ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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Report of Independent Registered Public Accounting Firm

To the Shareholders of Corvus Gold Inc.

We have audited the accompanying consolidated balance sheets of Corvus Gold Inc. (the "Company") as of May 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its 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 examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Corvus Gold Inc. as at May 31, 2015 and 2014 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
August 25, 2015

CORVUS GOLD INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian dollars)

		May 31, 2015		May 31, 2014
ASSETS				
Current assets				
Cash and cash equivalents	$	5,159,962	$	3,227,970
Marketable securities (note 5)		-		147,451
Accounts receivable		26,015		16,787
Prepaid expenses		248,679		217,316
Total current assets		5,434,656		3,609,524
Property and equipment (note 6)		96,703		97,447
Reclamation bonds (note 7)		-		522,332
Capitalized acquisition costs (note 8)		4,866,634		4,045,115
Total assets	$	10,397,993	$	8,274,418
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 11)	$	419,228	$	622,950
Promissory note payable (note 9)		298,488		-
Total current liabilities		717,716		622,950
Promissory note payable (note 9)		-		260,208
Asset retirement obligations (note 8)		132,579		-
Total liabilities		850,295		883,158
Shareholders' equity				
Share capital (note 10)		64,256,889		53,703,440
Contributed surplus (note 10)		11,247,286		9,768,967
Accumulated other comprehensive income - cumulative translation differences		853,349		151,192
Deficit accumulated during the exploration stage		(66,809,826)		(56,232,339)
Total shareholders' equity		9,547,698		7,391,260
Total liabilities and shareholders' equity	$	10,397,993	$	8,274,418

Nature and continuance of operations (note 2)

Approved on behalf of the Directors:

"Jeffrey Pontius" Director

"Anton Drescher" Director

These accompanying notes form an integral part of these consolidated financial statements

CORVUS GOLD INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended May 31, 2015 and 2014
(Expressed in Canadian dollars)

	May 31, 2015	May 31, 2014
Operating expenses		
Administration	$ 13,225	$ 11,133
Bad debts	-	22,118
Consulting fees (notes 10 and 11)	827,163	686,662
Depreciation (note 6)	28,191	25,657
Exploration expenditures (notes 8 and 10)	5,640,920	8,151,179
Insurance	92,207	52,914
Investor relations (notes 10 and 11)	930,260	1,224,378
Office and miscellaneous	148,063	146,797
Professional fees (notes 10 and 11)	505,239	486,774
Regulatory	154,996	118,637
Rent	96,564	95,175
Travel	195,016	138,153
Wages and benefits (notes 10 and 11)	1,904,767	1,957,900
Total operating expenses	(10,536,611)	(13,117,477)
Other income (expense)		
Interest income	22,115	41,912
Gain on sale of capitalized acquisition costs (note 8(d))	-	1,840,480
Write-off of capitalized acquisition costs (note 8(b))	-	(395,485)
Unrealized loss on marketable securities	-	(26,388)
Loss on sale of marketable securities (note 5)	(125,166)	-
Foreign exchange gain (loss)	62,175	(8,016)
Total other income (expense)	(40,876)	1,452,503
Net loss for the year	(10,577,487)	(11,664,974)
Other comprehensive income		
Exchange difference on translating foreign operations	702,157	224,273
Comprehensive loss for the year	$ (9,875,330)	$ (11,440,701)
Basic and diluted net loss per share	$ (0.14)	$ (0.17)
Weighted average number of shares outstanding	75,517,310	67,865,028

These accompanying notes form an integral part of these consolidated financial statements

CORVUS GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2015 and 2014
(Expressed in Canadian dollars)

	May 31, 2015	May 31, 2014
Operating activities		
Net loss for the year	$ (10,577,487)	$ (11,664,974)
Add items not affecting cash:		
Bad debts	-	22,118
Depreciation	28,191	25,657
Write-off of capitalized acquisition costs	-	395,485
Gain on sale of capitalized acquisition costs (note 8(d))	-	(1,840,480)
Stock-based compensation (note 10)	1,485,695	1,846,269
Unrealized loss on marketable securities	-	26,388
Loss on sale of marketable securities	125,166	-
(Gain) loss on foreign exchange	(62,175)	8,016
Changes in non-cash items:		
Accounts receivable	(9,228)	25,507
Prepaid expenses	(31,363)	363,004
Accounts payable and accrued liabilities	(203,722)	102,500
Cash used in operating activities	(9,244,923)	(10,690,510)
Financing activities		
Cash received from issuance of shares	10,689,450	5,278,300
Share issuance costs	(207,977)	(40,312)
Cash provided by financing activities	10,481,473	5,237,988
Investing activities		
Cash received from sale of marketable securities	35,723	-
Expenditures on property and equipment	(13,822)	(56,404)
Refund of (payment of) reclamation bond	626,324	(3,203)
Cash received from sale of capitalized acquisition costs	-	1,976,580
Capitalized acquisition costs	(32,508)	(1,135,989)
Cash provided by investing activities	615,717	780,984
Effect of foreign exchange on cash	79,725	32,238
Increase (decrease) in cash and cash equivalents	1,931,992	(4,639,300)
Cash and cash equivalents, beginning of the year	3,227,970	7,867,270
Cash and cash equivalents, end of the year	$ 5,159,962	$ 3,227,970

Supplemental cash flow information (note 13)

These accompanying notes form an integral part of these consolidated financial statements

CORVUS GOLD INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Income(Loss) – Cumulative Translation Differences	Deficit	Total
Balance, May 31, 2013	**65,115,028**	**$ 48,442,086**	**$ 7,946,064**	**$ (73,081)**	**$ (44,567,365)**	**$ 11,747,704**
Net loss for the year	-	-	-	-	(11,664,974)	(11,664,974)
Other comprehensive income						
Exchange difference on translating foreign operations	-	-	-	224,273	-	224,273
Shares issued for cash						
Private placement	5,230,000	5,230,000	-	-	-	5,230,000
Exercise of stock options	70,000	48,300	-	-	-	48,300
Reclassification of contributed surplus on exercise of stock options	-	23,366	(23,366)	-	-	-
Share issuance costs	-	(40,312)	-	-	-	(40,312)
Stock-based compensation	-	-	1,846,269	-	-	1,846,269
Balance, May 31, 2014	**70,415,028**	**53,703,440**	**9,768,967**	**151,192**	**(56,232,339)**	**7,391,260**
Net loss for the year	-	-	-	-	(10,577,487)	(10,577,487)
Other comprehensive income						
Exchange difference on translating foreign operations	-	-	-	702,157	-	702,157
Shares issued for cash						
Public offering	5,150,000	6,180,000	-	-	-	6,180,000
Private placement	4,500,000	4,500,000	-	-	-	4,500,000
Exercise of stock options	18,900	9,450	-	-	-	9,450
Share issued for capitalized acquisition costs	85,000	64,600	-	-	-	64,600
Reclassification of contributed surplus on exercise of stock options	-	7,376	(7,376)	-	-	-
Share issuance costs	-	(207,977)	-	-	-	(207,977)
Stock-based compensation	-	-	1,485,695	-	-	1,485,695
Balance, May 31, 2015	**80,168,928**	**$ 64,256,889**	**$ 11,247,286**	**$ 853,349**	**$ (66,809,826)**	**$ 9,547,698**

These accompanying notes form an integral part of these consolidated financial statements

1. PLAN OF ARRANGEMENT AND TRANSFER OF ASSETS

On August 25, 2010, International Tower Hill Mines Ltd. ("ITH") completed a Plan of Arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia) ("BCBCA") whereby its existing Alaska mineral properties (other than the Livengood project) and related assets and the North Bullfrog mineral property and related assets in Nevada (collectively, the "Nevada and Other Alaska Business") were indirectly spun out into a new public company, being Corvus Gold Inc. ("Corvus" or the "Company").

The Arrangement was approved by the board of directors of each of ITH and Corvus and by the shareholders of ITH and was accepted for filing by the Toronto Stock Exchange ("TSX") on behalf of both ITH and Corvus. In connection with the completion of the Arrangement, the common shares of Corvus were listed on the TSX.

Under the Arrangement, each shareholder of ITH received (as a return of capital) one Corvus common share for every two ITH common shares held as at the effective date of the Arrangement and exchanged each old common share of ITH for a new common share of ITH. As part of the Arrangement, ITH transferred its wholly-owned subsidiary Corvus Gold Nevada Inc. (formerly Talon Gold Nevada Inc.) ("Corvus Nevada"), incorporated in Nevada, United States (which held the North Bullfrog property), to Corvus and a wholly-owned Alaskan subsidiary of ITH sold to Raven Gold Alaska Inc. ("Raven Gold"), incorporated in Alaska, United States, a wholly owned subsidiary of Corvus, the Terra, Chisna, LMS and West Pogo properties. As a consequence of the completion of the Arrangement, Corvus now holds the Terra, Chisna, LMS, West Pogo and North Bullfrog properties (the "Spin-out Properties").

The Company's consolidated financial statements reflect the Balance Sheets and Statement of Changes in Shareholders' Equity of the Nevada and Other Alaska Business as if Corvus existed in its present form since the inception of the business on June 1, 2006. The financial statements have been presented under the predecessor basis of accounting with Balance Sheet amounts based on the amounts recorded by ITH. Management cautions readers of these financial statements that the allocation of expenses does not necessarily reflect future general and administrative expenses.

The deficit of the Company at August 25, 2010 was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each period as compared to the costs incurred on all mineral properties of ITH in each of these periods to the cumulative transactions relating to the Spin-out Properties from the date of acquisition of those mineral properties to August 25, 2010 and includes an allocation of ITH's general and administrative expenses from the date of acquisition of those mineral properties to August 25, 2010. The allocation of general and administrative expense was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each prior year as compared to the costs incurred on all mineral properties and exploration costs of ITH in each of those prior years. Subsequent to August 25, 2010, ITH has not incurred any expenses on behalf of Corvus and therefore, no allocation of ITH expenses subsequent to that date has occurred.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on April 13, 2010 under the BCBCA. These consolidated financial statements reflect the cumulative operating results of the predecessor, as related to the mineral properties that were transferred to the Company from June 1, 2006.

The Company is engaged in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. At May 31, 2015, the Company had interests in properties in Alaska and Nevada, U.S.A.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral property interests. The recoverability of amounts shown for mineral properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying value of the Company's mineral properties does not reflect current or future values.

These consolidated financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future within one year from the date the consolidated financial statements are issued. There is substantial doubt upon the Company's ability to continue as going concern, as explained in the following paragraphs.

The Company has sustained losses from operations, and has an ongoing requirement for capital investment to explore its mineral properties. As at May 31, 2015, the Company had working capital of $4,716,940 compared to working capital of $2,986,574 as at May 31, 2014. Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans for the 12 months from the date the consolidated financial statement are issued and will be required to raise additional funds through public or private equity financings in order to continue in business. The Company anticipates that it will pursue additional financings towards the end of the 2015 calendar year to raise additional funds for the 2016 calendar year.

The Company also expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. Should such financing not be available in that time-frame, the Company will be required to reduce its activities and will not be able to carry out all of its presently planned exploration and development activities on its currently anticipated scheduling.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements are presented in Canadian dollars and have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP").

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (collectively, the "Group"), Corvus Gold (USA) Inc. ("Corvus USA") (a Nevada corporation), Corvus Gold Nevada Inc. ("Corvus Nevada") (a Nevada corporation), Raven Gold Alaska Inc. ("Raven Gold") (an Alaska corporation) and SoN Land and Water LLC ("SoN") (a Nevada limited liability company). All intercompany transactions and balances were eliminated upon consolidation.

Significant judgments, estimates and assumptions

The preparation of these financial statements in accordance with US GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the carrying value and the recoverability of the capitalized acquisition costs included in the Balance Sheet, the assumptions used to determine the fair value of stock-based compensation in the Statement of Operations and Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations.

Significant judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

- The determination of deferred tax assets and liabilities recorded in the Balance Sheet.
- The analysis of resource calculations, drill results, laboratory work, etc., which can impact the Company's assessment of impairments, and provisions, if any, for environmental rehabilitation and restorations.
- The determination of functional currency. In accordance with FAS 52 *"Foreign Currency Translation"*, management determined that the functional currency of Corvus USA, Corvus Nevada, Raven Gold and SoN is US dollars and for all other entities within the Group, the functional currency is Canadian dollars, as these are the currencies of the primary economic environment in which the companies operate.

Cash and cash equivalents

Cash equivalents include highly liquid investments in term deposits that are readily convertible to known amounts of cash with original maturities of three months or less, and term deposits with original term of maturities greater than three months but are cashable after 30 days with no penalties, and are subject to an insignificant risk of change in value.

Marketable securities

Marketable securities held in companies with an active market are classified as held-for-trading securities. Held-for-trading securities are recorded at fair value in the financial statements with unrealized gains and losses recorded in profit or loss in the Statement of Operations and Comprehensive Income (Loss).

Foreign currency translation

The presentation currency of the Company is the Canadian dollar.

The functional currency of each of the parent company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The functional currency of Corvus USA, Corvus Nevada, Raven Gold and SoN is US dollars, and for the Company the functional currency is Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the Statement of Operations and Comprehensive Income (Loss) in the year in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the Statement of Operations and Comprehensive Income (Loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at monthly average exchange rates during the year.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's exchange difference on translating foreign operations in the Statement of Operations and Comprehensive Income (Loss) and are reported as a separate component of shareholders' equity titled "Cumulative Translation Differences". These differences are recognized in profit or loss in the year in which the operation is disposed of.

Property and equipment

a) Recognition and measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

b) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

c) Major maintenance and repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

d) Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other items in profit or loss.

e) Depreciation

Depreciation is recognized in profit or loss on a declining-balance basis at the following annual rates:

Computer equipment	-	30% declining balance
Vehicles	-	30% declining balance
Tent	-	20% declining balance

Additions during the year are depreciated at one-half the annual rates.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Mineral properties and exploration and evaluation expenditures

The Company's mineral projects are currently in the exploration and evaluation phase. All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration costs are expensed as incurred. At such time that the Company determines that a mineral property can be economically developed, subsequent mineral property expenses will be capitalized during the development of such property.

The Company assesses interests in exploration properties for impairment or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Impairment analysis includes assessment of the following circumstances: a significant decrease in the market price of a long-lived asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

Asset retirement obligations

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or contractually required to remediate and recorded at the time environmental disturbance occurs. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports and accreted to full value over time through periodic charges to profit or loss. As at May 31, 2015, the Company recorded a provision of $132,579 (USD 107,000) (2014 - $Nil) for environmental rehabilitation.

Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be recognized.

Share capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issuance costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrants.

Earnings (loss) per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings (loss) per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. For the year ended May 31, 2015, 7,396,334 outstanding stock options (2014 – 6,175,234) were not included in the calculation of diluted earnings (loss) per share as their inclusion was anti-dilutive.

Stock-based compensation

The Company follows the provisions of Financial Accounting Standards Board Accounting Standards Codification Section 718 "Compensation - Stock Compensation", which establishes accounting for equity based compensation awards to be accounted for using the fair value method. The Company uses the Black-Scholes option pricing model to determine the grant date fair value of the awards. Compensation expense is measured at the grant date and recognized over the requisite service period, which is generally the vesting period.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up adjusted by the fair value of any monetary consideration received or given. When the asset received or the consideration given up is shares in an actively traded market, the value of those shares will be considered fair value.

(Expressed in Canadian dollars)

Joint venture accounting

Where the Company's exploration and development activities are conducted with others, the accounts reflect only the Company's proportionate interest in such activities. The Company currently does not have any joint venture accounting.

Recent accounting pronouncements

Development Stage Entities (Topic 915)

In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-10, Development Stage Entities (Topic 915) which provides guidance for improving financial reporting and consolidation. This ASU affects any entity that is development stage entity under US GAAP and any entity that has an interest in an entity that is a development stage entity. This ASU will supersede Master Glossary term Development Stage Entity. This ASU also supersedes Topic 915, Development Stage Entities. The Company has early adopted this standard, effective June 1, 2012. The adoption of this accounting standard update eliminated the inception-to-date information in the consolidated financial statements.

Presentation of Financial Statements – Going Concern (Subtopic 205-40)

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued and to provide related disclosures. The Company has early adopted this standard, effective March 1, 2015. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

The Company has evaluated all other recently issued accounting pronouncements and believes such pronouncements do not have a material effect on the Company's consolidated financial statements.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the Consolidated Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The following table presents the financial instruments recorded at fair value, classified using the fair value hierarchy described above:

May 31, 2015	**Level 1**
Cash and cash equivalents	$ 5,159,962

(Expressed in Canadian dollars)

May 31, 2014		**Level 1**
Cash and cash equivalents	$	3,227,970
Marketable securities	$	147,451

5. MARKETABLE SECURITIES

As at May 31, 2015, the Company held Nil (2014 – 200,000) common shares of WestMountain Gold with a fair value of $Nil (2014 - $147,451). The Company classified these shares as held-for-trading. During the year ended May 31, 2015, the Company sold 200,000 shares of WestMountain Gold for an average price of USD 0.14529 per share for gross proceeds of $35,723 (USD29,058) and a realized net loss of $125,166.

6. PROPERTY AND EQUIPMENT

	Computer Equipment	Vehicles	Tent	Total
Cost				
Balance, May 31, 2013	$ 35,652	$ 70,728	$ -	$ 106,380
Additions	1,706	-	54,698	56,404
Currency translation adjustments	1,375	3,234	(488)	4,121
Balance, May 31, 2014	38,733	73,962	54,210	166,905
Additions	13,822	-	-	13,822
Currency translation adjustments	6,391	10,881	7,975	25,247
Balance, May 31, 2015	$ 58,946	$ 84,843	$ 62,185	$ 205,974
Depreciation				
Balance, May 31, 2013	$ 14,593	$ 27,145	$ -	$ 41,738
Depreciation for the year	6,713	13,446	5,498	25,657
Currency translation adjustments	672	1,467	(76)	2,063
Balance, May 31, 2014	21,978	42,058	5,422	69,458
Depreciation for the year	7,497	10,247	10,447	28,191
Currency translation adjustments	3,160	6,918	1,544	11,622
Balance, May 31, 2015	$ 32,635	$ 59,223	$ 17,413	$ 109,271
Carrying amounts				
Balance, May 31, 2014	$ 16,755	$ 31,904	$ 48,788	$ 97,447
Balance, May 31, 2015	$ 26,311	$ 25,620	$ 44,772	$ 96,703

7. RECLAMATION BONDS

As at May 31, 2015, the Company has not commenced development of any mineral properties and accordingly a reasonable estimate of the timing of the cash flows cannot be made. The Company has posted non-interest bearing bonds totalling $Nil (USD Nil) (2014 - $522,332 (USD 481,767)) with the Nevada Division of Minerals in the State of Nevada as security for these obligations. Fair value cannot be reasonably determined and accordingly the bonds have been recorded at historical cost, adjusted for current exchange rates. During the year ended May 31, 2015, the Company entered into a corporate surety bond with a bonding company and as a result, the previously posted non-interest bearing bonds were refunded by the Nevada Division of Minerals in the State of Nevada.

(Expressed in Canadian dollars)

8. MINERAL PROPERTIES

The Company had the following activity related to capitalized acquisition costs:

	West Pogo (note 8(b))	Chisna (note 8(a))	North Bullfrog (notes 8(e))	LMS (note 8(c))	Terra (note 8(d))	**Total**
Balance, May 31, 2013	**$ 370,271**	**$ 526,199**	**$ 1,923,902**	**$ 311,796**	**$ 311,796**	**$ 3,443,964**
Acquisition costs						
Cash payments (note 8e)(ii)(1) and 8e)(ii)(4))	-	-	1,135,989	-	-	**1,135,989**
Gain from disposition (note 8d)	-	-	-	-	1,840,480	**1,840,480**
Proceeds on sale of capitalized acquisition costs	-	-	-	-	(2,152,276)	**(2,152,276)**
Write-off of capitalized acquisition costs	(395,485)	-	-	-	-	**(395,485)**
Currency translation adjustments	25,214	24,056	108,919	14,254	-	**172,443**
Balance, May 31, 2014	**-**	**550,255**	**3,168,810**	**326,050**	**-**	**4,045,115**
Acquisition costs						
Cash payments (note 8e)(ii)(1)	-	-	32,508	-	-	**32,508**
Shares issued (note 8e)(ii)(1)	-	-	64,600	-	-	**64,600**
Asset retirement obligations	-	-	132,579	-	-	**132,579**
Currency translation adjustments	-	80,950	462,915	47,967	-	**591,832**
Balance, May 31, 2015	**$ -**	**$ 631,205**	**$ 3,861,412**	**$ 374,017**	**$ -**	**$ 4,866,634**

(Expressed in Canadian dollars)

The following table presents costs incurred for exploration and evaluation activities for the year ended May 31, 2015:

	West Pogo (note 8(b))	Chisna (note 8(a))	North Bullfrog (notes 8(e))	LMS (note 8(c))	**Total 2015**
Exploration costs:					
Aircraft services	$ -	$ 11,202	$ -	$ -	**$ 11,202**
Assay	-	12,926	935,239	-	**948,165**
Drilling	-	-	1,577,253	-	**1,577,253**
Equipment rental	-	1,466	232,808	-	**234,274**
Field costs	2,027	9,218	317,575	337	**329,157**
Geological/Geophysical	4,201	1,984	1,009,824	29,599	**1,045,608**
Land maintenance & tenure	11,023	77,972	263,754	27,331	**380,080**
Permits	-	-	1,700	-	**1,700**
Studies	-	-	920,301	-	**920,301**
Transportation	-	-	-	1,130	**1,130**
Travel	-	5,133	185,494	1,423	**192,050**
Total expenditures for the year	**$ 17,251**	**$ 119,901**	**$ 5,443,948**	**$ 59,820**	**$ 5,640,920**

(Expressed in Canadian dollars)

The following table presents costs incurred for exploration and evaluation activities for the year ended May 31, 2014:

	West Pogo (note 8(b))	Chisna (note 8(a))	North Bullfrog (notes 8(e))	LMS (note 8(c))	Terra (note 8(d))	Gerfaut	**Total 2014**
Exploration costs:							
Aircraft services	$ -	$ -	$ -	$ -	$ 1,778	$ -	**$ 1,778**
Assay	-	-	1,774,143	440	-	-	**1,774,583**
Drilling	-	-	2,719,667	-	-	-	**2,719,667**
Equipment rental	-	-	254,094	-	840	-	**254,934**
Field costs	-	13,572	333,334	561	8	2,817	**350,292**
Geological/Geophysical	-	12,287	1,097,613	12,647	32,073	31	**1,154,651**
Land maintenance & tenure	3,371	242,543	301,320	20,701	95,735	-	**663,670**
Permits	-	-	7,256	-	-	-	**7,256**
Professional fees	-	-	-	-	7,341	-	**7,341**
Studies	-	-	1,066,969	-	-	-	**1,066,969**
Transportation	-	1,526	-	1,755	-	-	**3,281**
Travel	-	8,601	229,671	-	4,442	-	**242,714**
	3,371	278,529	7,784,067	36,104	142,217	2,848	**8,247,136**
Cost Recovery	-	-	-	-	(95,957)	-	**(95,957)**
Total expenditures for the year	**$ 3,371**	**$ 278,529**	**$ 7,784,067**	**$ 36,104**	**$ 46,260**	**$ 2,848**	**$ 8,151,179**

a) Chisna Property, Alaska

The Chisna property is located in the eastern Alaska Range, Alaska, and is comprised of unpatented mineral claims owned 100% by the Company and fee simple lands leased from Ahtna Incorporated.

On November 2, 2009, ITH and Talon Gold Alaska, Inc. (ITH's wholly-owned Alaskan subsidiary) ("Talon Gold") entered into an agreement (as amended) with Ocean Park Ventures Corp. ("OPV"). Pursuant to the agreement, an Alaskan subsidiary of OPV ("Subco") and Raven Gold formed a joint venture (the "OPV/Raven JV") for the purpose of exploring and developing the Chisna property.

On November 7, 2012, OPV withdrew from the joint venture and thereby returned 100% of the Chisna Project to the Company.

On March 24, 2010, Raven Gold entered into a Mineral Exploration Agreement with Option to Lease with Ahtna Incorporated ("Ahtna"), an Alaska Native Regional Corporation, concerning approximately 26,516 hectares of fee simple lands in the Athell Area of Alaska surrounding or adjacent to some of the blocks of mineral claims owned by Raven Gold (the "Ahtna Agreement").

The key terms of the Ahtna Agreement include the following:

- exclusive right to explore, and the option to enter into a mining lease to develop and mine, the subject lands for a six-year period
- annual option payments of USD 1.00 – USD 1.25 per acre
- minimum exploration expenditures of USD 4.00 – USD 8.00 per acre, provided that if the agreement is not terminated at the end of any option year, the exploration expenditures for the next year become a firm commitment
- at the end of the third year, Raven Gold will release at least 50% of the original lands subject to the agreement
- preferential contracting, hiring and training practice for Ahtna shareholders or designees
- scholarship contributions to the Ahtna Heritage Foundation (USD 10,000/year, subject to increase for inflation)
- all surface work subject to Ahtna archaeological and cultural clearance

Upon Raven Gold having expended an aggregate of USD 1,000,000 (including 2,500 feet of core drilling) and having completed a feasibility study over some or all of the land subject to the exploration agreement within the six year term of the Ahtna Agreement, Raven Gold has the option to enter into a mining lease. The key terms of the mining lease include:

- exclusive mining rights for an initial term of ten years and so long thereafter as commercial production continues
- minimum exploration expenditures of USD 4.00 – USD 9.00 per acre subject to the lease until commercial production is achieved, escalating over time
- advance minimum royalty payments of USD 6.00 – USD 12.00 per acre escalating over time (50% deductible from production royalties)
- NSR production royalties for gold and silver scaled from 2.5% (gold price USD 550 per ounce or less) to 14% (gold price USD 1,900 per ounce or higher). 2.5% on base metals and 3% on all minerals other than gold, silver or base metals
- Ahtna is also entitled to receive an amount by which 20% of the net profits realized by Raven Gold from its mining operations on Ahtna minerals (10% in the case of non-Ahtna minerals) in any year exceed the aggregate royalties paid by Raven Gold to Ahtna in that year
- Ahtna has the right to acquire a working interest in the lands subject to the lease, which is to be greater than or equal to 10% but not more than 15%, upon Raven Gold having made a production decision, and in consideration, Ahtna will be required to fund ongoing operations after such exercise in an amount equal to 200% of Ahtna's percentage share of the pre-

production expenditures incurred by Raven Gold (not including advance minimum royalty payments to Ahtna).

During the year ended May 31, 2015, the Company gave notification and terminated the Ahtna lease.

b) West Pogo Property, Alaska

The West Pogo property is located approximately 50 kilometres north of Delta Junction, Alaska, and consists of unpatented mineral claims owned 100% by the Company.

During the year ended May 31, 2014, the Company wrote off the West Pogo property, as there had been a delay in exploration work on the property for an extended period of time.

On July 29, 2015, Raven Gold completed a transaction with Millrock Resources Inc. on the West Pogo and Goodpaster database projects in Alaska. The ownership position was sold for USD 120,000 (received subsequent to May 31, 2015). For the West Pogo project, the Company retained net smelter return ("NSR") royalties of 3% on precious metals and 1% on base metals with 1% of the precious metal royalty buy down for USD 2 million and a further 1% for a additional USD 5 million. For the Goodpaster database, the Company retained NSR royalty of 1% on all new claims acquired within the defined Area of Interest which totals some 1,500 square kilometres covering the largest gold producing District in Alaska. One half of the royalty can be purchased for USD 2 million. The Company also granted Millrock an exclusive right to enter into an option agreement for the purchase of its LMS project also in the Goodpaster Mining District of Alaska until September 1, 2015 (summary below):

- Total cash component for the asset will total USD 775,000 over 5 years.
- The Company retained NSR royalty of 3% on precious metals and 1% on base metals with 1% of the precious metal royalty buy down of USD 4 million.

c) LMS Property, Alaska

The LMS property consists of unpatented mineral claims owned 100% by the Company.

d) Terra Property, Alaska

The Terra Property consisted of State of Alaska unpatented lode mining claims held by the Company and State of Alaska unpatented lode mining claims leased from an individual.

During the year ended May 31, 2014, Raven Gold completed the sale of its minority interest in the Terra Property. As a result, there was a net gain on sale of $1,840,480 during the year ended May 31, 2014.

e) North Bullfrog Project, Nevada

The Company's North Bullfrog project consists of certain leased patented lode mining claims and federal unpatented mining claims owned 100% by the Company.

(i) **Interests acquired from Redstar Gold Corp.**

On October 9, 2009, a US subsidiary of ITH at the time (Corvus Nevada) completed the acquisition of all of the interests of Redstar Gold Corp. ("Redstar") and Redstar Gold

U.S.A. Inc. ("Redstar US") in the North Bullfrog project, which consisted of the following leases:

(1) Pursuant to a mining lease and option to purchase agreement made effective October 27, 2008 between Redstar and an arm's length limited liability company, Redstar has leased (and has the option to purchase) 12 patented mining claims referred to as the "Connection" property. The ten-year, renewable mining lease requires advance minimum royalty payments (recoupable from production royalties, but not applicable to the purchase price if the option to purchase is exercised) of USD 10,800 (paid) on signing and annual payments for the first three anniversaries of USD 10,800 (paid) and USD 16,200 for every year thereafter (paid to September 30, 2014). Redstar has an option to purchase the property (subject to the NSR royalty below) for USD 1,000,000 at any time during the life of the lease. Production is subject to a 4% NSR royalty, which may be purchased by the lessee for USD 1,250,000 per 1% (USD 5,000,000 for the entire royalty).

(2) Pursuant to a mining lease made and entered into as of May 8, 2006 between Redstar and two arm's length individuals, Redstar has leased 3 patented mining claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, and for so long thereafter as mining activities continue on the claims or contiguous claims held by the lessee. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties) of USD 4,000 on execution, USD 3,500 on each of May 8, 2007, 2008 and 2009 (paid), USD 4,500 on May 8, 2010 and each anniversary thereafter, adjusted for inflation (paid to May 8, 2015). The lessor is entitled to receive a 2% NSR royalty on all production, which may be purchased by the lessee for USD 1,000,000 per 1% (USD 2,000,000 for the entire royalty).

(3) Pursuant to a mining lease made and entered into as of May 8, 2006 between Redstar and an arm's length private Nevada corporation, Redstar has leased 2 patented mining claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, and for so long thereafter as mining activities continue on the claims or contiguous claims held by the lessee. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties) of USD 2,000 on execution, USD 2,000 on each of May 8, 2007, 2008 and 2009 (paid), USD 3,000 on May 8, 2010 and each anniversary thereafter, adjusted for inflation (paid to May 8, 2015). The lessor is entitled to receive a 3% NSR royalty on all production, which may be purchased by the lessee for USD 850,000 per 1% (USD 2,550,000 for the entire royalty). On May 29, 2014, the parties signed a First Amendment Agreement whereby the Lease is amended to provide that in addition to the Advance Minimum Royalty payments payable in respect of the Original Claims, the lessee will now pay to the lessor Advance Minimum Royalty payments in respect of the Yellow Rose Claims of USD 2,400 on execution, USD 2,400 on each of May 29, 2015, 2016 and 2017 (paid to May 29, 2015), USD 3,600 on May 29, 2018 and each anniversary thereafter.

(4) Pursuant to a mining lease made and entered into as of May 16, 2006 between Redstar and an arm's length individual, Redstar has leased 12 patented mineral claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, and for so long thereafter as mining activities continue on the claims or contiguous claims held by the lessee. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties) of USD

20,500 on execution and USD 20,000 on each anniversary thereafter (paid to May 16, 2015). The lessor is entitled to receive a 4% NSR royalty on all production, which may be purchased by the lessee for USD 1,000,000 per 1% (USD 4,000,000 for the entire royalty).

(5) Pursuant to a mining lease made and entered into as of May 22, 2006 between Redstar and two arm’s length individuals, Redstar has leased 3 patented mineral claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, and for so long thereafter as mining activities continue on the claims or contiguous claims held by the lessee. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties) of USD 8,000 on execution, USD 4,800 on each of May 22, 2007, 2008 and 2009 (paid), USD 7,200 on May 22, 2010 and each anniversary thereafter, adjusted for inflation (paid to May 22, 2015). The lessor is entitled to receive a 2% NSR royalty on all production, which may be purchased by the lessee for USD 1,000,000 per 1% (USD 2,000,000 for the entire royalty).

(6) Pursuant to a mining lease made and entered into as of June 16, 2006 between Redstar and an arm’s length individual, Redstar has leased one patented mineral claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, and for so long thereafter as mining activities continue on the claims or contiguous claims held by the lessee. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties) of USD 2,000 on execution, USD 2,000 on each of June 16, 2007, 2008 and 2009 (paid), USD 3,000 on June 16, 2010 and each anniversary thereafter, adjusted for inflation (paid to June 16, 2014 and subsequently to June 16, 2015). The lessor is entitled to receive a 2% NSR royalty on all production, which may be purchased by the lessee for USD 1,000,000 per 1% (USD 2,000,000 for the entire royalty).

As a consequence of the acquisition of Redstar and Redstar US’s interest in the foregoing leases, Corvus Nevada is now the lessee under all of such leases. The Company acquired all of the shares of Corvus Nevada on August 26, 2010 upon the completion of the Arrangement.

(ii) **Interests acquired directly by Corvus Nevada**

(1) Pursuant to a mining lease and option to purchase agreement made effective December 1, 2007 between Corvus Nevada and a group of arm’s length limited partnerships, Corvus Nevada has leased (and has the option to purchase) patented mining claims referred to as the “Mayflower” claims which form part of the North Bullfrog project. The terms of the lease/option are as follows:

¤ *Terms*: Initial term of five years, commencing December 1, 2007, with the option to extend the lease for an additional five years. The lease will continue for as long thereafter as the property is in commercial production or, alternatively, for an additional three years if Corvus Nevada makes advance minimum royalty payments of USD 100,000 per year (which are recoupable against actual production royalties).

¤ *Lease Payments*: USD 5,000 (paid) and 25,000 common shares of ITH (delivered) following regulatory acceptance of the transaction; and an additional USD 5,000 and 20,000 common shares on each of the first through fourth lease anniversaries (paid and issued). Pursuant to an agreement with the lessors, in lieu of the 20,000 ITH shares due December 1, 2010, Corvus Nevada paid USD 108,750 on November 10, 2010 and delivered 46,250 common shares of the Company on December 2, 2010. If Corvus Nevada elects to extend the lease for a second five-year term, it will pay USD 10,000 and deliver 50,000 common shares of ITH upon election being made, and an additional 50,000 common shares of ITH on each of the fifth through ninth anniversaries (USD 10,000 paid on October 31, 2012 and 50,000 common shares of ITH delivered on October 25, 2012 paid with cash of $126,924; and USD 10,000 paid on November 13, 2013 and 50,000 common shares of ITH delivered on November 25, 2013 paid with cash of $35,871, and USD 10,000 paid on November 17, 2014 and 50,000 common shares of ITH, purchased for $21,200 in the market by the Company, were delivered on November 7, 2014).

¤ *Anti-Dilution:* Pursuant to an amended agreement agreed to by the lessors in March 2015, the Company shall deliver a total of 85,000 common shares (issued) of the Company for the years 2011 to 2014 (2011: 10,000 common shares; 2012 to 2014: 25,000 common shares each year). All future payments will be satisfied by the delivery of an additional ½ common shares of the Company for each of the ITH shares due per the original agreement.

¤ *Work Commitments*: USD 100,000 per year for the first three years (incurred), USD 200,000 per year for the years 4 – 6 (incurred) and USD 300,000 for the years 7 – 10. Excess expenditures in any year may be carried forward. If Corvus Nevada does not incur the required expenditures in year one, the deficiency is required to be paid to the lessors.

¤ *Retained Royalty*: Corvus Nevada will pay the lessors a NSR royalty of 2% if the average gold price is USD 400 per ounce or less, 3% if the average gold price is between USD 401 and USD 500 per ounce and 4% if the average gold price is greater than USD 500 per ounce.

(2) Pursuant to a mining lease and option to purchase made effective March 1, 2011 between Corvus Nevada and an arm’s length individual, Corvus Nevada has leased, and has the option to purchase, 2 patented mineral claims which form part of the North Bullfrog project holdings. The lease is for an initial term of 10 years, subject to extension for an additional 10 years (provided advance minimum royalties are timely paid), and for so long thereafter as mining activities continue on the claims. The lessee is required to pay advance minimum royalty payments (recoupable from production royalties, but not applicable to the purchase price if the option to purchase is exercised) of USD 20,000 on execution (paid), USD 25,000 on each of March 1, 2012 (paid), 2013 (paid) and 2014 (paid), USD 30,000 on March 1, 2015 (paid) and each anniversary thereafter, adjusted for inflation. The lessor is entitled to receive a 2% NSR royalty on all production. The lessee may purchase the royalty for USD 1,000,000 per 1%. If the lessee purchases the entire royalty (USD 2,000,000) the lessee will also acquire all interest of the lessor in the subject property.

(3) Pursuant to a purchase agreement made effective March 28, 2013, Corvus Nevada has agreed to purchase the surface rights of five patented mining claims owned by two arm’s length individuals for USD 160,000 payable on closing (March 28, 2013). The terms include payment by Corvus Nevada of a fee of USD 0.02 per ton of

overburden to be stored on the property, subject to payment for a minimum of 12 million short tons. The minimum tonnage fee (USD 240,000) bears interest at 4.77% per annum from closing and is evidenced by a promissory note due on the sooner of the commencing of use of the property for waste materials storage or December 31, 2015. As a result, the Company recorded $406,240 (USD 400,000) in acquisition costs with $157,408 paid in cash and the remaining $248,832 (USD 240,000) in promissory note payable (note 9) during the year ended May 31, 2013.

(4) In December 2013, SoN completed the purchase of a parcel of land approximately 30 km north of the North Bullfrog project which carries with it 1,600 acre feet of irrigation water rights. The cost of the land and associated water rights was cash payment of $1,100,118 (USD 1,034,626).

(5) On March 30, 2015, Lunar Landing, LLC signed a lease agreement with Corvus Nevada to lease private property containing the three patented Sunflower claims to Corvus Nevada, which are adjacent to the Yellowrose claims leased in 2014. The term of the lease is 3 years with provision to extend the lease for an additional 7 years, and an advance minimum royalty payment of USD 5,000 per year with USD 5,000 paid upon signing. The lease includes a 4% NSR royalty on production, with an option to purchase the royalty for USD 500,000 per 1% or USD 2,000,000 for the entire 4% royalty. The lease also includes the option to purchase the property for USD 300,000.

Acquisitions

The acquisition of title to mineral properties is a detailed and time-consuming process. The Company has taken steps, in accordance with industry norms, to verify title to mineral properties in which it has an interest. Although the Company has taken every reasonable precaution to ensure that legal title to its properties is properly recorded in the name of the Company (or, in the case of an option, in the name of the relevant optionor), there can be no assurance that such title will ultimately be secured.

Environmental Expenditures

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

The Company has estimated the fair value of the liability for asset retirement that arose as a result of exploration activities to be $132,579 (USD 107,000) (2014 - $Nil). The fair value of the liability was determined to be equal to the estimated remediation costs. Due to the early stages of the project, and that extractive activities have not yet begun, the Company is unable to predict with any precision the timing of the cash flow related to the reclamation activities.

9. PROMISSORY NOTE PAYABLE

On March 28, 2013, the Company issued a promissory note payable of USD 240,000 bearing interest at 4.77% per annum due on the sooner of the commencing of use of the property for waste materials storage as stated in note 8(e)(ii)(3) or December 31, 2015. At May 31, 2015, the promissory note payable was translated to $298,488 (2014 - $260,208).

10. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share issuances

During the year ended May 31, 2015:

a) On August 27, 2014, the Company closed a non-brokered public equity financing and issued 5,150,000 common shares at a price of $1.20 per share for gross proceeds of $6,180,000. In connection with the financing, the Company paid $190,167 in share issuance costs. The offering was registered under the United States Securities Act of 1933, as amended, pursuant to a Form S-1 registration statement filed with the United States Securities and Exchange Commission and qualified in certain Canadian provinces pursuant to a prospectus filed with the relevant Canadian regulatory authorities.

b) On February 27, 2015, the Company closed a non-brokered private placement equity financing and issued 4,500,000 common shares at a price of $1.00 per share for gross proceeds of $4,500,000. In connection with the financing, the Company paid an additional $17,810 in share issuance costs.

c) An aggregate of 18,900 shares were issued on exercise of 18,900 stock options for gross proceeds of $9,450.

d) On April 8, 2015, the Company issued 85,000 common shares in connection with the lease on the Mayflower property (note 8e)(ii)(1), with a fair value of $64,600.

During the year ended May 31, 2014:

a) On November 25, 2013, the Company closed a non-brokered private placement equity financing and issued 5,230,000 common shares at a price of $1.00 per share for gross proceeds of $5,230,000. A finder's fee equal to 5% of the proceeds raised from the sale of 420,000 common shares was paid, amounting to $21,000. In connection with the financing, the Company paid an additional $19,312 in share issuance costs.

b) An aggregate of 70,000 shares were issued on exercise of 70,000 stock options for gross proceeds of $48,300.

Stock options

Stock options awarded to employees and non-employees by the Company are measured and recognized in the Consolidated Statement of Operations and Comprehensive Loss over the vesting period.

(Expressed in Canadian dollars)

The Company has adopted an incentive stock option plan (the "2010 Plan"). The essential elements of the 2010 Plan provide that the aggregate number of common shares of the Company's share capital that may be made issuable pursuant to options granted under the 2010 Plan (together with any other shares which may be issued under other share compensation plans of the Company) may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the 2010 Plan will have a maximum term of ten years. The exercise price of options granted under the 2010 Plan will not be less than the greater of the market price of the common shares (as defined by the Toronto Stock Exchange ("TSX"), currently defined as the 5 day volume weighted average price for the 5 trading days immediately preceding the date of grant) or the closing market price of the Company's common shares for the trading day immediately preceding the date of grant), or such other price as may be agreed to by the Company and accepted by the TSX. Options granted under the 2010 Plan vest immediately, unless otherwise determined by the directors at the date of grant.

A summary of the status of the stock option plan as of May 31, 2015 and 2014, and changes during the years are presented below:

	2015		2014	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Balance, beginning of the year	6,175,234	$ 0.84	4,075,234	$ 0.88
Granted	1,575,000	1.34	2,470,000	0.76
Exercised	(18,900)	(0.50)	(70,000)	(0.69)
Forfeited	-	-	(300,000)	(0.81)
Expired	(335,000)	(1.00)	-	-
Balance, end of the year	7,396,334	$ 0.94	6,175,234	$ 0.84

The weighted average remaining contractual life of options outstanding at May 31, 2015 was 2.85 years (2014 – 3.46 years).

Stock options outstanding are as follows:

	2015			2014		
Expiry Date	**Exercise Price**	**Number of Options**	**Exercisable at Year-End**	**Exercise Price**	**Number of Options**	**Exercisable at Year-End**
September 27, 2014	$ -	-	-	$ 1.08	150,000	150,000
July 29, 2016	$ 0.50	464,434	464,434	$ 0.50	483,334	483,334
November 17, 2016	$ 0.67	210,000	210,000	$ 0.67	210,000	210,000
January 23, 2017	$ 1.10	50,000	25,000	$ -	-	-
May 1, 2017	$ 0.73	50,000	25,000	$ -	-	-
May 29, 2017	$ 0.92	300,000	300,000	$ 0.92	300,000	300,000
September 19, 2017 (note 16)	$ 0.96	2,436,900	2,436,900	$ 0.96	2,561,900	1,628,370
October 29, 2017	$ 0.96	100,000	100,000	$ -	-	-
August 16, 2018	$ 0.76	2,420,000	1,611,720	$ 0.76	2,470,000	822,510
September 8, 2019	$ 1.40	1,365,000	454,545	$ -	-	-
		7,396,334	5,627,599		6,175,234	3,594,214

(Expressed in Canadian dollars)

The Company uses the fair value method for determining stock-based compensation for all options granted during the years. The fair value of options granted was $1,109,011 (2014 - $1,449,654), determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

For the year ended May 31,	2015	2014
Risk-free interest rate	1.50%	1.96%
Expected life of options	4.62 years	5 years
Annualized volatility	69.21%	100%
Dividend yield	0%	0%
Exercise price	$1.34	$0.76
Fair value per share	$0.70	$0.59

Annualized volatility was determined by reference to historic volatility of the Company.

Stock-based compensation has been allocated as follows:

For the year ended May 31,		2015		2014
Consulting	$	570,913	$	464,638
Exploration expenditures – Geological/geophysical		36,820		63,670
Investor relations		208,336		371,459
Professional fees		48,841		69,761
Wages and benefits		620,785		876,741
	$	1,485,695	$	1,846,269

11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

For the year ended May 31,		2015		2014
Consulting fees to CFO	$	97,000	$	97,000
Wages and benefits to CEO, President and COO		901,893		752,850
Directors fees (included in consulting fees)		122,750		99,774
Fees to Vice President of Corporate Communications (included in investor relations)		180,000		172,500
Professional fees to Vice President		25,680		84,907
Stock-based compensation to related parties		1,247,408		1,590,465
	$	2,574,731	$	2,797,496

As at May 31, 2015, included in accounts payable and accrued liabilities was $9,880 (2014 – $27,462) in expenses owing to companies related to officers and officers of the Company.

(Expressed in Canadian dollars)

These amounts were unsecured, non-interest bearing and had no fixed terms or terms of repayment. Accordingly, fair value could not be readily determined.

The Company entered into a retainer agreement dated June 1, 2011 with Lawrence W. Talbot Law Corporation (“LWTLC”), a company with officers in common, pursuant to which LWTLC agreed to provide legal services to the Company. Pursuant to the retainer agreement, the Company agreed to pay LWTLC a minimum annual retainer of $72,000 (plus applicable taxes and disbursements). The retainer agreement might be terminated by LWTLC on reasonable notice, and by the Company on one year’s notice (or payment of one year’s retainer in lieu of notice). An officer of the Company is a director and shareholder of LWTLC. LWTLC ceased to be a related party on October 9, 2014. During the year ended May 31, 2015, the Company terminated the agreement and paid $73,830 in lieu of notice.

The Company has also entered into change of control agreements with officers of the Company. In the case of termination, the officers are entitled to an amount equal to a multiple (ranging from two times to three times) of the sum of the annual base salary then payable to the officer, the aggregate amount of bonus(es) (if any) paid to the officer within the calendar year immediate preceding the Effective Date of Termination, and an amount equal to the vacation pay which would otherwise be payable for the one year period next following the Effective Date of Termination.

12. GEOGRAPHIC SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral resources industry, and in two geographical segments, Canada and the United States. All current exploration activities are conducted in the United States and Canada. The significant asset categories identifiable with these geographical areas are as follows:

	Canada	United States	Total
May 31, 2015			
Capitalized acquisition costs	$ -	$ 4,866,634	$ 4,866,634
Property and equipment	$ 2,840	$ 93,863	$ 96,703
May 31, 2014			
Capitalized acquisition costs	$ -	$ 4,045,115	$ 4,045,115
Property and equipment	$ 4,057	$ 93,390	$ 97,447

For the year ended May 31,	**2015**	**2014**
Net loss for the year – Canada	$ (3,126,865)	$ (3,460,777)
Net loss for the year – United States	(7,450,622)	(8,204,197)
Net loss for the year	$ (10,577,487)	$ (11,664,974)

(Expressed in Canadian dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

For the year ended May 31,		**2015**		**2014**
Supplemental cash flow information				
Interest paid (received)	$	(11,661)	$	-
Income taxes paid (received)	$	-	$	-
Non-cash financing and investing transactions				
Shares issued to acquire mineral properties	$	64,600	$	-
Change in asset retirement obligations included in capitalized acquisition costs	$	132,579	$	-
Reclassification of contributed surplus on exercise of stock options	$	7,376	$	23,366

14. SUBSIDIARIES

Significant subsidiaries are:

	Country of Incorporation	Principal Activity	The Company's effective interest for 2015	The Company's effective interest for 2014
Corvus Gold (USA) Inc.	USA	Holding company	100%	100%
Raven Gold Alaska Inc.	USA	Exploration company	100%	100%
Corvus Gold Nevada Inc.	USA	Exploration company	100%	100%
SoN Land & Water LLC	USA	Exploration company	100%	100%

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows for the years ended May 31:

		2015		**2014**
Loss before income taxes	$	(10,577,487)	$	(11,664,974)
Statutory Canadian corporate tax rate		26.00%		26.00%
Income tax recovery at statutory rates	$	(2,750,147)	$	(3,032,894)
Stock-based compensation		386,281		480,030
Non-deductible items		-		-
Effect of tax rate change		775,666		-
Difference in tax rates in other jurisdictions		(647,273)		(582,381)
Tax benefits not realized		2,235,473		3,135,245
Income tax recovery	$	-	$	-

(Expressed in Canadian dollars)

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2015	2014
Deferred income tax assets (liabilities)		
Mineral properties	$ 13,942,000	$ 10,845,000
Property and equipment	19,000	14,000
Marketable securities	-	11,000
Share issuance costs	56,000	48,000
Non-capital losses available for future periods	5,316,000	3,983,000
	19,333,000	14,901,000
Valuation allowance	(19,333,000)	(14,901,000)
Net deferred tax assets	$ -	$ -

At May 31, 2015, the Company has available non-capital tax losses for Canadian income tax purposes of approximately $6,450,000 and net operating loss for US tax purposes of approximately $10,704,000 available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

	Canada	United States
2029	$ -	$ 1,189,000
2030	-	2,000
2031	379,000	177,000
2032	1,089,000	1,514,000
2033	1,443,000	1,997,000
2034	1,733,000	3,892,000
2035	1,806,000	1,933,000
	$ 6,450,000	$ 10,704,000

In addition, the Company has available mineral resource expenses that are related to the Company's exploration activities in the United States of approximately $45,578,000 and in Canada of approximately $333,000, which may be deductible for tax purposes. Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts due to the uncertainty of future taxable income.

16. SUBSEQUENT EVENTS

The following are the subsequent events since May 31, 2015.

a) On July 29, 2015, Raven Gold completed a transaction with Millrock Resources Inc. on the West Pogo and Goodpaster database projects in Alaska. The ownership position was sold for USD 120,000 (received subsequent to May 31, 2015) (note 8(b)).

b) On July 31, 2015, 20,000 stock options with exercise price of $0.96 and expiry date of September 19, 2017 were cancelled.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of May 31, 2015, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer (the principal executive officer) and Chief Financial Officer (the principal financial officer and accounting officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of May 31, 2015, the Company's disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed in reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, in a manner that allows for accurate and timely decisions regarding required disclosures.

The effectiveness of our or any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable assurance that the objectives of the system will be met and is subject to certain limitations, including the exercise of judgement in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Management's Annual Report on Internal Control over Financial Reporting

This Annual Report does not include a report of management's assessment of internal control over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting during the period ended May 31, 2015 that have materially, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.