



**Interim Condensed Consolidated Financial Statements**  
For the Three Months Ended March 31, 2015 and 2014  
(Unaudited)

**VULCAN MINERALS INC.**  
March 31, 2015 and 2014

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## **Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, “Continuous Disclosure Obligations”, 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 Corporation’s external auditors have not performed a review of these financial statements.

**VULCAN MINERALS INC.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**  
**As at**

(in Canadian dollars)	March 31 2015	December 31 2014
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	2,552,680	2,747,212
Accounts receivable	19,957	16,753
Government grant receivable (Note 4)	100,000	85,000
Prepaid expenses	9,409	16,866
Deposits	9,000	9,000
Inventory	109,224	109,224
	<b>2,800,270</b>	<b>2,984,055</b>
Deposits	286,000	286,000
Investments	78,358	169,347
Exploration and evaluation assets (Note 5)	4,199,926	4,213,864
Equipment	75,249	81,293
<b>Total Assets</b>	<b>7,439,803</b>	<b>7,734,559</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	100,228	85,149
<b>Equity</b>		
Shareholders' equity	6,895,799	7,181,849
Non-controlling interest	443,776	467,561
	<b>7,339,575</b>	<b>7,649,410</b>
<b>Total Liabilities and Equity</b>	<b>7,439,803</b>	<b>7,734,559</b>
Nature of operations (Note 1)		
Contingencies (Note 9)		
Subsequent event (note 10)		
Approved on Behalf of the Board of Directors		
Patrick J. Lacey	<b>Director</b>	
Rex Gibbons	<b>Director</b>	

See accompanying notes to the consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Loss**  
**(Unaudited)**  
**Three Months Ended March 31**

(in Canadian dollars)	2015	2014
	\$	\$
<b>Income (Expenses )</b>		
Interest income	5,846	11,151
Write off- exploration and evaluation assets	-	(278,466)
General and administrative (Notes 7 and 8)	(218,648)	(211,233)
Share-based compensation	(4,936)	(11,147)
Depreciation	(6,044)	(8,615)
<b>Net loss</b>	<b>(223,782)</b>	<b>(498,310)</b>
Net loss attributable to:		
Common shareholders	(199,997)	(477,418)
Non-controlling interest	(23,785)	(20,892)
	<b>(223,782)</b>	<b>(498,310)</b>
<b>Net loss per share - basic and diluted</b>	<b>(0.003)</b>	<b>(0.008)</b>
Weighted-average number of common shares outstanding - basic and diluted	<b>58,526,129</b>	<b>58,526,129</b>

**Condensed Consolidated Statements of Comprehensive Loss**  
**Three Months Ended March 31**

(in Canadian dollars)	2015	2014
	\$	\$
<b>Net loss</b>	<b>(223,782)</b>	<b>(498,310)</b>
Other comprehensive loss:		
Change in unrealized loss on available-for-sale financial assets (net of tax)	(90,989)	(14,000)
	<b>(90,989)</b>	<b>(14,000)</b>
<b>Comprehensive loss</b>	<b>(314,771)</b>	<b>(512,310)</b>
Comprehensive loss attributable to:		
Common shareholders	(290,986)	(491,418)
Non-controlling interest	(23,785)	(20,892)
	<b>(314,771)</b>	<b>(512,310)</b>

See accompanying notes to the consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

(in Canadian dollars)

	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2013	19,106,940	2,901,147	-	(67,598)	(13,711,770)	8,228,719	411,169	8,639,888
Net loss and comprehensive loss								
January 1, 2014 - March 31, 2014	-	-	-	(14,000)	(477,418)	(491,418)	(20,892)	(512,310)
Share-based compensation	-	11,147	-	-	-	11,147	-	11,147
Balance March 31, 2014	19,106,940	2,912,294	-	(81,598)	(14,189,188)	7,748,448	390,277	8,138,725
Net loss and comprehensive loss								
April 1, 2014 - December 31, 2014	-	-	-	184,886	(638,323)	(453,437)	(49,077)	(502,514)
Share issuance costs	(3,300)	-	-	-	-	(3,300)	-	(3,300)
Share-based compensation	-	16,499	-	-	-	16,499	-	16,499
Transfer to non-controlling interest on acquisition of shares in subsidiary	-	(126,361)	-	-	-	(126,361)	126,361	-
Balance December 31, 2014	19,103,640	2,802,432	-	103,288	(14,827,511)	7,181,849	467,561	7,649,410
Net loss and comprehensive loss								
January 1, 2015 - March 31, 2015	-	-	-	(90,989)	(199,997)	(290,986)	(23,785)	(314,771)
Share-based compensation	-	4,936	-	-	-	4,936	-	4,936
Balance, March 31, 2015	19,103,640	2,807,368	-	12,299	15,027,508	6,895,799	443,776	7,339,575

See accompanying notes to the consolidated financial statements

**VULCAN MINERALS INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**Three Months Ended March 31**

(in Canadian dollars)	<b>2015</b>	2014
	\$	\$
<b>Operating Activities</b>		
Interest receipts	<b>5,846</b>	11,151
Operating payments	<b>(199,316)</b>	(150,009)
	<b>(193,470)</b>	(138,858)
<b>Investing Activities</b>		
Exploration and evaluation assets	<b>13,938</b>	(5,206)
Government grant receivable	<b>(15,000)</b>	(15,000)
	<b>(1,062)</b>	(20,206)
Cash (outflow)	<b>(194,532)</b>	(159,064)
Cash and cash equivalents, beginning of period	<b>2,747,212</b>	3,853,156
<b>Cash and cash equivalents, end of period</b>	<b>2,552,680</b>	3,694,092
Cash and cash equivalents are comprised of:		
Deposits with banks	<b>2,552,680</b>	1,672,075
Guaranteed investment certificates, interest rate of 1.35%	-	2,022,017
	<b>2,552,680</b>	3,694,092

See accompanying notes to the consolidated financial statements

# VULCAN MINERALS INC.

## Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2015 and 2014

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### 1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Vulcan Minerals Inc. is engaged in the evaluation, acquisition and exploration of mineral and petroleum and natural gas properties in Newfoundland and Labrador and Alberta. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain reserves that are economically recoverable and the Company is considered to be in the exploration stage.

The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its registered address is 333 Duckworth Street, St. John's, NL A1C 1G9.

### 2. BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014.

These consolidated financial statements have been prepared on an historical cost basis, except for investments which are measured at fair value.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2015.

#### *Basis of consolidation*

The consolidated financial statements include the accounts of the Company and the entities controlled by the Company (its subsidiaries). The Company's subsidiaries include Red Moon Potash Inc. in which the Company has a 65% interest and two wholly owned inactive subsidiaries. Control is achieved by having each of: power over the investee via existing rights that give the company the current ability to direct the relevant activities of the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability for the company to use its power over the investee to affect the amount of the company's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of Red Moon Potash Inc. are identified separately from the Company's equity. The non-controlling interest consists of the non-controlling interest's portion of net assets, income (loss), and other comprehensive income (loss).



**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**March 31, 2015 and 2014**

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**3. NEW AND AMENED ACCOUNTING STANDARDS**

**New and amended standards adopted by the Company**

The following standards have been adopted by the Company for the period beginning on January 1, 2015:

IAS 24, “*Related Party Transactions*” was amended to revise the definition of related party to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify the related party disclosure requirements. This amendment is effective for fiscal years beginning on or after July 1, 2014.

**Standards and amendments not yet effective and not yet applied**

IAS 16, “*Property, plant and equipment*” and IAS 38 “*Intangible assets*” were amended to clarify acceptable methods of depreciation and amortization. The amendments are effective for fiscal years beginning on or after January 1, 2016.

IFRS 11, “*Joint arrangements*” was amended to provide additional guidance on accounting for the acquisition of an interest in a joint operation. The amendment is effective for fiscal years beginning on or after January 1, 2016.

IFRS 9, “*Financial instruments*” was issued to replace IAS 39, providing guidance on the classification, measurement and disclosure of financial instruments and introducing a new hedge accounting model. The standard is effective for fiscal years beginning on or after January 1, 2018.

The Company is reviewing the standards and amendments, to determine the potential impact, if any, on its financial statements.

**4. GOVERNMENT GRANT RECEIVABLE**

Government grant receivable in the amount of \$100,000 (2014 - \$85,000) represents a grant receivable from the Government of Newfoundland and Labrador (the government) under the “Junior Exploration Assistance” program of the Department of Natural Resources. Under the terms of the contribution agreement, signed with the government in August 2014, the Company is eligible for a contribution of 50% of eligible costs of the exploration program covered under the agreement, to a maximum amount of \$85,000. The Company recorded a government grant receivable in the amount of \$85,000 as of December 31, 2014, with a corresponding amount recorded as a reduction of mineral exploration and evaluation assets. In February 2015, the Company and the government signed a memorandum of agreement whereby the original contribution agreement was amended to increase the maximum eligible amount of the grant from \$85,000 to \$100,000. The Company received a total amount of \$100,000 from the government in May 2015 as its contribution to the exploration program. The additional contribution of \$15,000 has been recorded as a reduction of mineral exploration and evaluation assets in the period ended March 31, 2015.

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**March 31, 2015 and 2014**

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**5. EXPLORATION AND EVALUATION ASSETS**

The Company has 10 mineral licenses (December 31, 2014-10) which consist of 1,371 claims (December 31, 2014 – 1,371 claims), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. The Company also holds 10 mineral permits (December 31, 2014- 10) in the Province of Alberta. These licenses and permits are in the exploration and evaluation stage. The Company holds a database of geological and geophysical data at March 31, 2015 and December 31, 2014. A summary of the exploration and evaluation assets is as follows:

	March 31, 2015			December 31, 2014		
	Balance, Beginning of Period	Additions (Writedowns/ Dispositions)	Balance, End of Period	Balance, Beginning of Year	Additions (Dispositions, net)	Balance, End of Year
	\$	\$	\$	\$	\$	\$
<b>Mineral properties</b>						
Property acquisition costs	66,750	-	66,750	66,750	-	66,750
Exploration costs	1,310,664	(13,938)	1,296,726	867,904	442,760	1,310,664
<b>Geological and geophysical data</b>	<b>2,836,450</b>	<b>-</b>	<b>2,836,450</b>	3,155,029	(318,579)	2,836,450
	<b>4,213,864</b>	<b>(13,938)</b>	<b>4,199,926</b>	4,089,683	124,181	4,213,864

Current period additions to mineral exploration and evaluation assets have been reduced by the government grant of \$15,000 (2014- \$100,000) (Note 4).

The Company holds a database of geological and geophysical data. In 2014 the Company regrouped certain of its mineral licenses at license renewal dates, and as result, surrendered a portion of the lands associated with the licenses. The Company recorded a write-down to the geological and geophysical data in 2015 in the amount of \$nil (December 31, 2014- \$318,579) which was in proportion to the land surrendered as compared to the total area covered by the geological and geophysical data.

**6. SHARE-BASED COMPENSATION**

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

**VULCAN MINERALS INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**March 31, 2015 and 2014**

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**6. SHARE-BASED COMPENSATION (continued)**

A summary of the status of the Company's stock option plan is as follows:

	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>
		<b>\$</b>		<b>\$</b>
Outstanding, beginning of period	<b>4,603,345</b>	<b>0.17</b>	5,401,288	0.22
Granted	-	-	-	-
Expired	-	-	(547,943)	0.32
Forfeited	-	-	(250,000)	0.10
Outstanding, end of period	<b>4,603,345</b>	<b>0.17</b>	4,603,345	0.17
<b>Exercisable, end of period</b>	<b>4,559,595</b>	<b>0.17</b>	3,697,095	0.15

The weighted average remaining contractual life of outstanding options is 2.31 years (December 31, 2014 – 2.56 years). The weighted average remaining contractual life of exercisable options is 2.31 years (December 31, 2014 – 2.43 years).

# VULCAN MINERALS INC.

## Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2015 and 2014

### 7. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	\$	\$
Office and administrative	35,385	30,546
Management, salaries and contract fees and benefits	93,391	112,261
Directors' fees	16,250	16,250
Transfer agent and professional fees	67,263	25,804
Conferences, travel and accommodation	6,359	26,372
	<b>218,648</b>	<b>211,233</b>

### 8. RELATED PARTY TRANSACTIONS

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and directors, is as follows:

	2015	2014
	\$	\$
Management fees, salaries and benefits	63,886	64,692
Directors' fees	16,250	16,250
	<b>80,136</b>	<b>80,942</b>

	2015	2014
	\$	\$
Rent paid to a corporation which is controlled by the President of the Company	11,250	11,250

### 9. CONTINGENCIES

- a) In 2011, the Company was served with a statement of claim by Geophysical Service Incorporated wherein it is claimed that the Company, as a co-defendant with Investcan Energy Corporation, has committed a copyright infringement. The claim relates to an allegation that accessing offshore Labrador seismic data, which is released to the public by the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) after the relevant statutory privilege-confidentiality period, is a breach of copyright. The Company is of the opinion that this claim is without basis or merit and no amounts have been recorded in the Company's accounts related to this claim. The Company is fully defending its interests.

# **VULCAN MINERALS INC.**

## **Notes to the Condensed Consolidated Financial Statements**

**(Unaudited)**

**March 31, 2015 and 2014**

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### **9. CONTINGENCIES (continued)**

- b)* The Court in Alberta has granted leave to Geophysical Service Incorporated (GSI) to add the Company as a co-defendant in the ongoing action GSI has with NWest Energy Corp. regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. The Company believes the claims against it are without basis or merit and no amounts have been recorded in the Company's accounts related to this claim. The Company is fully defending its interest.

### **10. SUBSEQUENT EVENT**

In May 2015 the Company received a cash payment of \$100,000 from the Government of Newfoundland and Labrador with respect to the government grant which was reflected as a receivable at March 31, 2015 (Note 4).

# **CORPORATE INFORMATION**

## **OFFICERS AND MANAGEMENT**

Patrick J. Laracy  
President and Chairman

Sharon M. Dunn  
Chief Financial Officer and Corporate  
Secretary

## **BOARD OF DIRECTORS**

Patrick J. Laracy

Rex Gibbons

Philip E. Collins

William Koenig

## **EXCHANGE LISTING**

TSX Venture – “VUL”

## **LEGAL COUNSEL**

Morris McManus, Calgary, AB  
Cox & Palmer, St. John’s, NL

## **REGISTRAR AND TRANSFER AGENT**

Computershare Trust Company of Canada

## **AUDITORS**

PricewaterhouseCoopers LLP

## **BANKERS**

Scotiabank

## **ADDITIONAL INFORMATION**

Please contact, Patrick J. Laracy  
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## **HEAD OFFICE**

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