BITTERROOT RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2015 AND 2014

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note	April 30, 2015	October 31, 2014
ASSETS			
Current assets			
Cash		$ 841	$ 5,977
Receivables		7,544	4,569
Prepaid expenses		5,540	4,247
Total current assets		13,925	14,793
Non-current assets			
Reclamation deposit		21,500	21,500
Exploration and evaluation assets	4	4,467,101	4,416,441
Equipment	5	4,458	5,021
Total non-current assets		4,493,059	4,442,962
TOTAL ASSETS		$ 4,506,984	$ 4,457,755
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 281,140	$ 210,402
Due to related party	9	109,456	43,534
Loan payable	6	119,989	67,500
Total liabilities		510,585	321,436
SHAREHOLDERS' EQUITY			
Share capital	7	23,107,269	23,107,269
Equity reserves	7	3,769,563	3,769,563
Deficit		(22,880,433)	(22,740,513)
Total shareholders' equity		3,996,399	4,136,319
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,506,984	$ 4,457,755

Nature of operations (Note 1)
Commitments (Note 12)
Subsequent event (Note 13)

Approved by the Board of Directors on June 22, 2015:

"Michael S. Carr "	*"George W. Sanders"*
Michael S. Carr, Director	George W. Sanders, Director

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note		Three months ended April 30, 2015		2014		Six months ended April 30, 2015		2014
EXPENSES									
Bank charges and interest		$	143	$	236	$	385	$	571
Depreciation	5		282		369		563		737
Foreign exchange loss (gain)			(8,465)		839		7,758		4,929
Interest expense	6		2,831		-		6,489		-
Management fees	9		30,000		30,000		60,000		60,000
Office and printing			20,326		21,535		31,204		46,934
Professional fees			16,047		12,839		17,032		15,018
Regulatory fees			-		5,200		-		5,200
Shareholder information			5,673		5,606		5,883		8,040
Transfer agent fees			12,682		9,132		14,161		10,886
Write-down (recovery) of exploration and evaluation assets	4		-		-		(3,555)		-
Loss and comprehensive loss for the period		$	(79,519)	$	(85,756)	$	(139,920)	$	(152,315)
Basic and diluted loss per share		$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding			132,308,327		129,830,066		132,308,327		128,245,896

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIODS ENDED APRIL 30,
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

		2015		2014
Cash flows from operating activities				
Loss for the period	$	(139,920)	$	(152,315)
Items not involving cash:				
Depreciation		563		737
Interest expense		6,489		-
Write-down (recovery) of exploration and evaluation assets		(3,555)		-
Changes in non-cash working capital:				
Prepaid expenses		(1,293)		(1,243)
Receivables		(2,975)		(2,179)
Accounts payable and accrued liabilities		28,872		(28,543)
Due to related party		65,922		-
Cash used in operating activities		(45,897)		(183,543)
Cash flows from financing activities				
Loans from related party		46,000		-
Private placements		-		260,000
Share issue costs		-		(14,300)
Cash provided by financing activities		46,000		245,700
Cash flows from investing activities				
Exploration and evaluation assets expenditures		(21,508)		(379,491)
Exploration and evaluation assets recoveries		16,269		-
Cash used in investing activities		(5,239)		(379,491)
Change in cash during the period		(5,136)		(317,334)
Cash, beginning of period		5,977		593,407
Cash, end of period	$	841	$	276,073

Supplemental disclosure with respect to cash flows (Note 8).

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Equity reserves		Deficit		Total
Balance - October 31, 2013	**126,608,327**	**$22,859,785**	**$ 3,701,762**	**$**	**(21,253,564)**	**$**	**5,307,983**
Private placements	5,200,000	260,000	-		-		260,000
Share issue costs	-	(14,300)	-		-		(14,300)
Share-based payments	-	-	8,671		-		8,671
Finder's fees	-	(5,716)	5,716		-		-
Loss for the period	-	-	-		(152,315)		(152,315)
Balance – April 30, 2014	**131,808,327**	**$23,099,769**	**$ 3,716,149**	**$**	**(21,405,879)**	**$**	**5,410,039**
Balance – October 31, 2014	**132,308,327**	**$23,107,269**	**$ 3,769,563**	**$**	**(22,740,513)**	**$**	**4,136,319**
Loss for the period	-	-	-		(139,920)		(139,920)
Balance – April 30, 2015	**132,308,327**	**$23,107,269**	**$ 3,769,563**	**$**	**(22,880,433)**	**$**	**3,996,399**

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

1. NATURE OF OPERATIONS

Bitterroot Resources Ltd. (the "Company") is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

The Company was incorporated on March 13, 1951 under the Laws of British Columbia. The Company's head office address is Suite 206-B – 1571 Bellevue Avenue, West Vancouver, BC, V7V 1A6, Canada and its registered office address is Suite 900 – 900 West Hastings Street, Vancouver, BC, V6C 1E5, Canada. The Company is listed on the TSX Venture Exchange under the symbol "BTT".

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency.

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of April 30, 2015.

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

Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. BASIS OF PREPARATION (cont'd)

Use of estimates and judgments (cont'd)

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Exploration and evaluation assets

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements include, but are not limited to, the following:

Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its subsidiaries is the Canadian dollar.

Going concern of operations

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends on its ability to raise adequate financing and to develop profitable operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues. The Company expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast substantial doubt on the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

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

New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, including IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities". IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, Financial Instruments: Presentation. Amended to clarify aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off;
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

The Company has adopted these policies and none of them had a significant effect on the financial statements. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Effective for annual periods beginning on or after January 1, 2015:

IFRS 7, Financial Instruments – Disclosure. Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: 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 or loss.

IFRS 15, Revenue from Contracts with Customers: IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Michigan Lands Michigan USA	North Brenda Property B.C., Canada	Total
Balance - October 31, 2013	$ 3,805,205	$ 972,018	$ 4,777,223
Acquisition costs	53,532	-	53,532
Claims, leases and permits	5,098	2,750	7,848
Consulting and professional	168,771	206	168,977
Drilling	407,514	-	407,514
Field supplies	6,003	-	6,003
Fuel	3,486	-	3,486
Geochemistry	1,508	-	1,508
Geophysics	65,953	-	65,953
Ground transportation	8,656	-	8,656
Other	18,792	1,680	20,472
Room and board	10,249	-	10,249
Share-based payments	14,606	-	14,606
Travel and freight	11,261	-	11,261
Expenditures during the year	775,429	4,636	780,065
Write-down of exploration and evaluation assets	(164,193)	(976,654)	(1,140,847)
Balance - October 31, 2014	$ 4,416,441	-	$ 4,416,441
Consulting and professional	52,060	-	52,060
Field supplies	(44)	-	(44)
Geophysics	700	-	700
Ground transportation	422	-	422
Other	3,092	280	3,372
Room and board	446	-	446
Travel and freight	6,418	-	6,418
Expenditures during the period	63,094	280	63,374
Write-down (recovery) of exploration and evaluation assets	3,835	(280)	3,555
Cost recoveries	(16,269)	-	(16,269)
Balance - April 30, 2015	$ 4,467,101	$ -	$ 4,467,101

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge, title to its exploration and evaluation assets are in good standing.

Michigan Lands, Michigan, U.S.A.

Mineral Rights

The Company owns a 100% interest in certain mineral rights in the Upper Peninsula of Michigan, U.S.A. On some of the mineral rights the vendor retains a 2% net smelter return royalty (NSR) and the Company has the option to purchase one half of this NSR royalty by paying $1,000,000 U.S. on or before December 31, 2048. The Company's remaining wholly-owned mineral rights are not encumbered by royalties. Following a drilling program conducted during the year ended October 31, 2013, the Company wrote-down $1,199,615 of exploration costs related to the Norwich target, located on the Company's 100%-owned mineral rights in Michigan.

Federal Mineral Rights

During the year ended October 31, 2013, two Federal prospecting permits were forfeited. As a result, the Company wrote-down $46,272 of exploration costs related to this property. The Company currently holds no Federal prospecting permits.

State Mineral Rights

During the year ended October 31, 2014, the Company released State of Michigan metallic minerals leases covering 1,498 acres. As a result, the Company wrote down total costs of $164,193. During the period ended April 30, 2015, the Company released state leases covering 880 acres of State of Michigan mineral rights. The Company currently holds no State of Michigan metallic minerals leases.

Mineral Rights Leased from a Third Party

The Company entered into mineral leases covering approximately 1,240 acres owned by a third party in the Upper Peninsula of Michigan. The Company made rental payments of US$12,000 in fiscal 2013. During the year ended October 31, 2013, the Company released 640 acres. During the year ended October 31, 2014, the Company released the remaining 600 acres of mineral rights held under lease from a third party. As a result, the Company wrote-down $64,152 of costs related to these lands during the year ended October 31, 2013.

During the year ended October 31, 2014, the Company's Michigan subsidiary entered into an agreement whereby it purchased an arms-length company's entire interest in a 40-acre minerals lease in Baraga County, Michigan. The Company issued 500,000 units (valued at $7,500), with each unit consisting of one common share and one common share purchase warrant, exercisable for two years at $0.10, plus made a one-time $7,500 cash payment to the arms-length company. The lease requires annual advance royalty payments of US$100 per acre and the lessor retains a 3% NSR royalty.

Mineral Rights Purchase Agreement

In September 2013, the Company, through its subsidiary, entered into a mineral purchase agreement to purchase privately-owned mineral rights covering 160 acres in Houghton County, Michigan for US$40,000. The Company paid US$4,000 during the year ended October 31, 2013 and the remaining US$36,000 during the year ended October 31, 2014.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

North Brenda Property, B.C., Canada

During and subsequent to the year ended October 31, 2014, the Company did not explore the North Brenda claims and wrote-down $976,654 of costs related to the North Brenda property. The vendors retain a 2% net smelter returns royalty, of which the Company can purchase half by paying $1,000,000.

Other

The Company owns 100% interests in the GK Property claims. During the period ended April 30, 2015 the Company forfeited all the claims comprising the GK Property in south-central British Columbia. During the year ended October 31, 2014 the Company forfeited all the claims comprising the SPN Property in south-central British Columbia.

5. EQUIPMENT

	Computer hardware	Furniture and fixtures	Leasehold improvements	Total
Cost				
Balance – April 30, 2015, October 31, 2014 and 2013	$ 11,111	$ 9,381	$ 10,646	$ 31,138
Accumulated depreciation				
Balance - October 31, 2013	9,363	7,041	8,239	24,643
Additions	525	459	490	1,474
Balance – October 31, 2014	9,888	7,500	8,729	26,117
Additions	184	188	191	563
Balance – April 30, 2015	10,072	7,688	8,920	26,680
Carrying amounts				
October 31, 2013	1,748	2,340	2,407	6,495
October 31, 2014	1,223	1,881	1,917	5,021
April 30, 2015	$ 1,039	$ 1,693	$ 1,726	$ 4,458

(Expressed in Canadian Dollars)

6. LOAN PAYABLE

During the period ended April 30, 2015, the Company received loan proceeds of $46,000 (October 31, 2014 - $67,500) from a family member of a director. As at April 30, 2015, the Company recorded $6,489 of accrued interest (October 31, 2014 – Nil).

During the period ended April 30, 2015, the Company finalized the loan agreement related to the proceeds advanced of $113,500. The loan bears interest at a rate of 12% per annum and is payable on demand. Subject to registration, the loan is secured by a general security agreement over all of the present and subsequently acquired assets of the Company.

7. SHARE CAPITAL AND EQUITY RESERVES

The authorized share capital consists of an unlimited number of common shares without par value.

During the year ended October 31, 2014, the Company issued common shares pursuant to the following:

(i) Issued 5,200,000 units at a price of $0.05 per unit for gross proceeds of $260,000. Each unit consists of one common share and one common share purchase warrant which is exercisable at $0.10 expiring March 4, 2015. The warrants expired unexercised. In connection with this private placement, the Company issued 245,000 broker warrants which are exercisable into common shares at $0.10 per share expiring March 4, 2015. The warrants expired unexercised. The fair value of the broker warrants under the Black-Scholes pricing model was $5,716 and was recorded as share issue costs. The Company paid $14,300 of share issue costs in relation to the private placement.

(ii) Issued 500,000 units consisting of 500,000 common shares (valued at $7,500) and 500,000 warrants exercisable at $0.10 for two years for an exploration and evaluation asset.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - October 31, 2013	12,798,150	$ 0.15
Issued	5,945,000	0.10
Expired	(12,798,150)	0.15
Balance - October 31, 2014	5,945,000	$ 0.10
Expired	(5,445,000)	0.10
Balance - April 30, 2015	500,000	$ 0.10

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND EQUITY RESERVES (cont'd)

Warrants (cont'd)

The following share purchase warrants were outstanding at April 30, 2015:

Number of Warrants	Exercise Price $	Expiry Date
500,000	0.10	September 15, 2016
500,000		

The following weighted average assumptions were used for the Black-Scholes valuation of broker warrants:

	Period ended April 30, 2015	Period ended April 30, 2014
Volatility	-	170.58%
Risk-free interest rate	-	1.05%
Dividend yield	-	-
Expected life	-	1.00 year

Stock options

The Company, in accordance with the policies of the TSX Venture Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees, and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Pursuant to the stock option plan, vesting restrictions may be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance - October 31, 2013	10,180,000	$ 0.12
Granted	2,000,000	0.10
Forfeited	(100,000)	0.10
Cancelled	(50,000)	0.10
Expired	(1,745,000)	0.15
Balance - October 31, 2014	10,285,000	0.11
Cancelled	(400,000)	0.11
Expired	(1,240,000)	0.11
Balance – April 30, 2015	8,645,000	$ 0.11

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND EQUITY RESERVES (cont'd)

Options (cont'd)

The following stock options were outstanding and exercisable at April 30, 2015:

Range of Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
($)			($)
0.00 – 0.10	4,810,000	2.64	0.10
0.11 – 0.20	3,835,000	2.07	0.11
Total	8,645,000		

The weighted average fair value of each stock option granted during the period was $Nil (2014 - $0.04), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended April 30, 2015	**Period ended April 30, 2014**
Volatility	-	147.58%
Risk-free interest rate	-	1.59%
Dividend yield	-	-
Expected life	-	5.00 years

Share-based payments

Total share-based payments recognized for stock options granted during the period was $Nil (2014 - $8,671), which were capitalized to exploration and evaluation assets for options granted to field consultants.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended April 30, 2015 included:

(a) Included in exploration and evaluation assets is $202,729 which relates to accounts payable and accrued liabilities.

Significant non-cash transactions during the period ended April 30, 2014 included:

(a) The Company issued 245,000 broker warrants valued at $5,716 as a share issue cost in connection with the private placement during the period.

(b) Included in exploration and evaluation assets is $6,386 which relates to accounts payable and accrued liabilities.

(c) Included in exploration and evaluation assets is $8,671 which relates to share-based payments.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the period ended April 30, 2015, not disclosed elsewhere in the financial statements:

(a) Management fees of $60,000 (2014 - $60,000) were incurred from a company controlled by a Director of the Company.

As at April 30, 2015, the Company owed $109,456 (October 31, 2014 - $43,534) to a company controlled by a director in common. During the period ended April 30, 2015, the Company received loan proceeds from a family member of a director in the aggregate amount of $46,000 (October 31, 2014 - $67,500) (Note 6).

10. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the U.S.A. The Company's equipment and reclamation deposits are in Canada. The Company's exploration and evaluation assets in geographic locations are as follows:

	April 30, 2015	October 31, 2014
Canada	$ -	$ -
U.S.A.	4,467,101	4,416,441
Total exploration and evaluation assets	$ 4,467,101	$ 4,416,441

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Capital management

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

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements, or return capital to shareholders. As at April 30, 2015, the Company is not subject to externally imposed capital requirements.

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

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd)

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 is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists of GST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, receivables and reclamation deposits.

Currency risk

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Fair value

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

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

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

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

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

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

12. COMMITMENTS

(a) The Company is required to make certain cash payments to maintain its exploration and evaluation assets, as described in Note 4.

(b) The Company has entered into an office lease expiring September 30, 2015.

Minimum annual lease payments, not including operating costs, pursuant to the lease agreement are as follows:

2015	$	7,505
	$	7,505

13. SUBSEQUENT EVENT

Subsequent to the period ended April 30, 2015, the Company entered into a binding letter of intent with Altius Resources Inc. ("Altius"), a wholly-owned subsidiary of Altius Minerals Corporation (ALS, TSX), setting out the terms of a strategic transaction pursuant to which Altius will finance future mineral exploration on Bitterroot's Voyager Lands and Copper Range Lands in the Upper Peninsula of Michigan.