

**PACIFIC BOOKER MINERALS INC.**

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

**YEAR ENDED JANUARY 31, 2015**

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## MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Pacific Booker Minerals Inc.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The majority of the Board of Directors and the Audit Committee is composed of Directors who are neither management nor staff of Pacific Booker Minerals Inc. The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of Pacific Booker Minerals Inc.'s external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the shareholders at the annual meeting to audit the financial statements and report directly to them via their report which follows. The external auditors have full and free access to meet periodically (and separately with) the Audit Committee and management to discuss the audit findings.

The Board of Directors have identified areas of material uncertainty related to events or conditions that may cast doubt about the ability of the Company to continue as a going concern. Management believes that there are no material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The preparation of these financial statements on a going concern basis remains appropriate, and we draw the reader's attention to Note 2 (b) in the financial statements which discusses the Company's ability to continue as a going concern.

April 29, 2015

*"John Plourde"*  
Chief Executive Officer

*"Ruth Swan"*  
Chief Financial Officer

## Independent Auditors' Report

To the Board of Directors and Shareholders of Pacific Booker Minerals Inc.:

We have audited the accompanying financial statements of Pacific Booker Minerals Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2015 and January 31, 2014 and the statements of comprehensive loss, changes in equity and cash flows for each of the each of the years in the three year period ended January 31, 2015, and the related notes, which comprise 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 as issued by the International Accounting Standards Board, 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 and the standards of the Public Company Accounting Oversight Board (United States). 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, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles and 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pacific Booker Minerals Inc. as at January 31, 2015 and January 31, 2014 and its financial performance and its cash flows for each of the years in the three year period ended January 31, 2015 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2b to these financial statements, which states that Pacific Booker Minerals Inc. incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. These matters, along with other matters as described in Note 2b, indicate the existence of a material uncertainty that raises substantial doubt about the ability of Pacific Booker Minerals Inc. to continue as a going concern. Management's plans in regard to these matters are also described in Note 2b. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

April 29, 2015  
Vancouver, Canada



Chartered Accountants

**PACIFIC BOOKER MINERALS INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
**AS AT JANUARY 31, 2015 AND 2014**

	January 31, 2015	January 31, 2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 368,546	\$ 1,166,771
Receivables	5,947	6,185
Prepaid expenses and deposits	40,739	40,576
	415,232	1,213,532
<b>Mineral property interests</b> (Note 5)	4,832,500	4,832,500
<b>Exploration and evaluation assets</b> (Note 6)	24,332,871	24,098,517
<b>Equipment, vehicles and furniture</b> (Note 7)	14,418	19,409
<b>Reclamation deposits</b>	123,600	123,600
<b>Total assets</b>	<b>\$ 29,718,621</b>	<b>\$ 30,287,558</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 39,830	\$ 39,123
Amounts owing to related parties (Note 10)	13,965	14,029
	53,795	53,152
<b>Shareholders' equity</b>		
Share Capital (Note 8)	49,902,704	49,880,704
Contributed surplus (Note 8)	14,774,011	13,651,843
Deficit	(35,011,889)	(33,298,141)
	29,664,826	30,234,406
<b>Total liabilities and shareholders' equity</b>	<b>\$ 29,718,621</b>	<b>\$ 30,287,558</b>

Approved by the Board of Directors and authorized for issue on April 29, 2015:

“William Deeks”  
William Deeks, Chairman

“John Plourde”  
John Plourde, CEO

**PACIFIC BOOKER MINERALS INC.**  
**STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015, 2014 AND 2013**

	2015	2014	2013
<b>OPERATING EXPENSES</b>			
Consulting fees			
- Option based payments (Note 8)	\$ 205,493	\$ 643,962	\$ 445,039
Depreciation	6,220	8,857	13,319
Directors fees	15,000	19,000	19,500
Directors fees			
- Option based payments (Note 8)	541,157	1,559,724	873,060
Filing and transfer agent fees	68,635	73,570	70,049
Foreign exchange (gain)loss	(253)	1,556	1,152
Finance income	(963)	(1,217)	(3,960)
Gain on settlement of litigation	-	-	(1,800,000)
Investor relations – related party (Note 10)	132,000	246,379	252,086
Investor relations fees			
- Option based payments (Note 8)	317,740	939,288	541,597
Loss on disposal of fixed asset	-	880	-
Office and miscellaneous	71,250	65,738	63,708
Office rent	81,785	85,672	99,203
Professional fees (Note 10)	59,299	231,006	136,207
Professional fees			
- Option based payments (Note 8)	57,778	176,073	131,055
Shareholder information and promotion	130,938	108,976	117,617
Telephone	6,284	13,834	18,872
Travel	21,385	31,847	44,639
Wages and benefits	-	-	17,305
Wages and benefits			
- Option based payments (Note 8)	-	274	4,868
<b>Loss from operations</b>	<b>(1,713,748)</b>	<b>(4,205,419)</b>	<b>(1,045,316)</b>
Income tax expense (Note 12)	-	-	-
<b>Net loss and comprehensive loss for the year</b>	<b>(1,713,748)</b>	<b>(4,205,419)</b>	<b>(1,045,316)</b>
<b>Basic and diluted loss per share (Note 9)</b>	<b>\$ (0.14)</b>	<b>\$ (0.34)</b>	<b>\$ (0.09)</b>

**PACIFIC BOOKER MINERALS INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)  
**AS AT JANUARY 31, 2015, 2014 AND 2013**

	Number of Shares	Share Capital Amount	Contributed Surplus	Deficit	Total
<b>Balance, February 1, 2012</b>	12,201,289	\$ 48,727,168	\$ 8,586,499	\$ (28,047,406)	\$ 29,266,261
Exercise of stock options	85,250	617,940	-	-	617,940
Option based payments	-	249,596	1,746,023	-	1,995,619
Net loss for the year	-	-	-	(1,045,316)	(1,045,316)
<b>Balance, January 31, 2013</b>	12,285,539	\$ 49,594,704	\$ 10,332,522	\$ (29,092,722)	\$ 30,834,504
Private Placement	70,000	280,000	-	-	280,000
Exercise of warrants	1,500	6,000	-	-	6,000
Option based payments	-	-	3,319,321	-	3,319,321
Net loss for the year	-	-	-	(4,205,419)	(4,205,419)
<b>Balance, January 31, 2014</b>	12,358,039	\$ 49,880,704	\$ 13,651,843	\$ (33,298,141)	\$ 30,234,406
Exercise of warrants	5,500	22,000	-	-	22,000
Option based payments	-	-	1,122,168	-	1,122,168
Net loss for the year	-	-	-	(1,713,748)	(1,713,748)
<b>Balance, January 31, 2015</b>	12,363,539	\$ 49,902,704	\$ 14,774,011	\$ (35,011,889)	\$ 29,664,826

**PACIFIC BOOKER MINERALS INC.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015, 2014 AND 2013**

	2015	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the year	\$(1,713,748)	\$(4,205,419)	\$(1,045,316)
Items not affecting cash:			
Depreciation	6,220	8,857	13,319
Option based payments	1,122,168	3,319,321	1,995,619
Changes in non-cash working capital items:			
(Increase)/decrease in receivables	238	8,671	23,148
(Increase)/decrease in prepaids and deposits	(163)	9,664	(10,839)
Increase/(decrease) in accounts payable and accrued liabilities	2,502	(13,642)	(25,444)
Increase/(decrease) in amounts owing to related parties	(64)	(7,613)	(663)
<b>Net cash provided by/(used in) operating activities</b>	<b>(582,847)</b>	<b>(880,161)</b>	<b>949,824</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of Share Capital	22,000	286,000	617,940
<b>Net cash provided by financing activities</b>	<b>22,000</b>	<b>286,000</b>	<b>617,940</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Mineral property interests and Exploration and evaluation costs (net of recovery)	(236,149)	(177,927)	(276,507)
Disposal/(purchase) of equipment, vehicles or furniture	(1,229)	880	(649)
<b>Net cash used in investing activities</b>	<b>(237,378)</b>	<b>(177,047)</b>	<b>(277,156)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>(798,225)</b>	<b>(771,208)</b>	<b>1,290,608</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,166,771</b>	<b>1,937,979</b>	<b>647,371</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 368,546</b>	<b>\$ 1,166,771</b>	<b>\$ 1,937,979</b>



**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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**1. CORPORATE INFORMATION**

The Company was incorporated on February 18, 1983 under the Company Act of British Columbia as Booker Gold Explorations Limited. On February 8, 2000, the Company changed its name to Pacific Booker Minerals Inc. The address of the Company's corporate office and principal place of business is located at Suite #1103 - 1166 Alberni Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the exploration of its mineral property interests, with its principal mineral property interests located in Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") and the NYSE MKT Equities Exchange ("NYSE MKT") under the symbols "BKM" and "PBM", respectively.

**2. BASIS OF PRESENTATION**

**(a) Statement of compliance**

These financial statements and the notes thereto (the "Financial Statements") present the Company's financial results of operations under IFRS for years ended January 31, 2015, 2014 and 2013 and financial position as at January 31, 2015 and 2014.

In the opinion of management, all adjustments necessary to present fairly the financial position of the Company as at January 31, 2015 and the results of its operations and cash flows for the year then ended have been made.

The Board of Directors have approved the annual financial statements for issue on April 29, 2015.

**(b) Going concern of operations**

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

A going concern in accounting is a term that indicates whether or not the entity can continue in business for the next fiscal year. Indicators against a "going concern" are negative cash flows from operations, consecutive losses from operations, and an accumulated deficit.

The Company is a resource company, and must incur expenses during the process of exploring and evaluating a mineral property to prove the commercial viability of the ore body, a necessary step in the process of developing a property to the production stage. As a non-producing resource company, the Company has no operating income, cash flow is generated mostly by the purchase of shares from the Company, and an accumulated deficit is the result of operations and exploration activities without production.

The Company has incurred losses and negative cash flows from operations since inception and has an accumulated deficit. These conditions may indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going-concern depends upon its ability to continue to raise adequate financing and to develop profitable operations in the future.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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

**(b) Going concern of operations (cont'd)**

The ability of the Company to realize the costs it has incurred to date on its mineral property interests is dependent upon the Company being able to continue to finance its exploration and evaluation costs. To date, the Company has not earned any revenue and is considered to be in the advanced exploration stage.

Management has based "the ability to continue in operations" judgement on various factors including (but not limited to) the opinion of management that the Morrison project will receive the necessary certificates/permits to allow the Company to proceed with the development of the project to the production phase, that the Company's claims are in good standing, the NI 43-101 feasibility study (completed in 2009) shows commercially viable quantities of mineral resources. The Company has sufficient cash on hand to meet its obligations for the next fiscal year and anticipates proceeds from the exercise of options and warrants to ensure the Company's financial resources.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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	2015	2014	2013
Working capital	\$ 361,437	\$ 1,160,380	\$ 1,931,734
Loss for the year	(1,713,748)	(4,205,419)	(1,045,316)
Deficit	(35,011,889)	(33,298,141)	(29,092,722)

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**(c) Basis of Measurement**

The financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

**(d) Functional and presentation currency**

The financial statements are presented in Canadian dollars, which is Company's functional and presentation currency.

**(e) Critical accounting judgements**

The preparation of these financial statements, in conformity with IFRS, requires management to make judgements, estimates 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 of accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected by that revision.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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

**(e) Critical accounting judgements (cont'd)**

The key sources of uncertainty in the accounting estimates that may have a significant risk of causing a material adjustment to previously recognized estimated items in the financial statements are as follows:

**(i) Taxes**

Provisions for income tax liabilities and assets are calculated using the best estimate of the tax amounts prepared by knowledgeable persons, based on an assessment of relevant factors. The Company reviews the adequacy of the estimate at the end of the reporting period. It is possible that at some future date, an additional liability or asset could result from audits by the taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will be reflected in the tax provisions in the current period when such determination is made.

**(ii) Going concern**

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Assumptions are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances (please see Note 2(b)).

**(f) Key sources of estimation uncertainty**

**(i) Recoverability of asset carrying values for equipment, vehicles and furniture**

The declining balance depreciation method used reflects the pattern in which management expects the asset's future economic benefits to be consumed by the Company. The Company assesses its equipment, vehicles and furniture for possible impairment as described in Note 3(d), if there are events or changes in circumstances that indicate that the recorded carrying values of the assets may not be recoverable at every reporting period. Such indicators include changes in the Company's business plans affecting the asset use and anticipated life and evidence of current physical damage.

**(ii) Option based payments**

The Company has an equity-settled option to purchase shares plan for Eligible Persons (as defined by the policies of the TSX Venture Exchange and/or National Instrument 45-106). The fair value of the share purchase options are estimated on the date of grant by using the Black-Scholes option-pricing model, based on certain assumptions and recognized as option based payments expense over the vesting period of the option with a corresponding increase to equity as contributed surplus. Those assumptions are described in Note 8 of the annual financial statements and include, among others, expected volatility, expected life of the options and number of options expected to vest.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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

**(f) Key sources of estimation uncertainty (cont'd)**

**(iii) Exploration and evaluation assets**

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Recovery of amounts indicated under mining properties and the related exploration and evaluation assets are subject to the discovery of economically recoverable reserves, the Company's ability to obtain the necessary permits, the Company's ability to obtain the financing required to complete development and profitable future production or the proceeds from the sale of such assets.

At January 31, 2015, management determined that the carrying value of the mining properties is best represented by historical costs, which may or may not reflect their eventual recoverable value. Management reviews the property for impairments on an on-going basis and considers the carrying value appropriate for the current period. Significant assumptions and estimates used by management to determine the recoverable value are included in Note 3(c).

**(iv) Restoration and close down provisions**

The Company recognizes reclamation and close down provisions based on "Best Estimate" which can be based on internal or external costs. The Company is required to have a bond in place in an amount determined by the provincial government to provide for the costs of reclamation of the site disturbances. This bond shows as Reclamation deposit asset on the statement of financial position. Significant assumptions used by management to ascertain the provision are described in Note 3(e).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently, to all periods presented in these financial statements. The significant accounting policies adopted by the Company are as follows:

**(a) Foreign currency translation**

The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated to functional currency at the rate of exchange at the reporting date and non-monetary items are translated using the exchange rate at the date of the transaction. Revenues and expenses are translated at the exchange rates approximating those in effect at the time of the transaction. Exchange gains and losses arising on translation are included in the statements of comprehensive loss.

**(b) Cash and cash equivalents**

Cash includes cash on hand and demand deposits. Cash equivalents includes short-term, highly liquid investments that are readily convertible to known amounts of cash and have a maturity date of less than 90 days and are subject to an insignificant risk of change in value.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(c) Mineral property interests and Exploration and evaluation assets**

All costs related to the acquisition of mineral properties are capitalized as Mineral Property interest. The recorded cost of mineral property interests is based on cash paid and the fair market value of share consideration issued for mineral property interest acquisitions.

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest, are expensed as incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred include appropriate technical overheads. Exploration and evaluation assets are carried at historical cost, less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets. Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. When a property is abandoned, all related costs are written off to operations.

**(d) Impairment**

**(i) Financial assets**

Financial assets are assessed at each reporting date to determine whether or not there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset which had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**(ii) Non-financial assets**

The carrying amounts of equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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

**(d) Impairment (cont'd)**

**(ii) Non-financial assets (cont'd)**

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment only when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have / will expire in the near future;
- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale. If any such indication exists, then the asset's recoverable amount is estimated.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

The recoverable amount of an asset (or cash-generating unit) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The level identified by the group for the purposes of testing exploration and evaluation assets for impairment corresponds to each mining property.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JANUARY 31, 2015 and 2014**

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

**(e) Restoration and close down provision**

The Company is required to have a bond in place in an amount determined by the Ministry of Mines to provide for the costs of reclamation of the site disturbances. This bond shows as Reclamation deposit in the assets on the statement of financial position. The reclamation obligation is generally considered to have been incurred when mine assets are constructed or the ground environment is disturbed at the project location.

The Company also estimates the timing of the outlays, which is subject to change depending on continued operation or newly discovered reserves. Additional disturbances or changes in restoration obligations will be recognized when they occur.

The Company has determined that it has no additional restoration obligations as at January 31, 2015.

**(f) Equipment, vehicles and furniture**

Equipment, vehicles and furniture are recorded at cost. Depreciation is calculated on the residual value, which is the historical cost of an asset less the prior allowances made. Depreciation methods, useful life and residual value are reviewed at each financial year-end and adjusted, if appropriate. Where an item of equipment, vehicles and furniture is comprised of major components with different useful lives, the components are accounted for as separate items. The Company currently provides for depreciation annually as follows:

Automobile	30% declining balance
Computer equipment	30% to 45% declining balance
Office furniture and equipment	20% declining balance
Trailers	30% declining balance

**(g) Option based payments**

The Company has an equity settled option to purchase shares plan that grants options to buy common shares of the Company to Eligible Persons (as defined by the policies of the TSX Venture Exchange and/or National Instrument 45-106). The fair value of stock options are estimated at the grant date, using the Black-Scholes option pricing model and recorded as option based payments expense in the statement of comprehensive loss and credited to contributed surplus within shareholders' equity, over the vesting period of the stock options, based on the Company's estimate of the number of stock options that will eventually vest.

**(h) Loss per share**

The weighted average number of common shares outstanding for the year ended January 31, 2015 does not include the 28,000 (2014 – 33,500) warrants outstanding and the 2,457,307 (2014 – 2,457,307) stock options outstanding as the inclusion of these amounts would be anti-dilutive. Basic and diluted loss per share is calculated using the weighted-average number of common shares outstanding during the period.

**PACIFIC BOOKER MINERALS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(i) Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

**(i) Current tax**

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

*Deferred tax liabilities:*

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

*Deferred tax assets:*

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.



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

**(j) Financial instruments**

All financial instruments must be recognised, initially, at fair value on the statement of financial position. Subsequent measurement of the fair value of the financial instrument is based on their initial classification in one of the listed categories. FVTPL has a subcategory classified as "held for trading" where financial assets acquired for the purpose of short-term profit taking are categorized. Unrealized gains and losses on held for trading instruments are recognised in earnings.

The Company has classified each financial instrument into the following categories:

<b>Financial Asset or Liability</b>	<b>Category</b>
Cash and cash equivalents	FVTPL (Fair value through profit or loss)
Receivables	Loans and receivables
Reclamation deposit	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Amounts owing to related parties	Other liabilities

**(i) Financial assets**

The Company classifies financial assets into one of the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of the financial assets at initial recognition.

*Fair value through profit or loss*

A financial asset is classified as fair value through profit or loss if it is designated as held for trading upon initial recognition. Financial assets in this category are initially recognized at fair value with subsequent changes in fair value recorded through the statement of comprehensive loss. Cash and cash equivalents are included in this category of financial assets.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date, and are carried at amortized cost, using the effective interest method, less any impairment. Accounts receivable and reclamation deposits are included in this category of financial assets.

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 objective evidence that the asset (or asset group) has a fair value that is less than the recorded value. Different criteria to determine impairment are applied for each category of financial assets.

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

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

**(i) Financial assets (cont'd)**

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Gains or losses related to impairment or de-recognition are recognized in the statement of comprehensive loss in the period in which they occur.

**(ii) Financial liabilities**

The Company classifies its financial liabilities as other financial liabilities. Management determines the classification at initial recognition. Other financial liabilities are non-derivative and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Amortized cost is calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. Any difference between the amounts is recognized in the statement of comprehensive loss over the period to maturity.

Accounts payable, accrued liabilities, and amounts owing to related parties are included in this category of financial liabilities.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**(k) Financial instruments and risk management**

Financial instruments of the Company carried on the Statements of Financial Position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at January 31, 2015 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

**(l) Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received net of direct issuance costs. The Company has its common shares as equity instruments.

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

**(m) Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leases in terms of which the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases, which are recognised as an expense on a straight-line basis over the lease term. The Company currently does not have any finance leases.

**(n) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company has not recognized any legal or constructive obligations based on past events during the current period

**(o) Finance costs**

Finance costs comprise interest expense on borrowings and the reversal of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the income statement using the effective interest method. The Company currently does not have any finance costs.

**(p) Recently adopted accounting pronouncements**

The following amended or new Standards were issued by the IASB and are effective for the Company's fiscal year beginning on February 1, 2014.

**(i) IAS 32 – Financial Instruments: Presentation (amendment)**

This Section was amended by the International Accounting Standards Board (IASB) in December 2011, incorporated into Part I of the CPA Canada Handbook – Accounting (the Handbook) by the Accounting Standards Board (AcSB) in May 2012, to address inconsistencies in applying criteria for offsetting financial assets and financial liabilities. The meaning of the offsetting criterion “currently has a legally enforceable right to set off” has been clarified, to state that the right must not be contingent on future events and must be enforceable in the normal course of business, in event of default and in the event of insolvency or bankruptcy. Additional guidance has been included to clarify the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Adoption of this standard did not have an effect on the Company's financial statements.

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

**(p) Recently adopted accounting pronouncements(cont'd)**

**(ii) IAS 36 – Impairment of Assets (amendment)**

In May 2013, the International Accounting Standards Board (IASB) issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, to IAS 36. These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Adoption of this standard did not have an effect on the Company's financial statements.

**(iii) IAS 39 – Financial Instruments: Recognition and Measurement (amendment)**

In June 2013, the International Accounting Standards Board (IASB) issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, to IAS 39. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. Adoption of this standard did not have an effect on the Company's financial statements.

**(iv) IFRIC 21 – Levies**

In May 2013, the International Accounting Standards Board (IASB) issued IFRIC 21, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, which provides guidance on the accounting for levies within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Adoption of this standard did not have an effect on the Company's financial statements.

**(v) IFRS 2 – Share Based Payments (amendment)**

In December 2013, amendments to IFRS 2, issued by the International Accounting Standards Board (IASB) were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in March 2014, and clarify the definition of "vesting conditions" and "market conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. Adoption of this standard did not have an effect on the Company's financial statements.

**4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Certain pronouncements were issued by the IASB or International Financing Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after January 31, 2015. Pronouncements that are not applicable or are not expected to have a significant impact on the Company have been excluded from the discussion below.

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**4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE(cont'd)**

**(a) IFRS 9 - Financial Instruments**

The IASB has issued a new standard, IFRS 9, Financial Instruments ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase of this project. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity's credit risk are presented in other comprehensive income. Companies may early adopt IFRS 9 however there is no mandatory application date. The Company is currently evaluating the impact of the standard on its financial statements.

**(b) IAS 24 – Related Party Disclosures (amendment)**

The amendments to IAS 24, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in March 2014, 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 July 1, 2014. The Company is currently evaluating the impact of the standard on its financial statements.

**5. MINERAL PROPERTY INTERESTS**

Title to mineral property interests 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 conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in which the Company has committed to earn an interest are located in Canada.

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<b>Morrison claims, Canada</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Balance, beginning and end of year	\$ 4,832,500	\$ 4,832,500	\$ 4,832,500

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**5. MINERAL PROPERTY INTERESTS (cont'd)**

**Copper claims**

The Company holds a 100% interest in certain mineral claims located in the Granisle area of B.C., subject to a 3% NSR royalty. These claims are located near the Morrison claims. The Company has met its requirements to maintain its recorded interest in the mineral claims with the Province of B.C. until 2016 and there are no other payments required until that year. During the year ended January 31, 2005 the previously capitalized amounts were written-off to operations.

**CUB claims**

The Company holds a 100% interest in certain mineral claims located in the Granisle area of B.C., subject to a 3% NSR royalty. These claims are located near the Morrison claims. The Company has met its requirements to maintain its recorded interest in the mineral claims with the Province of B.C. until 2016 and there are no other payments required until that year. During the year ended January 31, 2005 the previously capitalized amounts were written-off to operations.

**Hearne Hill claims**

The Company held a 100% interest in the Hearne Hill claims located in the Omineca District of the Province of British Columbia ("B.C."). During the year ended January 31, 2006, the previously capitalized amounts were written-off to operations. The Hearne Hill claims were subject to a legal claim, which was settled in during the year ended January 31, 2009. Pursuant to the settlement, the Company retains the right, title and interest in and to all claims that were the subject of the action, with the exception of Mineral Tenure No. 242812 (the "Hearne 1 Claim") and Mineral Tenure No. 242813 (the "Hearne 2 Claim"), which were transferred to the plaintiff optionors. No cash payment was made to the plaintiffs and all claims in the action have been dismissed.

**Morrison claims**

On April 19, 2004, the Company and Noranda Mining and Exploration Inc, "Noranda" (which was subsequently acquired by Falconbridge Limited, "Falconbridge", which was subsequently acquired by Xstrata LLP, "Xstrata") signed an agreement whereby Noranda agreed to sell its remaining 50% interest to the Company such that the Company would have a 100% interest in the Morrison claims.

In order to obtain the remaining 50% interest, the Company agreed to:

- i) on or before June 19, 2004, pay \$1,000,000 (paid to Noranda), issue 250,000 common shares (issued to Noranda) and issue 250,000 share purchase warrants exercisable at \$4.05 per share until June 5, 2006 (issued to Noranda);
- ii) pay \$1,000,000 on or before October 19, 2005 (paid to Falconbridge);
- iii) pay \$1,500,000 on or before April 19, 2007 (paid to Falconbridge); and
- iv) issue 250,000 common shares on or before commencement of commercial production.

In the event the trading price of the Company's common shares is below \$4.00 per share, the Company is obligated to pay, in cash, the difference between \$1,000,000 and the average trading price which is less than \$4.00 per share multiplied by 250,000 common shares.

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**5. MINERAL PROPERTY INTERESTS (cont'd)**

**Morrison claims (cont'd)**

The Company agreed to execute a re-transfer of its 100% interest to Falconbridge if the Company fails to comply with the terms of the agreement. This re-transfer is held by a mutually acceptable third party until the final issue of shares has been made.

The Company has also acquired a 100% interest in certain mineral claims adjacent to the Morrison claims, subject to 1.5% NSR royalty. On January 7, 2005, the Company signed an agreement to acquire an option for a 100% interest in additional claims in the Omineca District of B.C. As consideration, the Company issued 45,000 common shares at a value of \$180,000.

The Company started exploration of the Morrison property in October 1997. A positive Feasibility Study, as defined by National Instrument 43-101, was released by the Company for the Morrison Copper/Gold Project in February 2009. The study described the scope, design and financial viability of a conventional open pit mine with a 30,000 tonnes per day mill with a 21 year mine life. The mineral reserve estimates have been prepared and classified in accordance with CIM Classification established under National Instrument 43-101 of the Canadian Securities Administrators. The reserve estimate takes into consideration all geologic, mining, milling and economic factors and is stated according to Canadian Standards (NI 43-101). Under US standards, no reserve declaration is possible until financing and permits are acquired.

The Company has progressed to the certificate/permit stage of the exploration and evaluation of the Morrison property.

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**6. EXPLORATION AND EVALUATION ASSETS**

Morrison claims, Canada	2015	2014	2013
<b>Balance, beginning of year</b>	<b>\$ 24,098,517</b>	<b>\$ 23,917,524</b>	<b>\$ 23,797,860</b>
<b>Exploration and evaluation costs</b>			
Additions			
Depreciation	-	-	21
Supplies and camp	7,800	21,730	18,195
Staking and recording	1,113	-	-
Community consultation			
Geological and geophysical	-	-	20
Sub-contracts and labour	-	-	4,650
Environmental			
Assays	9,069	14,392	22,524
Geological and geophysical	67,999	5,673	110,181
Sub-contracts and labour	10,339	-	-
Supplies and general	18	-	123
Travel	-	-	706
Metallurgical			
Assays	631	608	600
Geological and geophysical	4,810	11,420	11,010
Scoping/Feasibility study			
Geological and geophysical	-	-	(182,466)
Promotion and education	-	-	684
Sub-contracts and labour	36,575	31,170	36,998
Sub-contracts and labour - related parties	96,000	96,000	96,000
Supplies and general	-	-	418
<b>Total Exploration and evaluation costs for the year</b>	<b>\$ 234,354</b>	<b>\$ 180,993</b>	<b>\$ 119,664</b>
<b>Balance, end of year</b>	<b>\$ 24,332,871</b>	<b>\$ 24,098,517</b>	<b>\$ 23,917,524</b>



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**7. EQUIPMENT, VEHICLES AND FURNITURE**

	Balance February 1, 2014	Additions for year	Disposals for year	Balance January 31, 2015
<b>Automobile</b>				
Value at Cost	\$ 67,320	\$ -	\$ -	\$ 67,320
Accumulated Depreciation	(53,581)	(4,122)	-	(57,703)
<b>Net book value</b>	<b>\$ 13,739</b>	<b>\$ (4,122)</b>	<b>\$ -</b>	<b>\$ 9,617</b>
<b>Office furniture and equipment</b>				
Value at Cost	\$ 23,397	\$ -	\$ -	\$ 23,397
Accumulated Depreciation	(20,621)	(555)	-	(21,176)
<b>Net book value</b>	<b>\$ 2,776</b>	<b>\$ (555)</b>	<b>\$ -</b>	<b>\$ 2,221</b>
<b>Computer equipment</b>				
Value at Cost	\$ 88,932	\$ 1,229	\$ -	\$ 90,161
Accumulated Depreciation	(86,038)	(1,543)	-	(87,581)
<b>Net book value</b>	<b>\$ 2,894</b>	<b>\$ (314)</b>	<b>\$ -</b>	<b>\$ 2,580</b>
<b>Totals</b>	<b>\$ 19,409</b>	<b>\$ (4,991)</b>	<b>\$ -</b>	<b>\$ 14,418</b>

	Balance February 1, 2013	Additions for year	Disposals for year	Balance January 31, 2014
<b>Trailers</b>				
Value at Cost	\$ 25,000	\$ -	\$ (25,000)	\$ -
Accumulated Depreciation	(24,950)	-	24,950	-
<b>Net book value</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ (50)</b>	<b>\$ -</b>
<b>Automobile</b>				
Value at Cost	\$ 67,320	\$ -	\$ -	\$ 67,320
Accumulated Depreciation	(47,693)	(5,888)	-	(53,581)
<b>Net book value</b>	<b>\$ 19,627</b>	<b>\$ (5,888)</b>	<b>\$ -</b>	<b>\$ 13,739</b>
<b>Office furniture and equipment</b>				
Value at Cost	\$ 50,528	\$ -	\$ (27,131)	\$ 23,397
Accumulated Depreciation	(46,228)	(694)	26,301	(20,621)
<b>Net book value</b>	<b>\$ 4,300</b>	<b>\$ (694)</b>	<b>\$ (830)</b>	<b>\$ 2,776</b>
<b>Computer equipment</b>				
Value at Cost	\$ 88,932	\$ -	\$ -	\$ 88,932
Accumulated Depreciation	(83,763)	(2,275)	-	(86,038)
<b>Net book value</b>	<b>\$ 5,169</b>	<b>\$ (2,275)</b>	<b>\$ -</b>	<b>\$ 2,894</b>
<b>Totals</b>	<b>\$ 29,146</b>	<b>\$ (8,857)</b>	<b>\$ (880)</b>	<b>\$ 19,409</b>

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**8. SHARE CAPITAL, OPTION BASED PAYMENTS & CONTRIBUTED SURPLUS**

Authorized: 100,000,000 common shares without par value

**Option based payments**

During the fiscal year ended January 31, 2004, the Company adopted an equity settled stock option plan whereby the Company can reserve approximately 20% of its outstanding shares for issuance to Eligible Persons (as defined by the policies of the TSX Venture Exchange and/or National Instrument 45-106). 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. These options can be granted for a maximum term of 10 years, and are subject to a vesting provision whereby 12.5% are exercisable on the date of the grant and 12.5% become exercisable every three months thereafter. All options will be vested after twenty one months.

During the year ended January 31, 2015, nil stock options (2014 - nil; 2013 - 85,250) with an exercise price of \$nil (2014 - \$nil; 2013 - \$7.25) were exercised for total proceeds of \$nil (2014 - \$nil; 2013 - \$617,940).

Stock option transactions are summarized as follows:

	2015		2014		2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,457,307	\$ 4.00	2,376,507	\$ 8.04	2,198,057	\$ 7.44
Granted	-	-	2,457,307	4.00	266,200	12.73
Cancelled	-	-	(2,376,507)	8.04	(2,500)	7.40
Exercised	-	-	-	-	(85,250)	7.25
Outstanding, end of year	2,457,307	\$ 4.00	2,457,307	\$ 4.00	2,376,507	\$ 8.04
Options exercisable, end of year	2,150,138	\$ 4.00	921,485	\$ 4.00	2,084,994	\$ 7.71
Weighted average fair value per option granted		\$ -		\$ 2.46		\$ 5.28
Weighted average remaining life of outstanding options granted in years		5.35		6.35		4.15

The following stock options were outstanding at January 31, 2015:

Number of Options Outstanding	Number Currently Exercisable	Exercise Price	Expiry Date
2,370,257	2,073,971	\$ 4.00	June 5, 2020
87,050	76,167	\$ 4.00	July 18, 2020

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**8. SHARE CAPITAL, OPTION BASED PAYMENTS & CONTRIBUTED SURPLUS**

**Option based payment expense**

No stock options were granted during the year ended January 31, 2015. The fair value of stock options granted (2014 – \$4,041,238; 2013 - \$1,406,473) have/will be recognized as option based payments over their vesting periods. If these granted options are exercised, it would result in an increase of \$9,829,228 in cash and a corresponding increase in share capital.

Total option based payments recognized during the year ended January 31, 2015 was \$1,122,168 (2014 - \$3,319,321; 2013 - \$1,995,619) which has been recorded in the statements of operations as option based payments with corresponding contributed surplus recorded in shareholders' equity.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the years:

	2015	2014	2013
Risk-free interest rate	-	1.56%	1.16%
Expected life of options	-	2 years	5 years
Annualized volatility	-	86.94%	46.59%
Dividends	-	0.00%	0.00%

**Warrants**

Warrant transactions are summarized as follows:

	2015		2014		2013	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Outstanding, beginning of year	33,500	\$ 4.00	-	\$ -	-	\$ -
Granted	-	-	35,000	4.00	-	-
Exercised	(5,500)	4.00	(1,500)	4.00	-	-
Outstanding, end of year	28,000	\$ 5.00	33,500	\$ 4.00	-	\$ -

The following share purchase warrants were outstanding and exercisable at January 31, 2015:

Number of Warrants	Exercise Price	Expiry Date
28,000	\$ 5.00	July 8, 2015

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**9. LOSS PER SHARE**

The weighted average number of common shares outstanding for the year ended January 31, 2015 do not include the 28,000 (2014 - 33,500; 2013 - nil) warrants outstanding and the 2,457,307 (2014 - 2,457,307; 2013 - 2,376,507) stock options outstanding as the inclusion of these amounts would be anti-dilutive. Basic and diluted loss per share is calculated using the weighted-average number of common shares outstanding during the year.

	2015	2014	2013
Basic and diluted loss per common share	\$ (0.14)	\$ (0.34)	\$ (0.09)
Weighted average number of common shares outstanding	12,361,173	12,326,701	12,246,029

**10. RELATED PARTY TRANSACTIONS & AMOUNTS OWING TO RELATED PARTIES**

The Company entered into the following transactions with related parties:

	2015			2014			2013		
	Amounts paid or payable	Option based payment	Owed at year end	Amounts paid or payable	Option based payment	Owed at year end	Amounts paid or payable	Option based payment	Owed at year end
Paid to a director for:									
investor relations	\$ -	\$ 146,458	\$ -	\$ 114,379	\$ 418,458	\$ -	\$ 120,086	\$ 220,115	\$ 5,733
investor relations consulting service	132,000	171,282	7,534	132,000	520,830	6,809	132,000	321,482	9,417
a)	96,000	173,571	4,239	96,000	534,403	4,739	96,000	340,151	4,619
Owed to a director for expenses	-	-	1,090	-	-	-	-	-	-
Paid to a spouse of a director	-	-	-	-	274	-	-	4,868	-
b)									
Paid to an officer of the company	28,335	57,778	1,102	30,300	176,073	2,481	30,188	131,055	1,873
c)									
	\$ 256,335	\$ 549,089	\$ 13,965	\$ 372,679	\$ 1,650,038	\$ 14,029	\$ 378,274	\$ 1,017,671	\$ 21,642

- a) fees for project management services which have been capitalized to subcontracts on the Morrison claims and stock based payments which have been allocated to operating expenses as consulting fees.
- b) wages for administrative assistant services which have been capitalized to subcontracts on the Morrison claims and stock based payments which have been allocated to operating expenses as Wages.
- c) for accounting and management services.

These transactions were in the normal course of operations and have been measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts owing are non-interest bearing, unsecured and have no fixed terms of repayment.

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**10. RELATED PARTY TRANSACTIONS & AMOUNTS OWING TO RELATED PARTIES (cont'd)**

**Compensation of key management personnel**

Key management personnel includes directors and executive officers of the Company. The option based payment amounts (not paid or payable) and compensation paid or payable to key management personnel is as follows:

	2015	2014	2013
Remuneration or fees	\$ 271,335	\$ 391,679	\$ 397,774
Option based payments	1,090,246	3,209,488	1,885,863
Total compensation for key management personnel	\$ 1,361,581	\$ 3,601,167	\$ 2,283,637

**11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	2015	2014	2013
Non-cash transactions were as follows:			
deferred exploration expense recorded as accounts payable	\$ 2,917	\$ 4,712	\$ 1,645
deferred exploration expense recorded as owing to related parties	\$ 4,000	\$ 4,000	\$ 4,000
recorded depreciation expense on property and equipment as Exploration and evaluation assets	\$ -	\$ -	\$ 21

**12. INCOME TAXES**

The income tax provision differs from income taxes, which would result from applying the expected tax rate to net loss before income taxes. The difference between the "expected" income tax expense and the actual income tax provision are summarized as follow:

	2015	2014	2013
Loss before income taxes	\$ (1,713,748)	\$ (4,205,419)	\$ (1,045,316)
Canadian statutory income tax rate	26.0%	25.8%	25.0%
Computed "expected" income tax expense	(445,574)	(1,084,998)	(261,329)
Differences resulting from:			
Option based payments	291,764	856,385	498,905
Other non-deductible items	2,754	1,297	5,424
Change in enacted rate	-	(123,684)	-
Expiry of loss carryforwards	114,056	-	-
Increase/(decrease) in deferred tax assets not recognized	37,000	(351,000)	(243,000)
Provision for income taxes	\$ -	\$ -	\$ -

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**12. INCOME TAXES (cont'd)**

The tax effects of deductible and taxable temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

	2015	2014	2013
Deferred tax assets-Canada			
Non-capital loss carry forwards	\$ 2,095,000	\$ 2,052,000	\$ 1,745,000
Mineral property interests and deferred exploration costs	1,323,000	1,323,000	1,272,000
Property and equipment	15,000	21,000	28,000
<b>Total deferred tax asset not recognized</b>	<b>\$ 3,433,000</b>	<b>\$ 3,396,000</b>	<b>\$ 3,045,000</b>

The Company has Canadian non-capital loss carry forwards which expire as follows:

2026	\$ 605,469
2027	808,472
2028	942,980
2029	466,936
2030	957,373
2031	974,551
2032	876,759
2033	910,383
2034	908,862
2035	606,902
<b>Total</b>	<b><u>\$8,058,687</u></b>

Deferred tax assets have not been recognized in these financial statements because at this stage of the Company's development, it is not determinable that future taxable profit will be available against which the Company can utilize such deferred tax assets.

**13. COMMITMENTS**

The Company has entered into an operating lease agreement for office premises. The current commitment under the lease is as follows:

	Amount
Year ending January 31, 2016	<u>\$ 54,330</u>
<b>Total</b>	<b><u>\$ 54,330</u></b>

The amount of the commitment recognized as expense in the fiscal year ended January 31, 2015 was \$55,301 (2014 - \$78,044; 2013 - \$67,318).

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**13. COMMITMENTS (cont'd)**

The Company has signed an agreement with a hunting lodge in the area of the project, which, conditional on the receipt of applicable permits and licences, requires the Company to pay \$100,000 (plus sales tax if required) as full and final compensation for any loss of business which the lodge may suffer in connection with the construction, development and overall operation of the mine. This payment is required to be made three months prior to commencement of construction.

**14. SEGMENTED INFORMATION**

The Company has determined that it had only one operating segment, i.e. mining exploration. The Company's mining operations are centralized whereby the Company's head office is responsible for the exploration results and to provide support in addressing local and regional issues. As at January 31, 2015, 2014 and 2013, the Company's assets are all located in Canada (Notes 5 and 7).

**15. FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT**

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, amounts due to related parties, accrued liabilities and reclamation deposits. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

The Company's financial instruments carried at fair value are as follows:

	Fair value at January 31, 2015		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Cash and cash equivalents	\$ 368,546	\$ -	\$ -

  

	Fair value at January 31, 2014		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Cash and cash equivalents	\$ 1,166,771	\$ -	\$ -

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

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**15. FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT (cont'd)**

The Company has some exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's receivables primarily relate to Goods & Services Tax input tax credits. Accordingly, the Company views credit risk on receivables as minimal.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company anticipates it will have adequate liquidity to fund its financial liabilities through cash on hand and future equity contributions.

As at January 31, 2015, the Company's financial liabilities were comprised of accounts payable, accrued liabilities and amounts due to related parties which have a maturity of less than one year.

**(c) Market risk**

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

*Currency risk*

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian and United States dollar. As most of the Company's transactions are currently denominated in Canadian dollars, the Company is not exposed to foreign currency exchange risk at this time.

*Commodity price risk*

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.



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**15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)**

**(c) Market risk (cont'd)**

*Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company has no debt or interest-earning investments, it is not exposed to interest rate risk at this time.

**16. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration of its mineral properties. The Board of Directors have not established a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the year ended January 31, 2015.