

HARVEST GOLD CORPORATION
Condensed Consolidated Financial Statements
For The Nine Months Ended December 31, 2014
(Unaudited)

Expressed in Canadian Dollars

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, Harvest Gold Corporation (the "Company") discloses that its auditors have not reviewed the unaudited interim financial statements.

The unaudited condensed consolidated interim financial statements of Harvest Gold Corporation for the nine months ended December 31, 2014 ("Financial Statements") have been prepared by management. The Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2014, which are available at the SEDAR website at www.sedar.com. The Financial Statements are stated in Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS").

Harvest Gold Corporation
Consolidated statements of financial position
As at
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	December 31, 2014	March 31, 2014
			(audited)
ASSETS			
Current assets			
Cash		\$ 80,883	\$ 107,609
Marketable securities	4	583	646
Receivables	5	576	1,036
Prepays		-	3,904
		82,042	113,195
Reclamation bond	7	21,859	21,859
Exploration and evaluation assets	6	597,330	603,541
TOTAL ASSETS		\$ 701,231	\$ 738,595
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8,9	\$ 40,748	\$ 47,784
Due to related parties	9	90,307	90,307
TOTAL LIABILITIES		131,055	138,091
SHAREHOLDERS' EQUITY			
Share capital	10	10,476,249	10,476,249
Reserves	10	1,329,398	1,329,398
Deficit		(11,235,471)	(11,205,143)
TOTAL SHAREHOLDERS' EQUITY		570,176	600,504
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 701,231	\$ 738,595

Nature and continuance of operations (Note 1)

Subsequent events (Note 14)

Harvest Gold Corporation
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2013
EXPENSES				
Consulting fees	\$ 302	\$ 189	\$ 1,045	\$ 810
Office and miscellaneous	875	1,170	3,961	5,424
Professional fees	10,114	5,292	18,811	33,781
Property investigation costs	-	242	-	242
Salaries and benefits	-	1,500	-	4,549
Shareholder communications	-	47	-	7,063
Transfer agent, filing fees and shareholder relations	3,022	9,402	9,525	19,155
	<u>(14,313)</u>	<u>(17,842)</u>	<u>(33,342)</u>	<u>(71,024)</u>
OTHER ITEMS				
Foreign exchange gain (loss)	3,012	(525)	(1,578)	(414)
Impairment gain (loss) of marketable securities	9	(72)	(63)	(252)
Gain on exploration and evaluation asset option payment	4,655	-	4,655	-
	<u>(7,676)</u>	<u>(597)</u>	<u>3,014</u>	<u>(666)</u>
Loss and comprehensive loss for the period	\$ (6,637)	\$ (18,439)	\$ (30,328)	\$ (71,690)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	8,111,325	8,111,325	8,111,325	7,548,379

Harvest Gold Corporation
Consolidated statement of changes in equity
Nine months ended December 31,
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Share capital		Reserves	Deficit	Total
		Number of shares	Amount			
Balance at March 31, 2013		6,981,325	\$ 10,425,946	\$ 1,329,398	\$ (9,362,645)	\$ 2,392,699
Comprehensive loss:						
Loss for the period		-	-	-	(71,437)	(71,437)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash – private placement	10	1,130,000	56,500	-	-	56,500
Share issue costs	10	-	(6,197)	-	-	(6,197)
Balance at December 31, 2013		8,111,325	\$ 10,476,249	\$ 1,329,398	\$ (9,434,082)	\$ 2,371,565
Balance at March 31, 2014		8,111,325	\$ 10,476,249	\$ 1,329,398	\$ (11,205,143)	\$ 600,504
Comprehensive loss:						
Loss for the period		-	-	-	(30,328)	(30,328)
Balance at December 31, 2014		8,111,325	\$ 10,476,249	\$ 1,329,398	\$ (11,235,471)	\$ 570,176

See accompanying notes to the condensed consolidated financial statements

Harvest Gold Corporation
Consolidated statements of cash flows
Nine months ended December 31,
(Expressed in Canadian Dollars)
(Unaudited)

	2014	2013
Operating activities		
Loss for the period	\$ (30,328)	\$ (71,690)
Adjustments for:		
Gain on exploration and evaluation asset option payment	(4,655)	-
Impairment of marketable securities	63	252
Changes in non-cash working capital items:		
Receivables	460	(2,277)
Prepays	3,904	3,900
Accounts payable and accrued liabilities	(7,036)	(7,308)
Due to related parties	-	291
Net cash flows used in operating activities	(37,592)	(76,832)
Financing activities		
Proceeds on issuance of common shares, net	-	50,303
Net cash flows from financing activity	-	50,303
Investing activities		
Expenditures on mineral properties	(12,067)	(63,580)
Option payment received on mineral properties	22,933	-
Net cash flows from (used in) investing activity	10,866	(63,580)
Change in cash	(26,726)	(90,109)
Cash, beginning	107,609	201,608
Cash, ending	\$ 80,883	\$ 111,499

Non-cash transactions (Note 13)

1. Nature and continuance of operations

Harvest Gold Corporation (the "Company") was incorporated on June 28, 2005, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in North America. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange ("TSX-V").

The head office, principal address, records office and registered address of the Company are located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

These condensed consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2014 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations, raising significant doubt about its ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

These unaudited condensed consolidated financial statements were approved and authorized for issue on March 2, 2015 by the directors of the Company.

Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2014.

3. Adoption of new and revised standards

The following standards, amendments, and interpretations have been adopted by the Company as of April 1, 2014. There was no impact on the financial statements as a result of the adoption of these standards, amendments, and interpretations:

- a) IFRS 9 Financial Instruments (effective January 1, 2018; to replace IAS 39 and IFRIC 9);
- b) IAS 32 Financial Instrument Presentation (Amendments to address inconsistencies when applying offsetting requirements); and
- c) IFRIC 21 Levies (Interpretation of IAS 37).

Harvest Gold Corporation
Notes to the consolidated financial statements
(Expressed in Canadian Dollars)
(Unaudited)
For the Nine Months Ended December 31, 2014

4. Marketable Securities

At December 31, 2014 and March 31, 2014, marketable securities consisted of the following:

December 31, 2014			
Company	<i>Shares</i>	<i>Fair Value</i>	<i>Original Cost</i>
Grandview Gold Inc.	50,000	\$ 250	\$ 23,500
Gunpoint Exploration Ltd.	1,800	324	9,180
	51,800	\$ 574	\$ 32,680

March 31, 2014			
<i>Company</i>	<i>Shares</i>	<i>Fair Value</i>	<i>Original Cost</i>
Grandview Gold Inc.	50,000	\$ 250	\$ 23,500
Gunpoint Exploration Ltd.	1,800	396	9,180
	51,800	\$ 646	\$ 32,680

5. Receivables

The Company's receivables consist of GST/HST receivable due from the Government of Canada.

6. Exploration and evaluation assets

	Rosebud Gold Mine	RW Claims	Total
Mineral property acquisition balance, March 31, 2014 and December 31, 2014	\$ 585,263	\$ -	\$ 585,263
Mineral property exploration expenditures			
Balance, March 31, 2014	\$ -	\$ 18,278	\$ 18,278
Claim fees	10,478	-	10,478
Licenses and fees	83	-	83
Storage rental	1,506	-	1,506
Option payment received	-	(18,278)	(18,278)
	12,067	(18,278)	(5,671)
Balance, December 31, 2014	12,607	-	12,607
Total, December 31, 2014	\$ 597,330	\$ -	\$ 597,330

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6. Exploration and evaluation assets (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing.

Rosebud Gold Mine Property, Nevada, USA

On November 16, 2006, the Company signed a letter of intent to acquire a 100% interest in certain mining claims comprising the Rosebud Gold Mine Property located in Nevada, USA. As consideration, the Company paid US\$320,000 (CDN \$350,104) and issued 60,000 common shares, at a fair value of \$81,000.

Upon earning a 100% interest, on December 15, 2011, the Company is obligated on an annual basis to pay an advance royalty payment of US\$50,000 until the property is placed into production and is to be recovered from any actual future mineral production royalty payments. During the year ended March 31, 2014, the Company paid CDN \$53,139 (March 31, 2013 – CDN \$49,645) in advance royalties on the Rosebud Gold Mine Property.

The Rosebud Gold Mine Property is subject to a 3% Net Smelter Royalty (“NSR”), which the Company has the option to purchase 1.5% of the NSR for \$2,250,000.

During the year ended March 31, 2014, the Company had no planned exploration program for the Rosebud Gold Mine Property and recognized an impairment loss of \$1,728,970.

RW Claims, Nevada, USA

On November 19, 2010, the Company staked certain mining claims comprising the RW Claims located in Eureka County, Nevada.

On January 1, 2012, the Company entered into a mining lease and option to purchase agreement with Kinetic Gold (US) Inc. (“Kinetic”), whereby Kinetic agreed to lease the RW Claims for a period of 5 years. On September 5, 2013 there was an amendment to the Mining Lease and Option to Purchase the RW Claims extending the period to 6 years as follows:

Date	Payment
Upon execution of the agreement	US\$10,000 (CDN\$9,991 received)
On or before January 1, 2013	US\$15,000 (CDN\$15,000 received)
On or before January 1, 2014	US\$5,000 (CDN\$5,519 received)
On or before January 1, 2015	US\$20,000 (CDN\$22,933 received)
On or before January 1, 2016	
On or before January 1, 2017	
On or before January 1, 2018	

At the end of the amended term to 6 years, Kinetic will have paid the Company \$140,000 (the “Purchase Price”) to acquire a 100% interest in the RW Claims. Alternatively, Kinetic has the option, at any time during the 5 year term, to purchase a 100% interest in the RW Claims by paying the Company the Purchase Price.

Harvest Gold Corporation
Notes to the consolidated financial statements
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Kinetic will also pay a 2% NSR to the Company from the production or sale of minerals from the RW Claims.

7. Reclamation Bond

As at December 31, 2014, the Company had a reclamation bond issued with the Nevada Division of Minerals in the amount of US\$20,449 (CDN - \$21,859) (March 31, 2014 – CDN\$21,859) to guarantee reclamation of the environment of the Rosebud Gold Mine Property.

8. Trade payables and accrued liabilities

	December 31, 2014	March 31, 2014
Trade payables	\$ 8,748	\$ 4,284
Accrued liabilities	32,000	43,500
	\$ 40,748	\$ 47,784

9. Related party transactions

Related party transactions are measured at their exchange amounts, which is the amount of consideration paid or received as agreed by the parties. Related party transactions are as follows:

a. Contractual commitments with related parties

- i. On January 1, 2008, and as amended on September 1, 2009, the Company entered into a management agreement with an officer and director to fulfil the role as Chief Executive Officer for a period of 5 years for a monthly rate of \$4,000 per month. Effective April 1, 2013 no further fees, until further notice, will be accrued under this agreement.
- ii. On August 1, 2012, the Company entered into an employee agreement with an officer and director to fulfil the role of Chief Operating Officer for a period of 12 months for a monthly rate of \$4,000 per month. Effective April 1, 2013 no further fees, until further notice, will be accrued under this agreement. Effective July 29, 2014 the Chief Operating Officer resigned along with the director position held.

b. Transactions with related parties

The Company did not incurred any expenditures for various services provided by directors or officers of the Company during the periods ended December 31, 2014 and 2013.

As of December 31, 2014, included in due to related parties was \$90,307 (March 31, 2014 \$90,307), owing to a company that has common directors, for shared administration costs.

As of December 31, 2014, included in trade payables and accrued liabilities was \$32,000 (March 31, 2014 - \$32,000), owing for fees owing to the Chief Executive Officer and Chief Operating Officer.

These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

Harvest Gold Corporation
Notes to the consolidated financial statements
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(Unaudited)
For the Nine Months Ended December 31, 2014

c. Transactions with key management personnel

	Nine months ended	
	Dec. 31, 2014	Dec. 31, 2013
Salaries and benefits	\$ -	\$ -

10. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2014 there were 8,111,325 issued and fully paid common shares (March 31, 2014 – 8,111,325).

Private placements

On August 15, 2013, the Company completed a non-brokered private placement and issued 1,130,000 units of the Company at \$0.05 per unit for gross proceeds of \$56,500. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.10 per common share until August 14, 2015. The Company incurred share issuance costs for the private placement of \$6,197.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

The changes in options during the period ended December 31, 2014 and the year ended March 31, 2014 are as follows:

	Nine months ended December 31, 2014		Year ended March 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	227,933	\$ 1.32	251,933	\$ 1.31
Options cancelled / expired	(22,500)	1.20	(24,000)	1.20
Options outstanding, end of Period	205,433	\$ 1.33	227,933	\$ 1.32

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Details of options outstanding as at December 31, 2014 are as follows:

Number of Options	Exercise Price	Expiry Date
91,433	\$1.50	June 1, 2015
114,000	1.20	January 26, 2016
205,433		

10. Share capital (cont'd)

Warrants

The changes in warrants during the period ended December 31, 2014 and the year ended March 31, 2014 are as follows:

	Nine months ended December 31, 2014		Year ended March 31, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	1,130,000	\$ 0.10	-	\$ -
Warrants issued	-	-	1,130,000	0.10
Warrants outstanding, end of period	1,130,000	\$ 0.10	1,130,000	\$ 0.10

Details of warrants outstanding as at December 31, 2014 are as follows:

Number of Warrants	Exercise Price	Expiry Date
1,130,000	\$0.10	August 14, 2015

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

11. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as receivables consist of refundable government general sales taxes.

11. Financial risk and capital management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risks as it incurs expenditures that are denominated in the United States dollar while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The majority of cash is held in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2014, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	Dec. 31, 2014	March 31, 2014
Cash	\$ 80,883	\$ 107,609
Marketable securities	583	646
	\$ 81,466	\$ 108,255

Financial liabilities included in the consolidated statement of financial position are as follows:

	Dec. 31, 2014	March 31, 2014
Non-derivative financial liabilities:		
Trade payables	\$ 40,748	\$ 47,784
Amounts due to related parties	90,307	90,307
	\$ 131,055	\$ 138,091

12. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

All of the Company's non-current assets are located in the United States.

13. Non-cash transactions

There were no material non-cash transactions for the nine months ended December 31, 2014 and 2013.

14. Subsequent events

Subsequent to December 31, 2014, the Company entered into the following transactions:

The Company entered into a letter of intent with Montrose Gold Limited ("MGI") to sell MGL its 100% interest in the Rosebud property in the amount of CDN\$250,000 and US\$50,000 to the Company. In addition, MGI upon commissioning of a mine at the Rosebud Property will make a lump-sum cash payment to the Company in the amount of CDN\$2,000,000. At the time the amount is payable, MGL at its sole discretion can pay half of the deferred amount in common shares of MGL. The Company will maintain a 3%NSR on the property.

The Company entered into a letter of intent with VMS Ventures Inc. ("VMS") to sell VMS its 40% interest in the Hunt property located in Manitoba Canada for consideration of \$140,500, payable as to settlement of its related party debt in the amount of \$90,307 and cash of \$50,193. In addition, VMS will issue to the Company 100,000 common shares upon the earliest to occur of the completion by VMS of a Preliminary Economic Assessment, Pre-Feasibility Study or a Feasibility Study. VMS will issue a further 100,000 common shares upon commencement of commercial production from a portion of the mineral claims.