

**FIRST MINING FINANCE CORP.**

**Condensed Interim Consolidated Financial Statements  
For the three months ended March 31, 2015 and 2014  
(Unaudited - expressed in U.S. dollars)**

**FIRST MINING FINANCE CORP.**  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT MARCH 31, 2015 AND DECEMBER 31, 2014  
(Unaudited - expressed in U.S. dollars)

	March 31, 2015	December 31, 2014
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 5)	\$ 5,380,618	\$ 34,406
Restricted cash (Note 6)	-	2,347,873
Receivables and prepaid expenditures (Note 7)	55,451	35,007
Marketable securities (Note 8)	8,830	-
<b>Total current assets</b>	<b>5,444,899</b>	<b>2,417,286</b>
<b>Non-current</b>		
Mineral properties (Note 9)	6,050,576	5,657,669
Equipment (Note 10)	3,673	5,186
Value-added tax (Note 11)	148,944	150,926
<b>Total non-current assets</b>	<b>6,203,193</b>	<b>5,813,781</b>
<b>TOTAL ASSETS</b>	<b>\$ 11,648,092</b>	<b>\$ 8,231,067</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 12)	\$ 384,995	\$ 1,096,522
Loans payable (Note 13)	1,059,412	539,686
<b>Total liabilities</b>	<b>1,444,407</b>	<b>1,636,208</b>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 14)	15,456,927	8,792,917
Shares to be issued (Note 6)	-	2,347,873
Share-based payment reserve	908,991	275,542
Accumulated deficit	(6,162,233)	(4,821,473)
<b>Total shareholders' equity</b>	<b>10,203,685</b>	<b>6,594,859</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 11,648,092</b>	<b>\$ 8,231,067</b>

**Subsequent events (Note 20)**

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors:

Signed: "Keith Neumeyer", Director

Signed: "Raymond Polman", Director

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

**FIRST MINING FINANCE CORP.**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(Unaudited - expressed in U.S. dollars)

	Three months ended March 31,	
	2015	2014
<b>GENERAL AND ADMINISTRATION EXPENSES</b>		
Administrative and office	\$ 12,807	\$ 1,623
Depreciation (Note 10)	1,513	2,268
Investor relations	3,109	-
Professional fees	67,022	22,195
Reconnaissance expense and sundry exploration	20,625	53,993
Salaries and consultants	55,592	36,195
Share-based payments (Note 14(d))	549,985	-
Transfer agent and filing fees	1,857	3,435
Travel	45,163	1,662
Total general and administrative expenses	757,673	121,371
Charge related to public company listing (Note 4)	516,197	-
Gain on debt settlement (Note 14(b))	(77,436)	-
Gain on fair value adjustment of derivative liability	-	(29,660)
Foreign exchange loss (gain)	123,843	(16,995)
Interest and other expenses	20,483	4,901
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 1,340,760</b>	<b>\$ 79,617</b>
Basic and diluted loss per common share	\$ (0.03)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>	<b>46,361,409</b>	<b>26,600,345</b>

Related party transactions (Note 16)

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

**FIRST MINING FINANCE CORP.**  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014  
(Unaudited - expressed in U.S. dollars)

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (1,340,760)	\$ (79,617)
Items not affecting cash:		
Depreciation (Note 10)	1,513	2,268
Gain on fair value adjustment to derivative liability	-	(29,660)
Charge related to public company listing (Note 4)	516,197	-
Financing costs	19,726	4,704
Unrealized foreign exchange gain	-	(2,345)
Share-based payments (Note 14(d))	549,985	-
Changes in non-cash working capital items:		
Receivables and prepaid expenditures	(18,377)	9,455
Accounts payables and accrued liabilities	(391,601)	(70,267)
<b>Total cash used in operating activities</b>	<b>(663,317)</b>	<b>(165,462)</b>
<b>Cash flows from investing activities</b>		
Mineral property expenditures net of option payments recovered (Note 9)	(401,737)	(106,385)
Value added tax incurred	1,982	5,075
<b>Total cash used in investing activities</b>	<b>(399,755)</b>	<b>(101,310)</b>
<b>Cash flows from financing activities</b>		
Issuance of shares for cash (Note 14(b))	3,958,825	-
Share issue costs	(431,423)	-
Release of restricted cash (Note 6)	2,347,873	-
Cash acquired in reverse takeover net of acquisition costs (Note 4)	34,009	-
Proceeds from promissory notes issued (Note 13)	500,000	350,000
<b>Total cash provided by financing activities</b>	<b>6,409,284</b>	<b>350,000</b>
<b>Change in cash and cash equivalents</b>	<b>5,346,212</b>	<b>83,228</b>
<b>Cash and cash equivalents, beginning</b>	<b>34,406</b>	<b>30,742</b>
<b>Cash and cash equivalents, ending</b>	<b>\$ 5,380,618</b>	<b>\$ 113,970</b>

**Supplemental cash flow information (Note 17)**

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

**FIRST MINING FINANCE CORP.**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(Unaudited - expressed in U.S. dollars)

	Number of common shares	Capital stock	Shares to be issued	Share-based payment reserve	Accumulated deficit	Total
<b>Balance as at December 31, 2013</b>	<b>26,600,345</b>	<b>\$ 4,613,348</b>	<b>\$ -</b>	<b>\$ 275,542</b>	<b>\$ (4,166,816)</b>	<b>\$ 722,074</b>
Loss for the period	-	-	-	-	(79,617)	(79,617)
<b>Balance as at March 31, 2014</b>	<b>26,600,345</b>	<b>\$ 4,613,348</b>	<b>\$ -</b>	<b>\$ 275,542</b>	<b>\$ (4,246,433)</b>	<b>\$ 642,457</b>
<b>Balance as at December 31, 2014</b>	<b>46,083,730</b>	<b>\$ 8,792,917</b>	<b>\$ 2,347,873</b>	<b>\$ 275,542</b>	<b>\$ (4,821,473)</b>	<b>\$ 6,594,859</b>
Shares issued from private placement (Note 14(b))	12,562,412	3,958,825	-	-	-	3,958,825
Less: issue costs – cash	-	(431,423)	-	-	-	(431,423)
Issue costs – non-cash (Note 14(c))	-	(83,464)	-	83,464	-	-
Conversion of subscription receipts (Note 6)	10,895,000	2,347,873	(2,347,873)	-	-	-
Shares issued on settlement of debt (Note 14(b))	1,533,185	341,985	-	-	-	341,985
Shares of Albion at RTO (Note 4)	2,692,124	530,214	-	-	-	530,214
Share-based payments (Note 14(d))	-	-	-	549,985	-	549,985
Loss for the period	-	-	-	-	(1,340,760)	(1,340,760)
<b>Balance as at March 31, 2015</b>	<b>73,766,451</b>	<b>\$ 15,456,927</b>	<b>\$ -</b>	<b>\$ 908,991</b>	<b>\$ (6,162,233)</b>	<b>\$ 10,203,685</b>

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

**FIRST MINING FINANCE CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

---

**1. NATURE OF OPERATIONS**

First Mining Finance Corp. (formerly Albion Petroleum Ltd. (“Albion”)) (the “Company” or “First Mining”) was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on April 4, 2005 and completed its initial public offering as a Capital Pool Company (“CPC”) on September 30, 2005. As a CPC, the Company’s only business had been to identify and evaluate businesses or assets with a view of completing a Qualifying Transaction.

On March 30, 2015, the Company completed the acquisition of all of the issued and outstanding shares of a private company, KCP Minerals Inc. (“KCP”) (formerly Sundance Minerals Ltd. (“Sundance”)) through a reverse takeover arrangement (the “RTO”), constituting its Qualifying Transaction under the applicable policies of the TSX Venture Exchange (“TSXV”). Upon completion of the RTO, the shareholders of KCP obtained control of the consolidated entity. Under the purchase method of accounting, KCP has been identified as the acquirer, and accordingly the entity is considered to be a continuation of KCP with the net assets of the Company at the date of the RTO deemed to have been acquired by KCP (Note 4). The consolidated financial statements for the three months ended March 31, 2015 include the results of operations of KCP from January 1, 2015 and of the Company from March 30, 2015, the date of the RTO. The comparative figures are those of KCP.

The Company’s principal activities include the acquisition, exploration and evaluation of mineral properties. The Company is currently undertaking exploration activities primarily in Mexico.

The registered office of First Mining is Suite 1805 - 925 West Georgia Street, Vancouver, BC V6C 3L2.

First Mining trades on the TSX Venture Exchange under the symbol “FF”.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of KCP for the year ended December 31, 2014, which have been prepared in accordance with IFRS.

These consolidated financial statements have been prepared on an historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. The consolidated financial statements are presented in US dollars, which is the functional and presentation currency of the Company and all of its subsidiaries.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements of KCP for the year ended December 31, 2014.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on May 29, 2015.

**FIRST MINING FINANCE CORP.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - expressed in U.S. dollars)

**3. ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED**

IFRS 9, *Financial Instruments*, was issued in July 2014 and replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 was developed in phases by the IASB. As a result there are a number of transition options and requirements in relation to earlier versions of IFRS 9 prior to the mandatory effective date of IFRS 9 in its entirety. IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election for use of fair value through other comprehensive income which results in changes in fair value not being recycled through the income statement. The Company has not adopted IFRS 9 and has not completed its assessment of the impact of this standard.

**4. REVERSE TAKEOVER TRANSACTION**

On July 1, 2014, Albion and Sundance entered into an Arrangement Agreement (“Arrangement”), whereby Albion would acquire all of the issued and outstanding shares of Sundance, in exchange for shares of the resulting entity.

On March 11, 2015, Sundance was renamed as KCP and on March 30, 2015, Albion completed the acquisition of all of the issued and outstanding shares of KCP on a 1:1 basis, constituting a qualifying transaction under the applicable policies of the TSX Venture Exchange. On the same day, Albion was renamed as First Mining. Prior to completion of the transaction, Albion consolidated all of its issued and outstanding shares on a four-for-one basis.

In accordance with IFRS 3, Business Combinations (“IFRS 3”), the substance of the transaction was a reverse takeover (“RTO”) of a non-operating company. The transaction does not constitute a business combination since Albion does not meet the definition of a business under IFRS 3. As a result, the transaction is accounted for as an asset acquisition with KCP being identified as the acquirer (legal subsidiary) and Albion being treated as the accounting subsidiary (legal parent) with the transaction being measured at the fair value of the equity consideration issued to Albion.

The consideration received was the fair value of the net assets of Albion, which on March 30, 2015 was \$53,505. The amount was calculated as follows:

<b>Category</b>		
Cash and cash equivalents	\$	73,497
Accounts receivable		2,067
Accounts payable and accrued liabilities		(22,059)
<b>Net assets acquired</b>	<b>\$</b>	<b>53,505</b>
Fair value of 2,692,124 shares issued by KCP at CAD\$0.25 per share		530,214
Fair value of consideration paid in excess of net assets acquired		476,709
Transaction costs related to acquisition		39,488
<b>Charge related to public company listing</b>	<b>\$</b>	<b>516,197</b>

**5. CASH AND CASH EQUIVALENTS**

Cash consists of deposits at banks earning interest at floating rates based on daily bank deposit rates. Cash equivalents include demand deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less. As at March 31, 2015 and December 31, 2014, all cash and cash equivalents were deposits at banks with major balances held in Canadian chartered banks and a Mexican bank.

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**6. RESTRICTED CASH**

At December 31, 2014, KCP had received \$2,347,873 (CAD\$2,723,750) in subscription receipts to purchase 10,895,000 common shares of KCP at CAD\$0.25 per share. The subscription receipts were held in escrow until immediately before the completion of the RTO when they were released from escrow.

**7. RECEIVABLES AND PREPAID EXPENDITURES**

<b>Category</b>	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
Taxes receivable (GST)	\$	16,910	\$	9,797
Prepaid expenditures		38,541		25,210
<b>Total</b>	<b>\$</b>	<b>55,451</b>	<b>\$</b>	<b>35,007</b>

**8. MARKETABLE SECURITIES**

In March 2015, KCP received 882,968 shares of Paget Minerals Corp. ("Paget") at a fair value of \$0.01 per share as settlement of the agreement on the San Ricardo property (Note 9). As at March 31, 2015 these shares had a fair value of \$8,830.

	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
Paget Shares	\$	8,830	\$	-

**9. MINERAL PROPERTIES**

As at March 31, 2015 and December 31, 2014, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral properties:

<b>Properties</b>	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
Miranda	\$	363,550	\$	345,092
Socorro		307,918		265,563
San Ricardo		328,787		290,899
Peñasco Quemado		1,894,582		1,769,582
La Frazada		1,363,605		1,362,795
Los Tamales		13,906		8,579
Puertecitos		101,533		95,631
Pluton		627,302		582,658
Margaritas		62,909		58,141
Los Lobos		350,431		311,446
Other properties		175,851		107,081
Turquoise Canyon		460,202		460,202
<b>Total</b>	<b>\$</b>	<b>6,050,576</b>	<b>\$</b>	<b>5,657,669</b>



**FIRST MINING FINANCE CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**9. MINERAL PROPERTIES (continued)**

	Mexico													Total	USA	Total
	Miranda	Socorro	San Ricardo	Peñasco Quemado	La Frazada	Los Tamales	Puertecitos	Pluton	Margaritas	Los Lobos	La Sorpresa	Others <sup>(1)</sup>	Turquoise Canyon			
<b>Balance December 31, 2013</b>	\$ 315,701	\$ 183,241	\$ 252,100	\$ -	\$ -	\$ -	\$ 82,890	\$ 494,362	\$ -	\$ -	\$ -	\$ 61,116	\$ 1,389,410	\$ 425,990	\$ 1,815,400	
Acquisition	-	-	-	1,672,036	1,361,640	-	-	-	45,661	269,148	206,828	-	3,555,313	-	3,555,313	
Mineral concessions and option payments	21,576	78,928	68,841	95,898	858	10,948	12,444	82,208	12,480	41,274	10,829	42,898	479,182	34,212	513,394	
Geological consulting and lab	4,000	1,006	1,006	-	-	1,006	-	1,631	-	-	-	-	8,649	-	8,649	
Field supplies and other	719	-	-	-	-	-	-	-	-	-	-	-	719	-	719	
Travel and administration	3,096	2,388	5,388	1,648	297	2,193	297	4,457	-	1,024	3,564	3,067	27,419	-	27,419	
<b>Total expenditures</b>	<b>29,391</b>	<b>82,322</b>	<b>75,235</b>	<b>1,769,582</b>	<b>1,362,795</b>	<b>14,147</b>	<b>12,741</b>	<b>88,296</b>	<b>58,141</b>	<b>311,446</b>	<b>221,221</b>	<b>45,965</b>	<b>4,071,282</b>	<b>34,212</b>	<b>4,105,494</b>	
Write-down of mineral properties	-	-	-	-	-	-	-	-	-	-	(221,221)	-	(221,221)	-	(221,221)	
Option payments and expenditures recovered	-	-	(36,436)	-	-	(5,568)	-	-	-	-	-	-	(42,004)	-	(42,004)	
<b>Balance December 31, 2014</b>	<b>\$ 345,092</b>	<b>\$ 265,563</b>	<b>\$ 290,899</b>	<b>\$ 1,769,582</b>	<b>\$ 1,362,795</b>	<b>\$ 8,579</b>	<b>\$ 95,631</b>	<b>\$ 582,658</b>	<b>\$ 58,141</b>	<b>\$ 311,446</b>	<b>\$ -</b>	<b>\$ 107,081</b>	<b>\$ 5,197,467</b>	<b>\$ 460,202</b>	<b>\$ 5,657,669</b>	
Mineral concessions	18,458	42,355	46,417	125,000	810	5,327	5,902	42,885	4,768	38,985	-	68,770	399,677	-	399,677	
Geological consulting and lab	-	-	-	-	-	-	-	1,458	-	-	-	-	1,458	-	1,458	
Travel and administration	-	-	301	-	-	-	-	301	-	-	-	-	602	-	602	
<b>Total expenditures</b>	<b>18,458</b>	<b>42,355</b>	<b>46,718</b>	<b>125,000</b>	<b>810</b>	<b>5,327</b>	<b>5,902</b>	<b>44,644</b>	<b>4,768</b>	<b>38,985</b>	<b>-</b>	<b>68,770</b>	<b>401,737</b>	<b>-</b>	<b>401,737</b>	
Option payments and expenditures recovered	-	-	(8,830)	-	-	-	-	-	-	-	-	-	(8,830)	-	(8,830)	
<b>Balance March 31, 2015</b>	<b>\$ 363,550</b>	<b>\$ 307,918</b>	<b>\$ 328,787</b>	<b>\$ 1,894,582</b>	<b>\$ 1,363,605</b>	<b>\$ 13,906</b>	<b>\$ 101,533</b>	<b>\$ 627,302</b>	<b>\$ 62,909</b>	<b>\$ 350,431</b>	<b>\$ -</b>	<b>\$ 175,851</b>	<b>\$ 5,590,374</b>	<b>\$ 460,202</b>	<b>\$ 6,050,576</b>	

(1) Other mineral properties include the Geranio, El Apache, El Roble, Batacosa, Lachatao, Tierritas and Montana Negra properties.

**FIRST MINING FINANCE CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

---

**9. MINERAL PROPERTIES (Continued)**

**Miranda, Sonora, Mexico**

The Miranda gold property is comprised of four concessions covering 16,035 hectares in the Sonoran desert, located 60 km west of Caborca and 128 km south of Sonoyta (US border) in the northwestern portion of the State of Sonora.

**Socorro, Sonora, Mexico**

In 2011, the Company acquired 100% interests in the Socorro property in Sonora State, Mexico through staking.

**San Ricardo, Sonora, Mexico**

The San Ricardo property consists of 37,401 hectares in concessions located in the State of Sonora, Mexico.

The Company had optioned the property to Paget Minerals ("Paget") in 2012, however, in November 2014, Paget provided notice to the Company that it had elected not to incur and fund further work costs for the San Ricardo concessions under the option agreement. In March 2015, the Company received 882,968 shares of Paget at a fair value of CAD\$0.01 per share as settlement of the agreement.

**Peñasco Quemado, Sonora, Mexico**

The Peñasco Quemado property is a silver-manganese deposit consisting of 22,998 hectares in eight contiguous mining claims located in north-central State of Sonora, Mexico. The concessions are held through Minera Terra Plata S.A. de C.V., a 100% owned Mexican subsidiary acquired from First Majestic Silver Corp. in July 2014.

**La Frazada, Nayarit, Mexico**

The La Frazada property consists of a 299 hectares concession in the State of Nayarit, Mexico. The concession encompasses the past producing La Frazada Silver Mine, located in the historic mining district of 'Real del Zopilote'. The concessions are held through Minera Terra Plata S.A. de C.V., a 100% owned Mexican subsidiary acquired from First Majestic Silver Corp. in July 2014.

**Los Tamales, Sonora, Mexico**

In 2010, the Company acquired 100% interests in the Los Tamales property in Sonora State, Mexico through staking.

**Puertecitos, Sonora, Mexico**

In 2009, the Company acquired 100% interests in the Puertecitos property in Sonora State, Mexico through staking.

**Pluton, Durango, Mexico**

In 2009, the Company entered into an option agreement, which was subsequently amended in January 2015, with Raul Diaz Unzueta ("Diaz"), a related party, to acquire a 100% interest in the Pluton property located in Durango State, Mexico. In order to exercise the option, the Company must make the following option payments and issue the following shares:

- a cash payment of \$30,000 (paid) and 250,000 shares of the Company (issued at a fair value of CAD\$0.35 per share) on execution of the agreement;
- 250,000 shares of the Company on or before May 5, 2010 (issued at a fair value of \$48,705 or \$0.195 per share);
- 500,000 shares of the Company on or before May 5, 2011 (issued at a fair value of \$150,000 or \$0.30 per share); and
- a final payment of \$2,000,000 in cash or shares on or before May 5, 2017.

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**9. MINERAL PROPERTIES (Continued)****Pluton, Durango, Mexico (Continued)**

The Company is also required to satisfy a work commitment to incur \$900,000 in exploration expenditures as follows:

- \$200,000 on or before May 5, 2010 (incurred);
- \$200,000 on or before May 5, 2011 (incurred); and
- \$500,000 on or before May 5, 2017.

**Margaritas, Durango, Mexico**

The Margaritas property is a 500 hectare property consisting of two mining concessions in the State of Durango, approximately 150 km from the city of Durango. The concessions are held through Impulsora De Proyectos Mineros, S.A. de C.V., a 100% owned Mexican subsidiary acquired from 0924682 B.C. Ltd. ("NumberCo") in July 2014.

**Los Lobos, Sonora, Mexico**

The Los Lobos property is located in the Sonora State, Mexico. The Los Lobos property consists of 11,558 hectares. The Los Lobos Silver Project lies along the Sea of Cortez and is approximately 90 km from Puerto Peñasco, the largest major centre in the region. The concessions are held through Minera Terra Plata S.A. de C.V., a 100% owned Mexican subsidiary acquired from First Majestic Silver Corp. in July 2014.

**Turquoise Canyon, Nevada, USA**

In 2008, the Company purchased a 100% interest in the Turquoise Canyon property located in north central Nevada, USA for aggregate cash payments of \$115,630. In connection with this transaction, the Company issued 50,000 units with a fair value of \$17,678 as payment of finder's fees.

**10. EQUIPMENT**

	<b>Furniture &amp; Fixtures</b>	<b>Office Equipment</b>	<b>Field Equipment</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>					
As at December 31, 2013	\$ 3,016	\$ 40,580	\$ 15,989	\$ 23,500	\$ 83,085
Reclassification	-	-	3,145	(3,145)	-
<b>As at December 31, 2014</b>	<b>3,016</b>	<b>40,580</b>	<b>19,134</b>	<b>20,355</b>	<b>83,085</b>
<b>As at March 31, 2015</b>	<b>3,016</b>	<b>40,580</b>	<b>19,134</b>	<b>20,355</b>	<b>83,085</b>
<b>Accumulated Amortization</b>					
As at December 31, 2013	2,619	39,333	15,856	12,131	69,939
Depreciation and amortization	260	1,247	1,755	4,698	7,960
<b>As at December 31, 2014</b>	<b>2,879</b>	<b>40,580</b>	<b>17,611</b>	<b>16,829</b>	<b>77,899</b>
Depreciation and amortization	26	-	311	1,176	1,513
<b>As at March 31, 2015</b>	<b>2,905</b>	<b>40,580</b>	<b>17,922</b>	<b>18,005</b>	<b>79,412</b>
<b>Net book value</b>					
As at December 31, 2014	\$ 137	\$ -	\$ 1,523	\$ 3,526	\$ 5,186
<b>As at March 31, 2015</b>	<b>\$ 111</b>	<b>\$ -</b>	<b>\$ 1,212</b>	<b>\$ 2,350</b>	<b>\$ 3,673</b>

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**11. VALUE ADDED TAX**

Value added tax consists of refundable tax credits incurred in Mexico and has been recorded as a long term asset. Although the Company has been successful in applying and receiving refunds in the past from the Government of Mexico, there is no guarantee this will continue and, as such, refundable tax credits are included as a non-current asset. As at March 31, 2015 and December 31, 2014, all value added tax balances were due from Mexico and are deemed 100% recoverable.

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities consist of the following:

	<b>March 31, 2015</b>	<b>December 31, 2014</b>
Accounts payable	\$ 220,414	\$ 913,486
Accrued property tax liabilities	112,739	112,739
Other accrued liabilities	51,842	70,297
<b>Total</b>	<b>\$ 384,995</b>	<b>\$ 1,096,522</b>

Accrued property tax liabilities represents holding costs on the Company's Mexico properties.

**13. LOANS PAYABLE**

In 2013 and 2014, the Company issued promissory notes for a total of \$500,000 to First Majestic Silver Corp. ("First Majestic"), a related party. The promissory notes carry an interest rate of 9% per annum and are repayable 30 days following the date First Majestic demands repayment.

In January 2015, the Company issued an additional \$500,000 promissory note to First Majestic, which carries the same terms as previous promissory notes.

As at the date of approval of these condensed interim consolidated financial statements, the lender has not demanded repayment.

A summary of the changes in the promissory notes are as follows:

	<b>Promissory Notes</b>
<b>Balance as at December 31, 2014</b>	<b>\$ 539,686</b>
Proceeds	500,000
Interest	19,726
<b>Balance as at March 31, 2015</b>	<b>\$ 1,059,412</b>

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**14. SHARE CAPITAL****a) Authorized**

The Company can issue an unlimited number of common shares with no par value and an unlimited number of preferred shares with no par value. No preferred shares have been issued as at March 31, 2015 and December 31, 2014.

**b) Issued**

During the three months ended March 31, 2015, the Company:

- completed a \$3,958,825 (CAD\$5,024,965) private placement by issuing 12,562,412 common shares at CAD\$0.40 per share;
- issued 10,895,000 shares at a fair value of \$2,347,873 (CAD\$2,723,750) on conversion of subscription receipts at a price of CAD\$0.25 per share (see Note 5);
- issued 2,692,124 shares at a fair value of \$530,214 (CAD\$673,031) at a fair value of CAD\$0.25 per share in the RTO transaction (see Note 4);
- issued 1,533,185 common shares for the settlement of debt in the amount of \$419,421. The common shares issued were recorded at a fair value of \$341,985 or CAD\$0.25 per share, resulting in a gain on debt settlement of \$77,436.

There were a total of 7,332,273 common shares of the Company held in escrow under the Escrow Value Security Agreement dated March 30, 2015, on the completion of the RTO. Under this agreement, 10% of the shares were released immediately and 15% will be released every six months thereafter with the final release being on March 30, 2018. As at March 31, 2015, there were 6,599,047 common shares of the Company held in escrow (December 31, 2014 – nil).

There were a total of 1,369,500 common shares of the Company held in escrow under the CPC Escrow Agreement dated August 2, 2005. At completion of the RTO, 10% of the shares were released and 15% will be released every six months thereafter with the final release being March 30, 2018. As at March 31, 2015 there were 1,232,550 common shares of the Company held in escrow (December 31, 2014 – 1,369,500 based on 4:1 rollback).

During the three months ended March 31, 2014, the Company did not issue any shares.

**c) Warrants**

The Company's warrants outstanding as at March 31, 2015 and December 31, 2014 and the changes for the periods then ended are as follows:

	Number		Weighted Average Exercise Price (CAD\$)
Balance as at December 31, 2013	2,423,281	\$	0.30
Expired	(2,423,281)		0.30
<b>Balance as at December 31, 2014</b>	<b>-</b>	<b>\$</b>	<b>-</b>
Issued	623,925		0.40
<b>Balance as at March 31, 2015</b>	<b>623,925</b>	<b>\$</b>	<b>0.40</b>

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**14. SHARE CAPITAL (continued)****c) Warrants (continued)**

The following table summarizes information about the warrants as at March 31, 2015:

<b>Exercise Price Per Share (CAD\$)</b>	<b>Number of Warrants Outstanding</b>	<b>Weighted Average Remaining Life (Years)</b>	<b>Expiry Date</b>
\$0.40	623,925	1.5	September 30, 2016

Warrants with a fair value of \$83,464 were issued to the agents and other finders for their services in connection with the private placement completed on March 30, 2015. The Black-Scholes Pricing Model was used to estimate the fair value of warrants using the following assumptions:

Date Granted	March 30, 2015
Number of warrants granted	623,925
Risk-free interest rate	0.78%
Expected dividend yield	Nil
Expected share price volatility	90.43%
Expected warrant life in years	1.5

The related expense was treated as a share-issuance cost.

**d) Options**

The Company has adopted a stock option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, employees and consultants to the Company. The Stock Option Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued shares of the Company. As well, stock options granted under the Stock Option Plan may be subject to vesting provisions as determined by the Board of Directors. All options granted and outstanding are fully vested and exercisable.

As part of the Arrangement (Note 4), all stock options of the Company prior to the RTO were cancelled effective July 1, 2014.

The Company granted the following options to directors and officers during the period ended March 31, 2015:

	<b>Number</b>	<b>Weighted Average Exercise Price (CAD\$)</b>
<b>Balance as at December 31, 2014</b>	- \$	-
Issued	2,550,000	<b>0.40</b>
<b>Balance as at March 31, 2015</b>	<b>2,550,000 \$</b>	<b>0.40</b>

These options vested immediately and the total share-based payment expense recorded during the period ended March 31, 2015 was \$549,985.

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**14. SHARE CAPITAL (continued)****d) Options (continued)**

The following table summarizes information about the options as at March 31, 2015:

Exercise Price Per Share (CAD\$)	Number of Warrants Outstanding	Weighted Average Remaining Life (Years)	Number of Options Exercisable	Expiry Date
\$0.40	2,550,000	5.0	2,550,000	March 30, 2020

The Black-Scholes Pricing Model was used to estimate the fair value of options using the following assumptions:

Date Granted	March 30, 2015
Number of options granted	2,550,000
Risk-free interest rate	1.38%
Expected dividend yield	Nil
Expected share price volatility	87.67%
Expected option life in years	5.0

**e) Nature and purpose of equity and reserves**

The reserves recorded in equity on the Company's Condensed Interim Consolidated Statement of Financial Position include 'Share-based payment reserve' and 'Accumulated deficit'.

'Share-based payment reserve' is used to recognize the value of stock option grants and non-derivative share purchase warrants prior to exercise.

'Accumulated deficit' is used to record the Company's change in deficit from earnings from period to period.

**15. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being exploration and development of exploration and evaluation assets. The Company has exploration and evaluation assets located geographically as follows:

	March 31, 2015		December 31, 2014	
Mexico	\$	5,590,374	\$	5,197,467
USA		460,202		460,202
	\$	<b>6,050,576</b>	\$	<b>5,657,669</b>

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**16. RELATED PARTY TRANSACTIONS**

The Company's related parties consist of the Company's officers and directors, and companies associated with them, and a legal firm in which a former director of the Company is a partner. The Company incurred the following expenditures during the three months ended March 31, 2015 and 2014 that were provided to the Company's key management personnel, including the Chief Executive Officer, Chief Financial Officer and Directors:

<b>Service or Item for the three months ended</b>	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
Administration and office	\$	15,000	\$	-
Salaries, consulting, and director fees		17,667		36,000
Share-based payments		549,985		-
<b>Total</b>	<b>\$</b>	<b>582,652</b>	<b>\$</b>	<b>36,000</b>

The accounts payable and accrued liabilities for the period ended March 31, 2015 and December 31, 2014 include:

<b>Related Party Liabilities</b>	<b>Balance Sheet Item</b>	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
Amounts due to:					
First Majestic Silver Corp.	Promissory notes	\$	1,059,412	\$	539,686
First Majestic Silver Corp.	Accounts payable and accrued liabilities		48,675		30,000
Directors and Officers	Accounts payable and accrued liabilities		45,805		364,839
<b>Total</b>		<b>\$</b>	<b>1,153,892</b>	<b>\$</b>	<b>934,525</b>

Prior to July 1, 2014, Seabord Services Corp. ("Seabord") was a management services company which provided a Chief Financial Officer ("CFO"), a Corporate Secretary, accounting staff, administration staff and office space to the Company. Under this arrangement, the CFO and the Corporate Secretary are employees of Seabord and were not paid directly by the Company. For the three months ended March 31, 2015, the Company paid or accrued \$nil (March 31, 2014 - \$21,509) to Seabord. Seabord ceased to be a related party on July 1, 2014 after termination of their services agreement.

For the three months ended March 31, 2015, the Company paid or accrued \$nil (March 31, 2014 - \$1,121) in legal fees to a firm in which a former director is a partner (no fees were paid directly to such director). The law firm ceased to be a related party on July 1, 2014 after resignation of the related director.

Amounts due to directors or officers or companies associated with them are included in accounts payable and accrued liabilities on the Company's consolidated balance sheet and are non-interest bearing with no specific terms of repayment.

**17. SUPPLEMENTAL CASH FLOW INFORMATION**

During the three months ended March 31, 2015, the significant non-cash investing and financing transactions were as follows:

- 10,895,000 subscription receipts were converted into common shares with a value of \$2,347,873 (see Note 6);
- Issued 1,533,185 common shares for settlement of \$341,985 in debt (see Note 14 (b));
- Paid or accrued \$nil for income taxes.

During the three months ended March 31, 2014, the significant non-cash investing and financing transactions were as follows:

- Paid or accrued \$nil for income taxes.



**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

**18. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in the note.

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

***Foreign Currency Risk***

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, the United States, and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD") and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the US dollar relative to the CAD and MXN could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

As at March 31, 2015, the Company is exposed to currency risk on the following assets and liabilities denominated in CAD and MXN. The sensitivity of the Company's net earnings due to changes in the exchange rate between the CAD and MXN against the US dollar is included in the table below:

	<b>CAD Amount</b>	<b>MXN Amount</b>	<b>Total</b>
Cash and cash equivalents	\$ 5,262,822	\$ 5,710	\$ 5,268,532
Receivables and prepaid expenditures	26,685	26,699	53,384
Value added tax receivable	-	148,944	148,944
Accounts payable and accrued liabilities	(168,586)	(113,919)	(282,505)
<b>Net exposure</b>	<b>\$ 5,120,921</b>	<b>\$ 67,434</b>	<b>\$ 5,188,355</b>
<b>Effect of +/- 10% change in currency</b>	<b>\$ 512,092</b>	<b>\$ 6,743</b>	

***Interest Rate Risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings that are subject to fluctuations in market interest rate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

**FIRST MINING FINANCE CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

---

**18. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

**b) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, receivables and value added tax receivables. The Company considers credit risk with respect to its cash and cash equivalents and receivables to be immaterial as cash and cash equivalents are mainly held through large Canadian financial institutions and receivables are comprised mainly of input tax credits due from the Canadian government. The Company is exposed to credit risk related to value added tax collectible from the government of Mexico. The balance is expected to be recoverable in full, however due to the tax rules and the complex collection process, a significant portion of the asset is classified as non-current until the recovery claim is approved by the tax authorities.

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at March 31, 2015, the Company has outstanding trade payables and accrued liabilities of \$384,995, which are generally payable within 12 months, and loans payable of \$1,059,412 which are repayable on demand by the lender.

Typically, the Company ensures that it has sufficient cash on hand to meet expected operational expenses for a period of 90 days. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable, which are generally due within 90 days or less. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

**d) Capital Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty.

The Company is not exposed to any externally imposed capital requirements, nor were there changes in the Company's approach to capital management during the year.

**19. FAIR VALUE**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**FIRST MINING FINANCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

---

**19. FAIR VALUE (continued)**

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within 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: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and loans payable approximated their fair value because of the short-term nature of these instruments. The carrying value of marketable securities was based on the quoted market prices of the shares as at March 31, 2015 and is therefore considered to be Level 1.

**20. SUBSEQUENT EVENTS**

Subsequent to March 31, 2015, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with Coastal Gold Corp. ("Coastal") under which the Company will acquire all of the outstanding common shares of Coastal on the basis of 0.1625 common shares in the capital of First Mining for each Coastal common share by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "Transaction"). The Transaction will be conducted by way of a court-approved plan of arrangement, resulting in Coastal becoming a wholly-owned subsidiary of First Mining.

All options of Coastal outstanding immediately prior to closing of the Transaction will, following closing and subject to regulatory approval, be exercisable for that number of common shares of First Mining using the same exchange ratio applicable to the Coastal common shares under the Transaction, with corresponding adjustment to the exercise price on the basis of such exchange ratio.

The parties have also entered into a loan agreement whereby First Mining has advanced to Coastal CAD\$950,000 (the "Loan") in order to allow Coastal to pay the termination fee payable under a previous agreement (the "Sulliden Agreement") with Sulliden Mining Capital Inc. ("Sulliden"), to repay the loan previously advanced by Sulliden to Coastal and to pay Coastal's expenses in connection with the Transaction and the Sulliden Agreement. The Loan will accrue interest at the rate of 8% per annum and mature on the earlier of: (a) the completion of the Transaction; (b) termination of the Arrangement Agreement; and (c) the date that is six months following the date of the Loan. Subject to the approval of the TSX Venture Exchange, in certain circumstances the outstanding principal amount of the Loan together with all accrued and unpaid interest thereon may be converted into Coastal common shares.

The Transaction is subject to customary conditions, including:

- Approval by a minimum of 66⅔% of the votes cast by Coastal shareholders represented in person or by proxy at a special meeting of shareholders, as well as approval by a majority vote that will exclude the votes of certain related parties of Coastal;
- Approval/acceptance of the court and the TSX Venture Exchange of the Transaction;
- Coastal shareholders holding collectively not more than 25% of the outstanding common shares of Coastal having exercised their dissent rights; and
- No material adverse change having occurred.

**FIRST MINING FINANCE CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - expressed in U.S. dollars)

---

**20. SUBSEQUENT EVENTS (continued)**

The Arrangement Agreement includes a commitment by Coastal not to solicit alternative transactions to the proposed Transaction. The Arrangement Agreement also provides that if Coastal terminates the Transaction in certain circumstances it is obligated to pay to First Mining CAD\$500,000 on account of costs and expenses in connection with the Transaction. Each party has also been provided with certain other rights, representations and warranties and covenants customary for a transaction of this nature, and First Mining has the right to match any competing offers made to Coastal.

Coastal shareholders will be granted dissent rights which, if exercised in accordance with applicable requirements, will provide such shareholders the right to be paid the fair value for their Coastal common shares by Coastal.