The Company has an incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The Plan was approved by the Board on March 21, 2011, was approved by the Company’s shareholders on April 29, 2011, and came into effect on August 5, 2011 upon acceptance by the TSXV of the Company’s listing application and commencement of trading on the TSXV. The Plan provides for the issuance of options to acquire shares of the Company up to 10% of the then issued and outstanding shares of the Company. It incorporates the new TSXV option plan policies effective December 15, 2008, as well as provisions concerning the new requirements of the Canada Revenue Agency concerning withholding tax payments on exercised options, and provisions to accommodate electronic trading and the issuance of uncertificated shares.

# RT MINERALS CORP.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 8

### FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

(Expressed in Canadian Dollars)

#### 7. SHARE-BASED PAYMENTS (CONTINUED)

A summary of the Company's stock options at February 28, 2015 and November 30, 2014 and the changes for the periods then ended on those dates is presented below:

	February 28, 2015		November 30, 2014	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	1,250,000	\$0.10	-	-
Granted	-	-	1,700,000	\$0.10
Forfeited/cancelled	(500,000)	\$0.10	(450,000)	\$0.10
Ending balance	750,000	\$0.10	1,250,000	\$0.10

In May 2014, the Company granted 1,700,000 stock options with an exercise price of \$0.10 per share expiring May 22, 2016 to directors, employees and consultants. All options vested immediately with the exception of 200,000 options granted to a consultant conducting investor relations activities, that, as such, will vest over a period of 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting. During the three months ended February 28, 2015, 500,000 stock options were forfeited and cancelled. During the year ended November 30, 2014, 450,000 stock options were forfeited and cancelled, including the unvested options.

Details of stock options outstanding and exercisable as at February 28, 2015 and November 30, 2014 are as follow:

Expiry Date	Exercise Price	February 28, 2015	November 30, 2014
May 22, 2016	\$0.10	750,000	1,250,000
		750,000	1,250,000

The weighted average remaining contractual life of stock options outstanding at February 28, 2015 was 1.23 years (November 30, 2014: 1.48 years).

#### b) Fair Value of Options Issued During the Period

The weighted average fair value at grant date of options granted during the year ended November 30, 2014 was \$0.056 per option. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	February 28, 2015	November 30, 2014
Expected stock price volatility	-	138%
Risk-free interest rate	-	1.04%
Dividend yield	-	-
Expected life of options	-	2 years
Fair value price on date of grant	-	\$0.07
Forfeiture rate	-	-

# RT MINERALS CORP.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – Page 9

### FOR THE THREE MONTHS ENDED FEBRUARY 28, 2015 AND 2014

(Expressed in Canadian Dollars)

#### 8. NATURE OF INCOME AND EXPENSES

	2015 \$	2014 \$
Other income and expenses include:		
Loss on foreign exchange	(1,043)	(5,719)
	(1,043)	(5,719)
Employee costs include:		
Administrative and consulting fees	-	78,624
Management salaries	1,500	6,923
	1,500	85,547
Finance expense includes:		
Loan interest expense	493	-
Part XII.6 tax	-	159
	493	159
General and administrative expense include:		
Accounting and audit fees	-	165
Filing fees	2,250	10,160
Investor communications	-	2,263
Legal fees	1,620	18,666
Office expenses	9,934	25,445
Transfer agent	874	4,084
Travel and automobile	444	20,593
	15,122	81,376

#### 9. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

##### a) Shares for Debt

Pursuant to an agreement dated January 6, 2014, the Company agreed to settle \$18,256 in indebtedness payable to a company with common directors that is a co-tenant to the Company's office premises lease, with the issuance of 304,260 common shares of the Company with a fair value of \$0.06 per share (Note 6(a)(iii)).

##### b) Office Expenses

Office expenses of \$9,086 (2014: \$4,613) were charged by a company with common directors that is a co-tenant to the Company's office premises lease. At February 28, 2015, \$30,448 (November 30, 2014: \$20,907) in amounts owing to the co-tenant were included in due to related parties.

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## 9. RELATED PARTY TRANSACTIONS (CONTINUED)

### c) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	2015 \$	2014 \$
Short-term employee benefits and director fees	1,500	42,570
	<u>1,500</u>	<u>42,570</u>

Due to related parties at February 28, 2015 includes \$45,224 (November 30, 2014: \$42,454) in amounts owing to directors, officers, and companies with common directors for unpaid project management services and expenses.

## 10. COMMITMENTS

i) On November 25, 2013, the Company extended its office lease until July 31, 2016 (“Office Lease”). Under the terms of the Office Lease, there are operating costs which the Company estimates to be \$14.50 per square foot for the year ended November 30, 2014. The operating costs will be adjusted annually. The Company and its co-tenant have agreed to each pay for 50% of the rent due and owing. Effective January 14, 2015, the Company and its co-tenant settled the early termination of its Office Lease by agreeing to incur \$11,905 in transaction costs for incoming tenant improvements and realtors’ fees, and rent of \$6,019 for the month of January 2015. The Company’s 50% portion of these costs under its co-tenant agreement is \$8,962.

ii) In relation to the December 27, 2013 flow-through financing described in Note 6(a), the Company is committed to incur \$99,800 in Canadian exploration expenditures by December 31, 2014 under Canada Revenue Agency’s look-back rule.

During the year ended November 30, 2014, the Company incurred an aggregate of \$22,720 in exploration expenditures in relation to the December 27, 2013 flow-through financing. The Company amended its Income Tax Act (Canada) filings to reduce the expenses renounced under the look-back rule by \$77,080. During the year ended November 30, 2014, the Company recorded \$74 in Part XII.6 tax, and \$41,466 in estimated liability to indemnify shareholders for shortfall of flow-through tax credits.

iii) Pursuant to an agreement dated October 16, 2013, the Company had reached the principal terms of a settlement with certain subscribers to one of the Company’s December 2010 Private Placements to settle the issues arising from the estimated sundry shortfall of certain flow-through tax credits. Under the terms of the settlement, the Company paid the subscribers the amount of \$116,245 and the subscribers executed releases of liability to the Company in January and February 2014.



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## 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### *Fair values*

The Company's financial instruments include cash, amounts receivable, trade and other payables, and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	February 28, 2015		November 30, 2014	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	\$	\$	\$	\$
FVTPL assets (i)	439	439	1,391	1,391

### (i) Cash

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices 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.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at February 28, 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	439	-	-	439

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

The Company's financial instruments are exposed to certain financial risks: credit risk, liquidity risk, market risk and currency risk.

### *Credit risk*

Credit risk is the risk of an unexpected loss associated with counterparty's inability to fulfil its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and amounts receivable. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash with high credit chartered Canadian financial institutions. As at February 28, 2015, the Company has no financial assets that are past due or impaired due to credit risk defaults.

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## 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its accounts payable and amounts due to related parties. The Company handles its liquidity risk through the management of its capital structure as described in Note 12. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

The following are the contractual maturities of financial liabilities as at February 28, 2015:

	Carrying Amount \$	Contractual Cash Flows \$	Within 1 year \$	Within 2 years \$	Within 3 years \$	Over 3 years \$
Trade payables	179,645	179,645	179,645	-	-	-
Due to related parties	75,672	75,672	75,672	-	-	-
Total	255,317	255,317	255,317	-	-	-

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no fluctuating interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### *Currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The Company's Guyana subsidiary is exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar.

## 12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

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#### 12. CAPITAL MANAGEMENT (CONTINUED)

The Company considers items included in shareholders' equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash and cash equivalents.

#### 13. NON-CASH TRANSACTIONS

Non-cash Financing and Investing Activities	2015	2014
	\$	\$
Shares issued for Golden stock property	-	75,000
Shares for debt	-	18,256

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#### 14. SUBSEQUENT EVENTS

##### a) Private Placement

On April 2, 2015, the Company completed a non-brokered private placement consisting of 15,338,181 units at a price of \$0.015 per unit for total proceeds of \$230,073. Each unit consists of one common share and one half of a warrant, with each whole warrant exercisable into a further common share at a price of \$0.05 for a term of two years. All securities are subject to a hold period expiring August 3, 2015.

##### b) Ballard Lake Gold Property

On February 6, 2015, as amended March 25, 2015, the Company signed an Agreement (the "Property Agreement") with an arms-length vendor to acquire the Ballard Lake gold property located approximately 50 km northeast of Wawa, Ontario. Under the terms of the Property Agreement, the Company would acquire a 100% interest, subject to a 2% retained royalty, in the property and as consideration would issue 4,000,000 common shares of the Company to the vendor. The completion of the acquisition is subject to the Company raising a minimum of \$200,000 in a private placement offering (completed), and the receipt of TSXV regulatory approval of the Property Agreement by April 30, 2015 (received). The shares were issued on April 28, 2015.

##### c) Debt settlement

Pursuant to an agreement dated February 23, 2015, the Company reached the principal terms of a settlement to settle trade payables in the amount of \$10,000 by allotting and issuing 200,000 shares in the capital of the Company to the creditor. The shares were issued on April 28, 2015.