UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 333-197099

CORVUS GOLD INC.

(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada	**98-0668473**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2300-1177 West Hastings Street **Vancouver, British Columbia, Canada, V6E 2K3**	**V6E 2K3**
(Address of Principal Executive Offices)	(Zip code)

Registrant's telephone number, including area code: (604) 638-3246

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated filer ☐	Small Reporting company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 14, 2014, the registrant had 75,565,028 Common Shares outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS

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

	August 31, 2014	May 31, 2014
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,642,082	$ 3,227,970
Marketable securities (note 4)	108,730	147,451
Accounts receivable	49,844	16,787
Prepaid expenses	228,296	217,316
Total current assets	7,028,952	3,609,524
Property and equipment (note 5)	92,504	97,447
Reclamation bond (note 6)	523,826	522,332
Capitalized acquisition costs (note 7)	4,056,557	4,045,115
	$ 11,701,839	$ 8,274,418
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	$ 217,060	$ 622,950
Promissory note payable (note 8)	260,952	260,208
Total liabilities	478,012	883,158
Shareholders' equity		
Share capital (note 9)	59,693,273	53,703,440
Contributed surplus	10,225,448	9,768,967
Accumulated other comprehensive income – cumulative translation differences	164,463	151,192
Deficit accumulated during the exploration stage	(58,859,357)	(56,232,339)
Total shareholders' equity	11,223,827	7,391,260
Total liabilities and shareholders' equity	$ 11,701,839	$ 8,274,418

Nature and continuance of operations (note 2)
Subsequent events (note 14)

Approved on behalf of the Directors:

"Jeffrey Pontius" Director

"Anton Drescher" Director

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

CORVUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian dollars)
THREE MONTHS ENDED AUGUST 31,

	2014	2013
Expenses		
Administration	$ 3,015	$ 1,636
Charitable donations	-	516
Consulting fees (notes 9 and 10)	168,826	135,858
Depreciation	6,115	4,916
Exploration expenditures (notes 7 and 9)	1,489,088	2,487,907
Insurance	11,462	14,160
Investor relations (notes 9 and 10)	184,524	276,159
Office and miscellaneous	35,343	35,597
Professional fees (notes 9 and 10)	114,489	62,017
Regulatory	55,157	15,172
Rent	23,121	22,738
Travel	12,244	17,997
Wages and benefits (notes 9 and 10)	447,970	360,665
Total operating expenses	(2,551,354)	(3,435,338)
Other income (expense)		
Interest income	1,770	23,290
Unrealized loss on marketable securities	(38,977)	-
Foreign exchange loss	(38,457)	(11,631)
Total other income (expense)	(75,664)	11,659
Net loss for the period	(2,627,018)	(3,423,679)
Other comprehensive income		
Exchange difference on translating foreign operations	13,271	71,283
Comprehensive loss for the period	$ (2,613,747)	$ (3,352,396)
Basic and diluted loss per share	$ (0.04)	$ (0.05)
Weighted average number of shares outstanding	70,694,919	65,130,245

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

CORVUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian dollars)
THREE MONTHS ENDED AUGUST 31,

	2014	2013
Operating activities		
Net loss for the period	$ (2,627,018)	$ (3,423,679)
Add items not affecting cash:		
Depreciation	6,115	4,916
Stock-based compensation (note 9)	456,481	388,337
Unrealized loss on marketable securities	38,977	-
Loss on foreign exchange	38,457	11,631
Changes in non-cash items:		
Accounts receivable	(33,057)	518
Prepaid expenses	(10,980)	347,296
Accounts payable and accrued liabilities	(405,890)	(59,541)
Cash used in operating activities	(2,536,915)	(2,730,522)
Financing activities		
Cash received from issuance of shares	6,180,000	48,300
Share issuance costs	(190,167)	-
Cash provided by financing activities	5,989,833	48,300
Investing activities		
Expenditures on property and equipment	(932)	(1,706)
Increase in reclamation deposit	-	(1,955)
Cash used in investing activities	(932)	(3,661)
Effect of foreign exchange on cash	(37,874)	1,736
Increase (decrease) in cash and cash equivalents	3,414,112	(2,684,147)
Cash and cash equivalents, beginning of the period	3,227,970	7,867,270
Cash and cash equivalents, end of the period	$ 6,642,082	$ 5,183,123

Supplemental cash flow information (note 12)

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

CORVUS GOLD INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Income(Loss) – Cumulative Translation Differences	Deficit	Total
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 period	-	-	-	-	(2,627,018)	(2,627,018)
Other comprehensive income						
Exchange difference on translating foreign operations	-	-	-	13,271	-	13,271
Shares issued for cash						
Public offering	5,150,000	6,180,000	-	-	-	6,180,000
Share issuance costs	-	(190,167)	-	-	-	(190,167)
Stock-based compensation	-	-	456,481	-	-	456,481
Balance, August 31, 2014	**75,565,028**	**$ 59,693,273**	**$ 10,225,448**	**$ 164,463**	**$ (58,859,357)**	**$ 11,223,827**

These accompanying notes form an integral part of these condensed interim 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 British Columbia Business Corporations Act ("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 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 British Columbia Business Corporations Act. These condensed interim 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 August 31, 2014, 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 exploration and evaluation assets 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 exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets does not reflect current or future values.

These condensed interim 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 which is at least, but not limited to, 12 months from August 31, 2014. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that raise significant doubt upon the Company's ability to continue as a going concern, as explained in the following paragraph.

The Company has sustained losses from operations, and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans for at least 12 months from August 31, 2014. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These condensed interim 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 unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2014 as filed in our Annual Report on Form S-1/A. In the opinion of the Company's management these financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's financial position at August 31, 2014 and the results of its operations for the three months then ended. Operating results for the three months ended August 31, 2014 are not necessarily indicative of the results that may be expected for the year ending May 31, 2015. The 2014 year-end balance sheet data was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

The preparation of financial statements in conformity with US GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These judgments, estimates and assumptions are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. While management believes the estimates to be reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Basis of Consolidation

These unaudited condensed interim 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.

(Expressed in Canadian dollars)

Earnings (loss) per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. 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 period. 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 period ended August 31, 2014, 6,175,234 outstanding stock options (2013 – 6,175,234) were not included in the calculation of diluted earnings (loss) per share as their inclusion was anti-dilutive.

4. MARKETABLE SECURITIES

As at August 31, 2014, the Company held 200,000 (May 31, 2014 – 200,000) common shares of WestMountain Gold with a fair value of $108,730 (May 31, 2014 - $147,451). The Company classified these shares as held-for-trading.

5. PROPERTY AND EQUIPMENT

	Computer Equipment	Vehicles	Tent	Total
Cost				
Balance, May 31, 2014	$ 38,733	$ 73,962	$ 54,210	$ 166,905
Additions	932	-	-	932
Currency translation adjustments	85	211	155	451
Balance, August 31, 2014	$ 39,750	$ 74,173	$ 54,365	$ 168,288
Depreciation				
Balance, May 31, 2014	$ 21,978	$ 42,058	$ 5,422	$ 69,458
Depreciation of the period	1,290	2,389	2,436	6,115
Currency translation adjustments	57	129	25	211
Balance at August 31, 2014	$ 23,325	$ 44,576	$ 7,883	$ 75,784
Carrying amounts				
Balance at May 31, 2014	$ 16,755	$ 31,904	$ 48,788	$ 97,447
Balance at August 31, 2014	$ 16,425	$ 29,597	$ 46,482	$ 92,504

6. RECLAMATION BOND

As at August 31, 2014 the Company has not commenced development of any exploration and evaluation assets and accordingly a reasonable estimate of the timing of the cash flows cannot be made. The Company has posted non-interest bearing bonds totalling $523,826 (USD 481,767) (May 31, 2014 - $522,332 (USD 481,767)) with the

(Expressed in Canadian dollars)

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.

7. CAPITALIZED ACQUISITION COSTS

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

	Chisna (note 7(a))	North Bullfrog (notes 7(d))	LMS (note 7(c))	**Total**
Balance, May 31, 2014	**$ 550,255**	**$ 3,168,810**	**$ 326,050**	**$ 4,045,115**
Acquisition costs	-	-	-	-
Currency translation adjustments	1,573	8,936	933	11,442
Balance, August 31, 2014	**$ 551,828**	**$ 3,177,746**	**$ 326,983**	**$ 4,056,557**

The following table presents costs incurred for exploration and evaluation activities for the three months ended August 31, 2014:

	West Pogo (note 7(b))	Chisna (note 7(a))	North Bullfrog (notes 7(d))	LMS (note 7(c))	**Total**
Exploration costs:					
Aircraft services	$ -	$ 11,202	$ -	$ -	**$ 11,202**
Assay	-	8,865	211,632	-	**220,497**
Drilling	-	-	320,811	-	**320,811**
Equipment rental	-	1,466	102,388	-	**103,854**
Field costs	1,966	5,541	103,467	66	**111,040**
Geological/ Geophysical	3,558	1,811	224,429	27,220	**257,018**
Land maintenance & tenure	-	-	159,186	-	**159,186**
Permits	-	-	-	-	**-**
Professional fees	-	-	-	-	**-**
Studies	-	-	246,664	-	**246,664**
Transportation	-	-	-	298	**298**
Travel	-	5,133	51,962	1,423	**58,518**
Total expenditures for the period	**$ 5,524**	**$ 34,018**	**$ 1,420,539**	**$ 29,007**	**$ 1,489,088**

(Expressed in Canadian dollars)

The following table presents costs incurred for exploration and evaluation activities for the three months ended August 31, 2013:

	Chisna (note 7(a))	North Bullfrog (notes 7(d))	Terra	Gerfaut	**Total**
Exploration costs:					
Aircraft services	$ -	$ -	$ -	$ -	**$ -**
Assay	-	390,439	-	-	**390,439**
Drilling	-	1,094,788	-	-	**1,094,788**
Equipment rental	-	169,959	-	-	**169,959**
Field costs	3,073	53,497	8	1,638	**58,216**
Geological/ Geophysical	78	292,729	-	-	**292,807**
Land maintenance & tenure	1,815	141,888	-	-	**143,703**
Permits	-	2,001	-	-	**2,001**
Professional fees	-	-	221	-	**221**
Studies	-	271,292	-	-	**271,292**
Transportation	-	-	-	-	**-**
Travel	1,057	63,424	-	-	**64,481**
Total expenditures for the period	**$ 6,023**	**$ 2,480,017**	**$ 229**	**$ 1,638**	**$ 2,487,907**

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).

As at August 31, 2014, the Ahtna Agreement is in good standing and the Company has made the required option payments, and completed the minimum exploration expenditures and contributions.

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.

c) LMS Property, Alaska

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

d) North Bullfrog Project, Nevada

The Company's North Bullfrog project consists of certain leased patented lode mining claims and an additional 758 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, 2014). 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, 2014). 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).

(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, 2014). 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, 2014). 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). 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).
- *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 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 of 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 8) 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).

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 determined as of August 31, 2014, the disturbances to earth are minimal, therefore has not recorded a provision for environmental expenditures.

8. PROMISSORY NOTE PAYABLE

As at March 28, 2013 the Company issued a promissory note payable of USD 240,000 (May 31, 2014 - $260,208 (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 7(d)(ii)(3) or December 31, 2015. At August 31, 2014, the promissory note payable was translated to $260,952.

(Expressed in Canadian dollars)

9. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share issuances

During the period ended August 31, 2014:

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.

Stock options

Stock options awarded to employees and non-employees by the Company are measured and recognized in the condensed interim consolidated statement of comprehensive loss over the vesting period.

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 August 31 and May 31, 2014, and changes during the periods are presented below:

	August 31, 2014		May 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	6,175,234	$ 0.84	4,075,234	$ 0.88
Granted	-	-	2,470,000	0.76
Exercised	-	-	(70,000)	(0.69)
Forfeited	-	-	(300,000)	(0.81)
Balance, end of the period	6,175,234	$ 0.84	6,175,234	$ 0.84

The weighted average share price, on the date of exercise, for the options exercised during the period ended August 31, 2014 was $nil (May 31, 2014 - $0.76). The weighted average remaining contractual life of options outstanding at August 31, 2014 was 3.21 years (May 31, 2014 - 3.46 years).

(Expressed in Canadian dollars)

Stock options outstanding are as follows:

	August 31, 2014			May 31, 2014		
Expiry Date	**Exercise Price**	**Number of Options**	**Exercisable at Period-End**	**Exercise Price**	**Number of Options**	**Exercisable at Year-End**
September 27, 2014 (note 14)	$ 1.08	150,000	150,000	$ 1.08	150,000	150,000
July 29, 2016	$ 0.50	483,334	483,334	$ 0.50	483,334	483,334
November 17, 2016	$ 0.67	210,000	210,000	$ 0.67	210,000	210,000
May 29, 2017	$ 0.92	300,000	300,000	$ 0.92	300,000	300,000
September 19, 2017	$ 0.96	2,561,900	1,628,370	$ 0.96	2,561,900	1,628,370
August 16, 2018	$ 0.76	2,470,000	1,645,020	$ 0.76	2,470,000	822,510
		6,175,234	4,416,724		6,175,234	3,594,214

Stock-based compensation

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

	Three Months Ended August 31, 2013
Risk-free interest rate	1.96%
Expected life of options	5 years
Annualized volatility	100%
Dividend yield	0.0%
Exercise price	$0.76
Fair value per share	$0.59

Annualized volatility was determined by reference to historic volatility of similar entities following a comparable period in their lives.

Stock-based compensation has been allocated as follows:

For the three months ended August 31,	**2014**	**2013**
Consulting	$ 123,826	$ 94,584
Exploration expenditures – Geological/geophysical	16,431	14,909
Investor relations	71,219	93,506
Professional fees	18,777	13,514
Wages and benefits	226,228	171,824
	$ 456,481	$ 388,337

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

During the period ended August 31, 2014, the Company entered into the following transactions with related parties:

Management compensation

For the three months ended August 31,		2014		2013
Consulting fees to CFO	$	18,000	$	18,000
Wages and benefits to CEO, President and COO		151,611		123,179
Directors fees (included in consulting fees)		22,500		18,774
Fees to Vice President of Corporate Communications (included in investor relations)		37,500		30,000
Professional fees to Vice President		19,260		22,470
Stock-based compensation to related parties		397,822		316,989
	$	646,693	$	529,412

As at August 31, 2014, included in accounts payable and accrued liabilities was $13,572 (May 31, 2014 – $27,462) in expenses owing to companies related to officers of the Company.

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 has 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 agrees to provide legal services to the Company. Pursuant to the retainer agreement, the Company has agreed to pay LWTLC a minimum annual retainer of $72,000 (plus applicable taxes and disbursements). The retainer agreement may 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.

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.

(Expressed in Canadian dollars)

11. 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
August 31, 2014			
Capitalized acquisition costs	$ -	$ 4,056,557	$ 4,056,557
Property and equipment	$ 3,753	$ 88,751	$ 92,504
May 31, 2014			
Capitalized acquisition costs	$ -	$ 4,045,115	$ 4,045,115
Property and equipment	$ 4,057	$ 93,390	$ 97,447

For the three months ended August 31,	**2014**	**2013**
Net loss for the period – Canada	$ (821,989)	$ (680,657)
Net loss for the period – United States	(1,805,029)	(2,743,022)
Net loss for the period	$ (2,627,018)	$ (3,423,679)

12. SUPPLEMENTAL CASH FLOW INFORMATION

For the three months ended August 31,	**2014**	**2013**
Supplemental cash flow information		
Interest paid (received)	$ -	$ -
Income taxes paid	$ -	$ -

13. SUBSIDIARIES

Significant subsidiaries for the three months ended August 31, 2014 and 2013 are:

	Country of Incorporation	Principal Activity	The Company's effective interest for 2014	The Company's effective interest for 2013
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%

14. SUBSEQUENT EVENTS

a) On September 8, 2014 the Company granted incentive stock options to consultants and employees of the Company to purchase 1,375,000 common shares in the share capital of the Company. The options are exercisable on or before September 8, 2019 at a price of $1.40 per share. The options will vest as to 33.3% on September 8, 2014, 33.3% on September 8, 2015, and 33.4% on September 8, 2016.

b) On September 27, 2014, 150,000 stock options exercisable at a price of $1.08 per option expired unexercised.