

**GOLD JUBILEE CAPITAL CORP.**  
**(An Exploration Stage Company)**

**FINANCIAL STATEMENTS**  
**(Expressed in Canadian dollars)**

**NOVEMBER 30, 2014**

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charlton & company  
CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of:  
**Gold Jubilee Capital Corp.**

We have audited the accompanying financial statements of Gold Jubilee Capital Corp, which comprise the statements of financial position as at November 30, 2014 and 2013, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of Gold Jubilee Capital Corp. as at November 30, 2014 and 2013 and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

*“Charlton & Company”*

**CHARTERED ACCOUNTANTS**

Vancouver, BC  
March 30, 2015

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian dollars)  
AS AT NOVEMBER 30

	2014	2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 70,186	\$ 250,803
Short-term investments (Note 4)	-	270,000
Receivables (Note 5)	47,523	18,889
Prepaid expenses, deposits and advances (Note 6)	<u>23,631</u>	<u>21,214</u>
<b>Total current assets</b>	<u>141,340</u>	<u>560,906</u>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 7)	739,590	276,496
Reclamation bond (Note 7)	<u>3,500</u>	<u>-</u>
<b>Total non-current assets</b>	<u>743,090</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 884,430</u>	<u>\$ 837,402</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	<u>\$ 33,966</u>	<u>\$ 51,423</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	1,762,876	1,317,701
Reserves (Note 9)	93,221	93,221
Deficit	<u>(1,005,633)</u>	<u>(624,943)</u>
<b>Total shareholders' equity</b>	<u>850,464</u>	<u>785,979</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 884,430</u>	<u>\$ 837,402</u>

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on March 30, 2015:

<u>"Minaz Devji"</u> Minaz Devji	Director	<u>"George Cavey"</u> George Cavey	Director
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The accompanying notes are an integral part of these financial statements.

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)  
**YEAR ENDED NOVEMBER 30**

	2014	2013
<b>GENERAL EXPENSES</b>		
Consulting fees	\$ 30,000	\$ 10,000
Management fees (Note 12)	30,000	40,000
Office and miscellaneous (Note 12)	93,933	5,029
Professional fees (Note 12)	90,852	65,444
Property investigation	22,396	18,818
Rent	51,000	7,500
Transfer agent and filing fees	21,047	19,131
Travel expenses	42,839	-
Share-based payment (Note 9 and 12)	-	84,918
<b>Loss before other items</b>	<u>(382,067)</u>	<u>(250,840)</u>
<b>OTHER ITEMS</b>		
Interest income	4,592	2,118
Recovery (write-off) of GST receivable	<u>(3,215)</u>	<u>7,162</u>
<b>Total other items</b>	<u>1,377</u>	<u>9,280</u>
<b>Loss and comprehensive loss for the year</b>	<u>\$ (380,690)</u>	<u>\$ (241,560)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
<b>Weighted average number of outstanding common shares</b>	<u>26,436,644</u>	<u>12,143,890</u>

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

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
<b>Balance November 30, 2012</b>	8,400,000	\$ 597,701	\$ 8,303	\$ (383,383)	\$ 222,621
Shares issued for:					
Private placements (Note 9)	14,000,000	700,000	-	-	700,000
Acquisition of exploration and evaluation assets (Note 7)	500,000	25,000	-	-	25,000
Share issuance costs (Note 9)	-	(5,000)	-	-	(5,000)
Share-based payment (Note 9 and 12)	-	-	84,918	-	84,918
Loss and comprehensive loss for the year	-	-	-	(241,560)	(241,560)
<b>Balance, November 30, 2013</b>	22,900,000	\$ 1,317,701	\$ 93,221	\$ (624,943)	\$ 785,979
<b>Balance November 30, 2013</b>	22,900,000	\$ 1,317,701	\$ 93,221	\$ (624,943)	\$ 785,979
Shares issued for Private placements (Note 9)	4,450,000	449,625	-	-	449,625
Share issuance costs (Note 9)	-	(4,450)	-	-	(4,450)
Loss and comprehensive loss for the year	-	-	-	(380,690)	(380,690)
<b>Balance, November 30, 2014</b>	27,350,000	\$ 1,762,876	\$ 93,221	\$ (1,005,633)	\$ 850,464

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

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
**YEAR ENDED NOVEMBER 30**

	2014	2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (380,690)	\$ (241,560)
Items not affecting cash:		
Share-based payment	-	84,918
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(28,634)	(4,439)
Decrease (increase) in prepaid expenses	(4,271)	(6,860)
Increase (decrease) in accounts payable and accrued liabilities	<u>(17,457)</u>	<u>26,764</u>
Net cash used in operating activities	<u>(431,052)</u>	<u>(141,177)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of exploration and evaluation assets	-	(14,025)
Reclamation bond	(3,500)	
Exploration and evaluation expenditures	(463,094)	(237,471)
Redemption (purchase) of short-term investments	270,000	(50,000)
Advances to a related party	<u>1,854</u>	<u>(4,354)</u>
Net cash used in investing activities	<u>(194,740)</u>	<u>(305,850)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issuance	449,625	700,000
Share issuance costs	<u>(4,450)</u>	<u>(5,000)</u>
Net cash provided by financing activities	<u>445,175</u>	<u>695,000</u>
<b>Change in cash during the year</b>	(180,617)	247,973
<b>Cash, beginning of year</b>	<u>250,803</u>	<u>2,830</u>
<b>Cash, end of year</b>	<u>\$ 70,186</u>	<u>\$ 250,803</u>
<b>Interest received</b>	\$ 4,006	\$ 2,520
<b>Interest paid</b>	\$ -	\$ -
<b>Income taxes paid</b>	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 15)

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

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
FOR THE YEAR ENDED NOVEMBER 30, 2014

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Gold Jubilee Capital Corp. (the “Company”) is incorporated under the laws of the province of British Columbia, Canada on July 19, 2007 and its common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “GJB”. The Company’s principal business activities include the acquisition and exploration of resource properties in Canada.

The head office of the Company is located at Suite 480 - 505 Burrard Street, Vancouver, BC, Canada, V7X 1M3. The registered address and records office of the Company is located at Suite 1780 - 400 Burrard Street, Vancouver, BC, Canada, V6C 3A6.

Going concern of operations

These financial statements are prepared 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 for the foreseeable future. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term.

As at November 30, 2014, the Company had an accumulated deficit of \$1,005,633 and has incurred losses since inception. These material uncertainties may raise substantial doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

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	November 30, 2014	November 30, 2013
Deficit	\$ (1,005,633)	\$ (624,943)
Working capital	107,374	509,483

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**2. BASIS OF PREPARATION**

**Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretation Committee (“IFRIC”).



**2. BASIS OF PREPARATION (cont'd...)**

**Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars, which is the functionally currency of the Company, unless otherwise specified.

Certain comparative amounts for the prior year have been reclassified to conform to current year presentation. Such reclassifications had no effect on net income or shareholder's equity.

**Significant accounting judgments and critical accounting estimates**

The preparation of these financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements.

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- i) Determination of categories of financial assets and financial liabilities which has been identified as an accounting policy which involves assessments made by management;
- ii) Determination and assessment of the Company's ability to continue going concern (Note 1); and
- iii) Recoverability of the carrying value of the Company's exploration and evaluation assets.

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

- i) Deferred income taxes - The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.
- ii) Share-based payment - The fair value of share-based payment is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

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

#### **Exploration and evaluation assets**

The Company capitalizes the acquisition costs of mineral claims and mineral rights. Exploration and development costs, subsequent to the determination of the feasibility of mining operations are capitalized. Exploration and development expenses incurred prior to determination of the feasibility of mining operations, periodic option payments and administrative expenditures are expensed as incurred.

Proceeds received on the sale of interests in exploration and evaluation assets are credited to the carrying value of exploration and evaluation assets, with any excess included in operations. Write-downs due to impairment in value are charged to profit or loss.

Management periodically reviews the carrying values of its investments in exploration and evaluation assets and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company and the assessment of future probability of revenues from the property or from the sale of the property. A decision to abandon, reduce or expand activity on a specific property is based upon many factors including general and specific assessments of mineral resources, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases and the availability of financing. The Company does not set a pre-determined holding period for properties with unproven resources. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and that carrying values are appropriate.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against profit or loss in the period of abandonment or determination of impairment of value.

The amounts recorded as mineral claims represent unamortized costs to date and do not necessarily reflect present or future values. The accumulated costs of mineral properties that are developed to the stage of commercial production will be amortized to operations using the unit of production depletion method.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing unless otherwise noted.

#### **Impairment of long-lived assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Impairment of long-lived assets(cont'd...)**

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Flow-through shares**

Under Canadian income tax legislation, a company is permitted to issue flow through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow-through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in other income. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

As at November 30, 2014 and 2013, the Company has determined that it does not have any decommissioning obligations.

**Financial instruments**

Financial assets

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

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

Financial assets (cont'd...)

*Fair value through profit or loss* - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

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

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

*Available-for-sale* - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

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

*Fair value through profit or loss* - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

*Other financial liabilities*: This category includes all other liabilities, all of which are recognized at amortized cost. The Company has classified its cash and receivables (excluding GST receivables) as *loans and receivables*. The Company's short term investments are classified as *available-for-sale*. The Company's accounts payable and accrued liabilities are classified as *other financial liabilities*.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

Financial liabilities (cont'd...)

**Share-based payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

**Share capital**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued using residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors.

**Loss per share**

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

**GOLD JUBILEE CAPITAL CORP.**  
(An Exploration Stage Company)  
NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian dollars)  
FOR THE YEAR ENDED NOVEMBER 30, 2014

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Share issuance costs**

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against the related share capital.

**Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**New accounting pronouncements**

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New accounting standards and amendments to existing standards**

New and amended standards adopted by the Company

The application of these amendments and standards had no material impact on current and prior year disclosures but may affect disclosures for future transactions.

- a) Amendments to IFRS 7, Financial Instruments: Disclosures, to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. This standard is effective for years beginning on or after January 1, 2013.
- b) New standard IFRS 10, Consolidated Financial Statements, replaces the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial statements, and SIC-12, Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control. This standard is effective for years beginning on or after January 1, 2018.
- c) New standard IFRS 11, Joint arrangements, requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for joint operations, the venturer will recognize its share of assets, liabilities, revenue and expenses of the joint operations. Under existing IFRS, entities have the choice to proportionally consolidate or equity account for interest in joint ventures. IFRS 11 supersedes IAS 31 – Interest in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-monetary Contributions by Venturers. This standard is effective for years beginning on or after January 1, 2013.
- d) New standard IFRS 12, Disclosure of Interests in Other Entities, provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and consolidated structured entities. This standard is effective for years beginning on or after January 1, 2013.
- e) New standard IFRS 13, Fair Value Measurement, defines fair value and sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. The standard does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). This standard is effective for years beginning on or after January 1, 2013.
- f) Reissued IAS 27, Separate Financial Statements, requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments. This standard is effective for years beginning on or after January 1, 2013.
- g) Reissued IAS 28, Investment in Associates and Joint Ventures, supersedes IAS 28 Investments in Associates and defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This standard is effective for years beginning on or after January 1, 2013.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New accounting standards and amendments to existing standards**

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new, revised and amended standards that have been issued but are not yet effective for the November 30, 2014 reporting period:

- h) New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018.
- i) Amendments to IAS 32 - Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. This standard becomes effective for annual periods beginning on or after January 1, 2014.
- j) Amendments to IAS 36 – Impairment of Assets, clarifies the recoverable amount disclosures for non-financial assets, including additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount was based on fair value less costs of disposal. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted except an entity shall not apply those amendments in periods (including comparative periods) in which it does not also apply IFRS 13.
- k) Amendments to IAS 24 - The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The Company is currently evaluation the impact the final standard is expected to have on its financial statements.
- l) The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.
- m) Amendments to IFRS 2- *Share based payment*. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendment is effective for share based payment transactions for which the grant date is on or after July 1, 2014. The Corporation is in the process of determining the impact of the amendment of IFRS 2 on its financial statements.



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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New accounting standards and amendments to existing standards (cont'd...)**

New or revised standards and amendments to existing standards not yet effective (cont'd...)

The Company is currently assessing the impact that these standards will have on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period. The amendments and new standards are expected to have minimal impact on the Company's financial statements.

**4. SHORT-TERM INVESTMENTS**

The short-term investments consist of a guarantee investment certificate ("GIC"), cashable within 30 days without significant risk of change in value.

	November 30, 2014	November 30, 2013
GIC at prime minus 1.80%, matured on December 30, 2013	\$ -	\$ 270,000

**5. RECEIVABLES**

The Company's receivables are as follows:

	November 30, 2014	November 30, 2013
GST receivable	\$ 44,020	\$ 18,303
Interest receivable	-	586
Due from related parties (Note 12)	1,503	-
Loans receivable – unsecured, non-interest bearing and repayable on demand	2,000	-
	<u>\$ 47,523</u>	<u>\$ 18,889</u>

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**6. PREPAID EXPENSES, DEPOSITS AND ADVANCES**

The Company's prepaid expenses, deposits and advances are as follows:

	November 30, 2014	November 30, 2013
Prepaid expenses	\$ 15,421	\$ 11,150
Security deposit	5,710	5,710
Advances to a related party (Note 12)	<u>2,500</u>	<u>4,354</u>
	<u>\$ 23,631</u>	<u>\$ 21,214</u>

**7. EXPLORATION AND EVALUATION ASSETS**

<b>For the year ended November 30, 2014</b>		Total
<b>Acquisition costs</b>		
Balance – beginning of year		\$ 39,025
Balance – end of year		<u>39,025</u>
<b>Exploration costs</b>		
Balance – beginning of year		237,471
Aircraft rentals		70,456
Geological and consulting		316,345
Geophysics		<u>76,293</u>
Balance – end of year		<u>700,565</u>
<b>Total costs as at November 30, 2014</b>		<b>\$ 739,590</b>
<hr/>		
<b>For the year ended November 30, 2013</b>		Total
<b>Acquisition costs</b>		
Balance – beginning of year		\$ -
Cash payment		12,900
Share issuance		25,000
Other acquisition related fees		<u>1,125</u>
Balance – end of year		<u>39,025</u>
<b>Exploration costs</b>		
Balance – beginning of year		-
Assaying, testing and surveying		22,551
Geological and consulting		<u>214,920</u>
Balance – end of year		<u>237,471</u>
<b>Total costs as at November 30, 2013</b>		<b>\$ 276,496</b>

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**7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Pyramid Copper, Canada**

On May 22, 2013, the Company entered into an agreement to purchase 100% interest in mineral claims collectively known as the Pyramid Copper Property, located in northern British Columbia, Canada. Per the terms of the agreement, the Company paid \$12,900 and issued 500,000 common shares, valued at \$25,000, to the vendor.

Reclamation bond in the amount of \$3,500 was paid to B.C. Ministry of Energy and Mines for the Pyramid Copper Property.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities are as follows:

	November 30, 2014	November 30, 2013
Trade payables	\$ -	\$ 18,423
Accrued liabilities	10,631	9,000
Due to a related party (Note 12)	23,335	24,000
	<u>\$ 33,966</u>	<u>\$ 51,423</u>

**9. SHARE CAPITAL AND RESERVES**

**Authorized**

Unlimited number of common shares without par value.

**Issued**

During the year ended November 30, 2014, the Company:

- a) Completed tranches of a non-brokered private placement of 3,525,000 common shares at \$0.10 per share, of which 1,000,000 were flow-through common shares, for total gross proceeds of \$352,500, of which \$100,000 related to the flow-through common shares. In connection with the private placement, the Company paid \$4,450 of share issuance costs; and
- b) Completed a non-brokered private placement of 925,000 flow-through common shares at \$0.105 per share for total gross proceeds of \$97,125.

No share premiums were allocated to these flow-through common shares.

During the year ended November 30, 2013, the Company:

- a) Completed tranches of a non-brokered private placement of 14,000,000 common shares at \$0.05 per share, of which 6,000,000 were flow-through shares, for gross proceeds of \$700,000. In connection with the private placement, the Company paid \$5,000 of share issuance costs; and
- b) Issued 500,000 shares with a total fair value of \$25,000 at \$0.05 per share for acquisition of the Pyramid Property. The value of the shares issued was determined by their market value at the date of issuance.

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**9. SHARE CAPITAL AND RESERVES (cont'd...)**

**Stock options**

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

Stock option transactions are summarized as follows:

Expiry Date	Exercise Price	November 30, 2012	Granted	Exercised	Expired / Cancelled	November 30, 2013	Exercisable
January 11, 2013	\$ 0.10	450,000	-	-	(450,000)	-	-
September 17, 2018	0.10		1,800,000	-	-	1,800,000	1,800,000
November 1, 2018	0.10		250,000	-	-	250,000	250,000
<b>Total</b>		<b>450,000</b>	<b>2,050,000</b>	<b>-</b>	<b>(450,000)</b>	<b>2,050,000</b>	<b>2,050,000</b>
<b>Weighted average exercise price</b>	<b>\$ 0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>
<b>Weighted average remaining contractual life</b>						<b>4.82 years</b>	

Expiry Date	Exercise Price	November 30, 2013	Granted	Exercised	Expired / Cancelled	November 30, 2014	Exercisable
September 17, 2018	0.10	1,800,000	-	-	-	1,800,000	1,800,000
November 1, 2018	0.10	250,000	-	-	-	250,000	250,000
<b>Total</b>		<b>2,050,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,050,000</b>	<b>2,050,000</b>
<b>Weighted average exercise price</b>	<b>\$ 0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>
<b>Weighted average remaining contractual life</b>						<b>3.82 years</b>	

**Share-based payment**

During the year ended November 30, 2014, the Company granted \$Nil (2013 - 2,050,000) stock options with an estimated weighted average fair value of \$Nil (2013 - \$0.04) calculated using the Black-Scholes options pricing model. The fair value of stock options vested during the year and recognized as share-based payment expense was \$Nil (2013 - \$84,918). These amounts were also recorded as reserves on the statements of financial position.

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**9. SHARE CAPITAL AND RESERVES (cont'd...)**

**Share-based payment (cont'd...)**

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in underlying assumptions can materially affect the fair value estimates. The following weighted average assumptions were used for the Black-Scholes valuation of options granted during the year:

	2014	2013
Risk-free interest rate	-	2.07%
Expected life of options	-	5 years
Annualized volatility	-	105.19%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

**Warrants**

There were no warrant transactions during the year ended November 30, 2014 and 2013 and there were no warrants outstanding as at November 30, 2014 and 2013.

**10. CAPITAL MANAGEMENT**

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the period.

**11. SEGMENTED INFORMATION**

The Company operates in one segment – the acquisition, exploration and development of resource properties. As at November 30, 2014 and 2013, all of the Company's operations and assets were held in Canada.

**12. RELATED PARTY TRANSACTIONS**

During the year ended November 30, 2014, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include certain directors and officers.

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**12. RELATED PARTY TRANSACTIONS (cont'd...)**

Transactions with related parties and key management personnel are as follows:

Paid or accrued to	Nature of transactions	Year Ended November 30, 2014	Year Ended November 30, 2013
<b>Key management personnel:</b>			
Former directors of the Company	Director fees	\$ -	30,000
A company controlled by a family member of the Corporate Secretary	Consulting	30,000	10,000
A company controlled by the President and CEO	Management	30,000	10,000
A company controlled by a Director	Geological consulting	40,811	10,000
Directors and officers of the Company	Share-based payments	-	74,426
Management and directors of the Company	Office & misc.	33,189	-
<b>Total</b>		<b>\$ 134,000</b>	<b>\$ 134,426</b>
<b>Related parties:</b>			
A firm of which a Director is the partner	Professional	\$ 69,050	\$ 24,000
A family member of a Director	Geological consulting	43,242	7,500
<b>Total</b>		<b>\$ 112,292</b>	<b>\$ 31,500</b>

The amounts due to a related party included in accounts payable and accrued liabilities are as follows:

	November 30, 2014	November 30, 2013
Due to a firm of which the Director is a partner	\$ 23,335	\$ 24,000

During the year ended November 30, 2014, the Company advanced \$2,500 to a family member of a director for consulting and exploration related expenses.

During the year ended November 30, 2013, the Company paid advances to a family member of the Director for a total of \$4,354, net of \$5,500 advance payment and \$1,146 travel expense reimbursement. Subsequent to the year ended November 30, 2013, \$3,000 of the advance payment was repaid to the Company.

Advance payments to related parties are included in prepaid expenses, deposits and advances in the statements of financial position.

The amounts due from related parties included in receivables are as follows:

	November 30, 2014	November 30, 2013
Due from the Corporate Secretary	\$ 300	\$ -
Due from a family member of a Director	20	-
Due from the President and CEO	1,014	-
Due from a company controlled by a Director	169	-
<b>Total</b>	<b>\$ 1,503</b>	<b>\$ -</b>

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**12. RELATED PARTY TRANSACTIONS (cont'd...)**

These transactions are in the normal course of operations and are measured at the exchange amount that is the amount of consideration established and agreed by the related parties. Management believes the rates set are within industry standard ranges. The amount owing to a related party is non-interest bearing and unsecured.

**13. INCOME TAXES**

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	November 30, 2014	November 30, 2013
Loss before taxes for the year	\$ (380,690)	\$ (241,560)
Canadian federal and provincial income tax rates	26.00%	25.67%
Expected income tax recovery based on the above rates	\$ (98,977)	\$ (62,000)
Effect of change in tax rates	-	(4,686)
Non-deductible items	-	21,796
Tax benefit not recognized	<u>98,979</u>	<u>44,890</u>
Total income taxes	\$ -	\$ -

The significant components of the Company's deferred income tax assets and liabilities, using a Canadian basic statutory rate of 26% are as follows:

	November 30, 2014	November 30, 2013
Non-capital losses	\$ 225,000	\$ 131,000
Cumulative exploration and development expenses	(75,000)	(35,000)
Share issuance costs	<u>2,000</u>	<u>1,000</u>
	\$ 152,000	\$ 97,000

At November 30, 2014, the Company has accumulated non-capital losses of approximately \$864,160 (2013 - \$503,977) which may be available to offset future income for income tax purposes. If not utilized, these non-capital losses expire between 2029 and 2034.

At November 30, 2014 and 2013, the Company had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that the related tax benefit will be realized.

#### **14. FINANCIAL AND CAPITAL RISK MANAGEMENT**

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 described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

##### **Fair value of financial instruments**

The Company has various financial instruments including cash, short-term investment, receivables and accounts payable and accrued liabilities. Short-term investments are carried at fair value using a level 1 fair value measurement. The carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

##### **Credit risk**

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of goods and services tax (GST), which is recoverable from the governing body in Canada.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2014, the Company had a cash balance of \$70,186 (November 30, 2013 - \$250,803) to settle current liabilities of \$33,966 (November 30, 2013 - \$51,423). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

##### **Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited as its interest bearing financial instrument is redeemable at any time.

##### **Price risk**

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

##### **Foreign currency risk**

As at November 30, 2014 and November 30, 2013, the Company did not have any accounts in foreign currencies and considered foreign currency risk insignificant.

#### **15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**



During the year ended November 30, 2014, there were no significant non-cash transactions.

During the year ended November 30, 2013, significant non-cash transactions included issuing 500,000 common shares valued at \$25,000 to acquire Pyramid Copper Property (Note 7).

**16. FLOW-THROUGH SHARE COMMITMENTS**

During the year ended November 30, 2014, the Company raised a total of \$197,125 through the issuance of flow-through shares (Note 9). As at November 30, 2014, the Company incurred exploration expenditures related to the flow-through shares. As a result, during the year ended November 30, 2014, the Company renounced \$100,000 of those expenditures. The remaining \$97,125 was renounced on December 31, 2014.