

ST-GEORGES

Platinum & Base Metals Ltd.

An exploration stage company

Condensed Interim Financial Statements

For the three months ended March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE TO READER

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

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

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

MONTREAL, QUEBEC
May 29, 2015

St-Georges Platinum & Base Metals Ltd.
Statements of Financial Position
(Unaudited)

As at	March 31, 2015	December 31, 2014
Assets	\$	\$
Current assets		
Cash and cash equivalents	2,162	3,754
Other receivables (Note 5)	1,862	9,806
Prepaid expenses	4,982	11,695
Total current assets	9,006	25,255
Non-current assets		
Exploration and evaluation assets (Note 6)	1,172,626	1,160,084
Advances (Note 6)	67,143	67,143
Total non-current assets	1,239,769	1,227,227
Total assets	1,248,775	1,252,482
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	279,864	639,304
Taxes payable	24,174	24,174
Due to a director (Note 8)	3,833	136,583
Total current liabilities	307,871	800,061
Long-Term Liabilities		
Debt component of convertible debentures (Note 7)	93,373	89,242
Shareholders' equity		
Common shares (Note 8)	11,228,383	10,692,308
Equity component of convertible debentures (Note 8)	162,616	162,616
Contributed surplus (Note 8)	1,571,172	1,571,172
Deficit	(12,114,640)	(12,062,917)
Total shareholders' equity	847,531	363,179
Total liabilities and shareholders' equity	1,248,775	1,252,482

(signed)

"Francois Dumas"

Francois Dumas
President and Chief Executive Officer

(signed)

"Richard Barnett"

Richard Barnett
Chief Financial Officer

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

St-Georges Platinum & Base Metals Ltd.
Statements of Comprehensive Loss
(Unaudited)

For the three months ended March 31	2015	2014
	\$	\$
Professional fees	3,708	2,838
Subcontractors	14,575	24,649
Publicity and promotions	10,314	1,454
Office expenses	450	111
Brokerage fees	4,468	8,635
Financial fees and bank charges	5,076	245
Interest charges	13,132	27,059
	<u>51,723</u>	<u>64,991</u>
Loss and comprehensive loss for the period	<u>(51,723)</u>	<u>(64,991)</u>
<hr/>		
Basic and diluted (loss) per share (\$ per share)	(0.001)	(0.003)
Weighted average number of common shares outstanding –		
Basic	38,078,294	21,996,936
Diluted	38,078,294	21,996,936

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

St-Georges Platinum & Base Metals Ltd.
Statements of Changes in Equity
For the three months ended March 31, 2015 and 2014
(Unaudited)

	Number of Common Shares (Note 8)	Common Shares	Equity component of convertible debentures	Contributed Surplus	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$	\$
Balance at						
January 1, 2014	15,932,606	8,804,832	1,359,552	1,419,447	(11,313,156)	270,675
Shares issued on conversion of debentures	6,034,330	603,433	(603,433)	-	-	-
Debt component of debentures	-	-	193,106	-	-	193,106
Net loss for the period	-	-	-	-	(64,991)	(64,991)
Balance at						
March 31, 2014	21,996,936	9,408,265	949,225	1,419,447	(11,378,147)	398,790
					-	
Balance at						
January 1, 2015	34,504,463	10,692,308	162,616	1,571,172	(12,062,917)	363,179
Shares issued as settlement of accounts payable	8,934,578	536,075	-	-	-	536,075
Net loss for the period	-	-	-	-	(51,723)	(51,723)
Balance as at						
March 31, 2015	43,439,041	11,228,383	162,616	1,571,172	(12,114,640)	847,531

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

St-Georges Platinum & Base Metals Ltd.
Statements of Cash Flows
(Unaudited)

For the three months ended March 31	2015	2014
	\$	\$
Operating activities		
Net loss and comprehensive loss for the period	(51,723)	(64,991)
Non-cash items		
Interest on convertible debentures	4,131	27,059
	(47,592)	(37,932)
Net changes in working capital items		
Other receivables	7,945	2,494
Prepaid expenses	6,713	(7,566)
Accounts payable and accrued liabilities ¹	43,884	97,789
Advances	-	(40,000)
	58,542	52,717
Net cash from operating activities	10,950	14,785
Investing activities		
Exploration cost	(12,542)	(-)
Property acquisitions	-	(16,426)
Net cash used in investing activities	(12,542)	(16,426)
Financing activities⁽¹⁾		
Due to a company controlled by a director (Note 8)	-	22,500
Due to a director (Note 8)	-	(20,000)
Net cash from financing activities	-	2,500
Increase (decrease) in cash and cash equivalents	(1,592)	859
Cash and cash equivalents, beginning of period	3,754	707
Cash and cash equivalents, end of period	2,162	1,566

¹ The Company issued \$476,075 in shares during the three months ended March 31, 2015 in settlement of debts. This is treated as a non-cash transaction. See Note 8 for further details.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

1. Corporate Information and Going Concern of Operations

St-Georges Platinum & Base Metals Ltd. (the “Company” or “St-Georges”) was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian Securities Exchange (“CSE”), having the symbol SX, on the OTC PINK, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company’s corporate office and principal place of business is 999 De Maisonneuve West, Suite 725, Montreal, Québec H3A 3L4 Canada. The principal activities of the Company are the exploration and evaluation of mineral properties in Canada. The Company, which is in the process of exploring its mineral properties, has one reportable segment in Canada and all of the assets are located in Canada.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At March 31, 2015, the Company has not yet achieved profitable operations, had no operating income and had cash and cash equivalents of \$2,162 and negative working capital of \$298,865. As such, the Company’s ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, continuation of the Company’s interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

2. Basis of Presentation

a) Statement of Compliance

These condensed interim financial statements of the Company for the period ended March 31, 2015 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with the policies disclosed in Notes 2, 3 and 4 of the Company’s audited financial statements for the year ended December 31, 2014 and should be read in conjunction with those financial statements.

The financial statements of the Company were authorized for issue by the Board of Directors on May 29, 2015.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

2. Basis of Presentation (continued)

b) Basis of Measurement

The financial statements have been prepared on an historical cost basis except for certain liabilities measured at fair value as required under specific IFRS pronouncements.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Functional and Presentation Currency

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

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Please refer to section (p) which addresses standards issued but not yet effective.

a) Mining Properties and Deferred Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Tax credits and mining duties are applied to reduce related E&E in the period recognized.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

a) Mining Properties and Deferred Exploration and Evaluation Expenditures

Exploration and Evaluation Expenditures

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Mining exploration and evaluation expenditures are classified as intangible assets.

b) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive loss/income.

c) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes, are recognized in profit or loss. There are no financial assets classified in this category.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

c) Financial Instruments (continued)

Held to Maturity ("HTM")

Securities that have a fixed maturity date and which the Company has positive intention and the ability to hold to maturity are classified as held-to-maturity and are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire held to maturity financial instruments are included in the underlying balance. There are no financial assets classified in this category.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has classified cash and cash equivalents, and other receivables as loans and receivables.

Available-For-Sale Investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. There are no financial assets in this category.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

c) Financial Instruments (continued)

Impairment of Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of loss and comprehensive loss.

Financial Liabilities

Financial Liabilities are classified into one of following categories:

Fair Value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss. There are no financial liabilities in this category.

Other financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. This category includes accounts payable and accrued liabilities, due to a company controlled by a director and convertible debentures.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

d) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares include both a financial liability and an equity component, such as the option to convert debentures in shares. The components of the instrument are classified separately as liabilities and equity. The Company first determines the carrying amount of financial liability by discounting future cash flows representing principal payments and interest payments generally at market rate for a similar liability which no equity component is associated to. The carrying value of the equity instrument that represents the convertible in share option is then determined by deducting the carrying amount of financial liability in the amount of the hybrid instrument as a whole.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in trust, deposits with banks and other highly liquid short-term investments with original maturities of three months or less.

f) Tax Credits and Mining Duties

The Government of Quebec provides a 16% non-taxable refundable credit for losses to help operators meet exploration, mineral deposit evaluation and mine development costs by refunding part of eligible expenditures incurred. This credit is based on the lesser of:

- The amount of the annual loss; and
- 50% of eligible exploration expenditures, mineral deposit evaluation and mine development expenses, reduced by tax credits related to resources.

The Government of Quebec also offers businesses having establishments and that carry on activities in Quebec a refundable tax credit of 28% on eligible exploration expenses.

Tax credits and mining duties, which are earned as a result of qualifying mineral exploration expenses, are recognized when the exploration expenses are incurred and collection is reasonably assured. They are applied to reduce related mineral exploration expense in the period recognized.

g) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

h) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company may from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital.

Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Contributed Surplus

Contributed surplus is used to record the accumulated fair value of stock options recognized as share based payments and warrants issued. Contributed surplus is increased by the fair value of these items on vesting and is reduced by the corresponding amounts when options and warrants are exercised, cancelled or expire.

j) Warrants

The Company accounts for warrants using the fair value method. Under this method, the value of warrants is measured at fair value at the grant date using the Black-Scholes option pricing model, using management's assumptions disclosed in Note 8, and recorded as share capital when the warrants are exercised.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

k) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Loss per Share

The basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

The diluted loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

3. Summary of Significant Accounting Policies (continued)

m) Rehabilitation Provisions

The Company is subject to various government laws and regulations relating to environmental disturbance caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the explorations sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes: restoration, reclamation, and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. As of March 31, 2015, no rehabilitation provision has been recorded.

n) Net Smelters Return (NSR) Royalties

The NSR royalties are generally not be accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

o) Segment Disclosures

The Company currently operates in a single segment: the acquisition and exploration of mining properties. All of the Company's activities are conducted in Canada.

p) Application of New and Revised IFRS

New and revised IFRSs in issue but not yet effective

IFRS 9 –Financial Instruments - In November 2009, the IASB issued IFRS 9, which will replace IAS 39, “Financial instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods currently provided in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

4. Critical Accounting Judgments and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

a) Judgments

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

4. Critical Accounting Judgments and Estimates (continued)

b) Estimates

i) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

ii) Useful Lives of Depreciable Assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utilization of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utilization of certain patents.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

iv) Provisions and Contingencies

The amount recognized as provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

v) Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for an impairment test when facts and circumstances suggest that their carrying amount may exceed recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

4. Critical Accounting Judgments and Estimates (continued)

b) Estimates (continued)

vi) Valuation of tax credits related to resources and mining tax credits

Tax credit related to resources and mining tax credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection.

The calculation of the Company's credits necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credit related to resources and to mining tax credit, exploration and evaluation assets and income tax expense in future periods.

The amounts recognized in the financial statements are derived from the Company's best estimation and management's judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore have an impact on the Company's financial position and its cash flows.

5. Other receivables

As of March 31, 2015 and December 31, 2014, the Company had receivables as described below:

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
	\$	\$
Sales taxes recoverable	3,206	11,150
Tax credits and mining duties	(1,344)	(1,344)
	<u>1,862</u>	<u>9,806</u>

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

6. Exploration and Evaluation Assets

	Villebon	Julie & Isoukustouc Projects	St-Jean Property	Franquelin Property	Total
	\$	\$	\$	\$	\$
Balance as at Jan. 1, 2014	85,000	1,200,000	-	15,000	1,300,000
Exploration costs	1,143	45,003	-	-	46,146
Property acquisitions	-	-	51,000	-	51,000
Property dispositions	(19,000)	-	-	(879)	(19,879)
Tax credits and mining duties	-	(43,636)	-	-	(43,636)
Less: Impairment	-	(159,976)	-	(13,571)	(173,547)
Balance as at Dec. 31, 2014	67,143	1,041,391	51,000	550	1,160,084
Exploration costs	-	12,542	-	-	12,542
Balance as at Mar. 31, 2015	67,143	1,053,933	51,000	550	1,172,626

The Villebon, Julie & Isoukustouc Projects, the St-Jean Property and the Franquelin Property are all located in Quebec, Canada and are 100% owned by the Company. The properties are described in more detail below.

Villebon

The Villebon copper-nickel-PGE property lies within the Abitibi Greenstone Belt of northwestern Quebec, close to the north boundary of the La Vérendrye Provincial Park and the Reserve in Villebon Township, close to Val-d'Or. This property is located less than 2 kilometres east of Highway 117, about 21 kilometres south of the community of Louvicourt and about 45 kilometres southeast of Val-d'Or.

As per the agreement entered into by the Company with Fancamp Resources Inc. and Sheridan Platinum Group Ltd. on February 15, 2009 concerning the purchase of the Villebon Property, the Company agreed to pay an advance royalty payment of \$40,000 per year, beginning at the end of year 3. These advances will be applied against future royalty payments. As at March 31, 2015, the Company had \$67,143 in advances recorded (December 31, 2014 - \$67,143).

Upon commencement of Full Scale Production on these properties, the Royalty Holder becomes eligible to receive up to 3% of the Net Smelter Returns from St-Georges. The Company shall have the right to purchase 50% of these NSR from the Royalty Holder at any time for a total cash sum of \$2,000,000.

On September 25, 2014 St-Georges announced that it had signed an Agreement to transfer all its rights and titles in 9 mining claims in Villebon to Exploration Khalkos Inc. in consideration of the transfer of 93 mining claims constituting the St-Jean Property (previously known as the Poissons Blancs property).

As part of the acquisition, St-Georges agreed to issue 800,000 common shares over a period of four years starting in Fall 2015. The transaction was valued at \$51,000 and a 1% Net Smelter Royalty was in favour of each party was assigned to the respective properties. The NSRs are exercisable at any time and half of either of the royalties can be purchased for \$500,000.

At March 31, 2015 the Villebon property consists of 32 claims.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

6. Exploration and Evaluation Assets (continued)

Julie & Isoukustouc Projects

The Isoukustouc Project is located less than 10 kilometres west of the Manic-3 Hydro electric Dam within the Manicouagan River – Manic Complex.

The Julie Project is located approximately 65 kilometres further to the east, south of Lac La Blache and near the Outarde IV Electric Dam.

The two exploration campaigns executed in the Fall of 2013 and analysed through the third and fourth quarters of 2014 enabled the Company to confirm the presence of nickel at surface along the whole 1.8 km corridor and to establish the presence of additional nickel mineralisation in historical trenches that were ignored by previous exploration efforts.

These Projects are accessible from the deep sea port town of Baie-Comeau by paved and gravel road (Isoukustouc 74km, Julie 146km). Collectively they consist of 231 claims of which 81 claims are in the Julie area and 150 are in the Isoukustouc Complex area.

Upon the Company exercising the Option of its 100% interest in the Property and upon commencement of Full Scale Production, the Optionor becomes eligible to receive 3% of the Net Smelter Returns from St-Georges. The Company has the right to purchase 1.5% of the NSR from the Optionor at any time, but not later than 12 months from the commencement of industrial exploitation of the properties for a total cash sum of \$3,000,000.

The Company assessed its future plans for the Julie-Isoukustouc Complex properties and concluded there were indications that the asset may be impaired. The impairment relates to the Isoukustouc properties while the Company intends to pursue exploration activities in the Julie area. As a result, in the prior year, the Company recorded an impairment charge for its Julie-Isoukustouc Complex properties in the amount of \$159,976. The impairment charge is based on management's best estimate of fair value less costs to sell and on the determination that insufficient work was being completed on the Julie-Isoukustouc Complex properties to maintain all of the mining claims.

The St-Jean Property

On September 25, 2014 St-George announced that it had signed an Agreement to acquire 93 mining claims constituting the St-Jean Property (previously the "Poissons Blancs" property) in consideration of St-Georges transferring all of its rights and titles in 9 claims in Villebon. The transaction was valued at \$51,000.

As part of the acquisition, St-Georges agreed to issue 800,000 common shares over a period of four years starting in Fall 2015. A 1% Net Smelter Royalty was in favour of each party was assigned to the respective properties. The NSRs are exercisable at any time and one half of either of the NSR's can be purchased for \$500,000.

Management could not reliably estimate the fair value of the 93 mining claims constituting the St-Jean Property acquired, hence it based the fair value, and the corresponding increase in equity, by evaluating the asset given up in the fair value of the 9 claims in Villebon and the value of equity instruments granted as future considerations. Equity instruments granted was determined using the closing share price of the Corporation's common shares on September 25, 2014 of \$0.04 per common share.

In the prior year, 47 claims expired as they were not renewed by St-George. These removals had no monetary impact since no value was granted for these claims on acquisition since management was already planning their abandonment.

The St-Jean Property is located in the Saguenay Lac St-Jean region and comprises 46 claims.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

6. Exploration and Evaluation Assets (Continued)

Franquelin Property

The Franquelin property (previously presented as part of the larger Manicouagan Constellation is located about 21 kilometres east of Baie-Comeau and is accessible by national route 138 and is bordered to the south by the St-Lawrence River. The property hosts Gold, Copper, Nickel, Zinc and PGE showings. It consists of 22 claims.

Upon commencement of Full Scale Production, the Vendors of the Franquelin West properties become eligible to receive 1.0% of the Net Smelter Returns from St-Georges. The Company has the right to purchase 0.5% of these NSR from the Vendors at any time for a total cash sum of \$500,000.

In the prior year, the Company assessed its future plans for the Manicouagan Constellation Complex properties and concluded there were indications the asset may be impaired for essentially all of the prospective targets with the exception of the Franquelin property. As a result, in fiscal 2014, the Company recorded an impairment charge for its Manicouagan Constellation Complex properties in the amount of \$13,571. The impairment charge is based on management's best estimate of fair value less costs to sell and on the determination that insufficient work was being completed on the Manicouagan Constellation Complex properties to maintain all of the mining claims.

7. Convertible Debentures

On July 3, 2013, the Company issued Convertible Unsecured Debentures in the aggregate amount of \$1,829,000 and entered into Agreements with its suppliers to satisfy more than 90% of its short-term liabilities by conversion of current Accounts Payable to Debentures.

The Debentures bear interest at the annual rate of 6% calculated quarterly in arrears and payable on a pro-rata basis on conversion or at maturity. The Debentures mature on July 2, 2023. At any time before the maturity date the Debentures are convertible at the option of either the holder or the Company into fully paid and non-assessable common shares of the Company subject to certain conditions.

At the date of issuance, the debt component of the Debentures amounted to \$535,850, representing the present value of interest and principal repayment until July 2, 2023. The difference between the nominal value and the debt component amounted to \$1,293,150 and represents the conversion option, which was recorded in the equity of the Company. Over the term of the convertible debenture, the debt component will be increased to its nominal value of \$1,829,000 to provide, for accounting purposes, an actual interest expense equal to 20%, representing the estimated interest rate of similar debt instruments which do not have such an equity component. The debt component amounted to \$93,373 on March 31, 2015 (December 31, 2014 - \$89,242).

Convertible Debentures	Total
	\$
Balance as at January 1, 2014	586,994
Accrued interest	48,684
Conversion	(546,416)
Balance as at December 31, 2014	89,242
Accrued interest	4,131
Balance as at March 31, 2015	93,373

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

8. Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares, voting, participating and with no par value. The share capital of the Company consists only of fully paid common shares.

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common shares from January 1, 2014 to March 31, 2015:

	Number of shares	Amount \$
Balance as at January 1, 2014	15,932,606	8,804,832
Issued on conversion of debentures	17,583,056	1,773,387
Issued as settlement of accounts payable	988,801	114,089
Balance as at December 31, 2014	34,504,463	10,692,308
Issued as settlement of accounts payable	8,934,578	536,075
Balance as at March 31, 2015	43,439,041	11,228,383

During the year ended December 31, 2014, a total \$1,692,916 of the capital value of the debentures was converted into common shares. Including accumulated interest this represented a value of \$1,773,387 for which the Company issued 17,583,056 common shares on conversion.

Private placement of shares and share-for-debt Agreements

In early February 2015, the Company announced a private placement of up to \$720,000 in units of \$0.06. Each Unit consists of one common share and one three-year warrant. The warrants are exercisable at price which increases over the three year life of the warrant and their exercise may be forced by St-Georges if the Company's share price exceeds a certain valuation on the CSE according to the terms of the unit.

On February 19, 2015 the Company announced that it received total subscriptions of \$476,075 (7,934,578 units) including insider participation of \$449,646. Including this insider participation the Company reached agreements to convert current liabilities to equity with the majority of its creditors and convert the amount due to a director into common shares.

On February 15, 2015 the Company and Fancamp Exploration Ltd. amended the terms of their 2012 Agreement under which St-Georges acquired the Villebon project and incurred a liability to Fancamp Exploration Ltd. which amounted to \$60,000 at December 31, 2014.

Under the Amended Agreement St-Georges has issued 1,000,000 common shares to Fancamp at a deemed value of \$0.06 per share, transferred a 5% interest in the Villebon project to Fancamp and agreed to publish a NI 43-101 report on the Villebon project before the end of 2017.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

8. Share Capital (continued)

b) Equity component of convertible debentures

During the prior year, the Company issued convertible debentures and the debt component was recorded as described in Note 7. The table below describes the equity component of the Debentures.

	Amount
	\$
Balance as at January 1, 2014	1,359,552
Conversion to common shares	(1,196,936)
Balance as at December 31, 2014 and March 31, 2015	162,616

c) Contributed Surplus

The following is a summary of changes in the contributed surplus from January 1, 2014 to March 31, 2015:

	Amount
	\$
Balance at January 1, 2014	1,419,447
Stock based compensation	119,725
Common share to issue	32,000
Balance at December 31, 2014 and March 31, 2015	1,571,172

d) Warrants

The following is a summary of changes in warrants from January 1, 2014 to March 31, 2015:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance as at January 1, 2014	953,077	3,16
Expired in 2014	(953,077)	3,16
Balance as at December 31, 2014	-	-
Issued in 2015	7,934,578	0.075 ⁽¹⁾
Balance as at March 31, 2015	7,934,578	0.075

(1) The warrants have an initial exercise price of \$0.075 in the first 9 months; increasing to \$0.15 for the following 9 months; and then increasing to \$0.30 for the last 18 months of their 3 year duration. At its discretion, the Company will be able to force the exercise of the warrants if the price of the common shares on the CSE is at or above 150% of the warrants' exercise price for 10 consecutive days. At March 31, 2015, the warrants have a remaining life of 2.90 years.

9. Share-based Payments

a) Stock Option Plan

On June 1, 2009, the Company established a stock-based compensation plan. Under the stock-based compensation plan, the board of directors of the Company may, from time to time, at its discretion, and in accordance with CSE requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

9. Share-based Payments (continued)

purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five (5) years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to expiry date of such option.

The subscription price of the shares which may be issued under the plan must not be lower than the closing price of the last regular board lot sold on the CSE on the trading day immediately preceding the date of grant and not less than \$0.10 per share. The option price is payable in full at the time the options is exercised. The vesting periods in respect of the options are determined by the Board of Directors at the time of each grant of options.

On April 3, 2014, St-Georges granted 1,125,000 stock options exercisable at a price of \$0.20 per share before April 3, 2019. Officers of the Company were granted an aggregate total of 775,000 stock options and members of the Board of Directors were granted an aggregate total of 350,000 stock options.

The fair value of stock options issued on April 3, 2014 was \$119,725 and the Company capitalized \$10,615 of the fair value as exploration costs during the year. This fair value was estimated at the grant date based on the Black-Scholes options pricing model using the following assumptions:

Share price at grant date	\$0.11
Exercise price	\$0.20
Risk-free interest rate	1.789%
Expected life (years)	5
Expected volatility	200%
Expected dividend yield	Nil

No options were issued in the current period. The following options were outstanding as at March 31, 2015:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Forfeited	Closing Balance	Vested	Unvested
6 Jan. 10	6 Jan. 15	\$ 1.30	61,538	-	-	61,538	-	-	-
20 Oct. 10	20 Oct. 15	0.98	346,154	-	-	38,462	307,692	307,692	-
3 Apr. 14	3 Apr. 19	0.20	-	1,125,000	-	250,000	875,000	875,000	-
			407,692	1,125,000	-	350,000	1,182,692	1,182,692	-

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

10. Financial Risk Management and Financial Instruments

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the year.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at March 31, 2015, the Company has current liabilities and accrued liabilities of \$307,871 due within 12 months and has cash and cash equivalents of \$2,162 to meet its current obligations. As a result, the Company does face liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's credit risk is due mainly to its other receivables.

The Company's statement of financial position is presented net of any allowance for doubtful advances established on a case by case basis. This amount best represents the Company's maximum exposure to any potential credit risk. As of March 31, 2015 the allowance for doubtful advances was \$Nil (December 31, 2014 - \$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures fixes interest at 6% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers its interest rate risk to be minimal.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

10. Financial Risk Management and Financial Instruments (continued)

Fair Value Measurement

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments are considered to be a reasonable approximation of fair value because of their short-term maturities.

11. Capital Management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2015, the Company's shareholders' equity was \$847,531 (December 31, 2014 - \$363,179) and it had an amount due to a related party of \$3,833 (December 31, 2014 - \$136,583). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds will be required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the period ended March 31, 2015.

The Company is not currently exposed to any externally imposed capital requirements.

12. Commitments

Payments to Fancamp Exploration Ltd. and Sheridan Platinum Group

On February 15, 2009, the Company entered into an agreement to purchase claims in the Villebon area of Quebec from Fancamp Exploration Ltd. ("Fancamp") and Sheridan Platinum Group ("Sheridan") (collectively, the "Vendors"). St-Georges originally acquired 50% of these claims, with LiteWave acquiring the remaining 50%. Since LiteWave defaulted on its payments of a total of \$100,000 to each of Fancamp and Sheridan (for a total of \$200,000), St-Georges paid these amounts to Fancamp and Sheridan in February 2011 and assumed a 100% interest in these claims.

As per the terms of this agreement with Fancamp and Sheridan, St-Georges is obliged to pay an advance royalty payment of \$40,000 per year to the Vendors, beginning at the end of Year 3 following the acquisition. As of March 31, 2015, the liability for this royalty payment is included in the accounts payable in the amount of \$60,000 (December 31, 2014 - \$120,000).

In addition, if the Company were to generate revenues from these claims, a Net Smelter Return of up to 3% would be paid to the Vendors. The Company has the option to buy back up to 50% of the NSR for a total amount of \$1,000,000.

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

13. Contingencies

Flow-through shares

In prior years, the Company has been partly financed by the issuance of flow-through shares however there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses even if the Company has committed to take all measures necessary for this purpose. Refusal of certain expenses by tax authorities could have negative tax consequences for investors.

Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

- Two years following the flow-through placements; and
- One year after the Company has renounced the tax deductions relating to the exploration work.

Commitments to carry out exploration work that are not respected are subject to a combined tax of 30% (Canada and Quebec). The last flow through shares issuance dates back to December 29, 2011.

The Company may provide an indemnification to subscribers of flow-through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying exploration expenses as required under the subscription agreement.

The Company is unable to estimate the amount, if any, of liability to be recorded representing the estimated amount payable to indemnify the subscribers for the reduced renunciations.

14. Related Party Transactions

a) Management Contracts

During the period, the Company has incurred professional fees amounting to \$11,575 (2014 - \$15,220) with a company controlled by its Chief Financial Officer. In relation with these transactions, \$ 52,823 was payable as at March 31, 2015 (December 31, 2014 - \$48,028). These amounts are included in accounts payable and accrued liabilities.

During the period, the Company has incurred professional fees amounting to \$ Nil (\$8,192 in 2014) with a director of the company. In relation with these transactions, \$ 4,685 was payable as at March 31, 2015 (December 31, 2014 - \$43,803). This amount is included in accounts payable and accrued liabilities.

b) Due to a Director

On February 21, 2014 the Company issued a promissory note in the amount of \$200,000 maturing on February 21, 2019 in favour of a Director of the Company. Under the terms of the Promissory Note the Director will provide financing to the Company in a series of scheduled payments between February 21, 2014 and March 30, 2015.

Interest on the Promissory Note is calculated at 18% per annum of which 12% is payable in cash or shares and 6% is payable in shares.

On February 23, 2015, this amount was settled by the issuance of shares (Note 9).

St-Georges Platinum & Base Metals Ltd.

Notes to Financial Statements

For the three months ended March 31, 2015

(Unaudited)

14. Related Party Transactions (continued)

c) St-Georges Family Trust

On October 5, 2013, following the final payment related to the 2007 initial acquisition of Julie and Isoukustouc properties, the St-Georges Family Trust (of which Francois Dumas, a Director of the Company, is one of the Trustees) became eligible to receive a perpetual production royalty of 1.5% of the Net Smelter Returns from these properties. The Company has the option to purchase 0.5% of these NSR within 12 months of commencement of industrial exploitation of the properties for an amount of \$500,000.

As exploration of these properties is ongoing, there is currently no industrial exploitation.

d) Stocked based compensation

During the prior year, the company issued 1,125,000 stock options to the members of the board. The stock options are exercisable at a price of \$ 0.20 per share before April 3, 2019. The fair value of the stock option grant was calculated at \$109,083. No options have been granted in the current period.

15. Subsequent Event

On April 25, 2015, the Company signed a promissory note for \$25,000 in favour of a director of the Company. The note is due April 25, 2016 together with a \$5,000 fee and interest at 24% per annum, secured by a security interest in all the tangible and intangible property of the Company.