ANCONIA RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2015 AND 2014

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Anconia Resources Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended June 30, 2015 and 2014 have not been reviewed by the Company's auditors.

ANCONIA RESOURCES CORP.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	June 30, 2015	September 30, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 64,044	$ 112,716
Amounts receivable and other assets (note 3)	29,242	38,851
Total Current assets	93,286	151,567
Equipment (note 4)	2,447	2,867
Exploration and evaluation assets (note 5)	5,632,158	5,296,165
Total Assets	$ 5,727,891	$ 5,450,599
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	$ 637,792	$ 368,968
Flow-through share liabilities	7,995	85,891
Total Liabilities	645,787	454,859
Shareholders' Equity		
Share capital (note 7(b))	5,174,018	4,983,018
Reserves for share-based payments (note 9(b))	1,112,307	1,112,307
Reserves for warrants (note 8)	275,988	679,602
Other reserves	2,416,632	1,837,018
Accumulated deficit	(3,896,841)	(3,616,205)
Total Shareholders' Equity	5,082,104	4,995,740
Total Liabilities and Shareholders' Equity	$ 5,727,891	$ 5,450,599

Nature of operations and going concern (note 1)
Commitment (note 13)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: Jason Brewster

Director: Michael Florence

ANCONIA RESOURCES CORP.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars, except number of shares)
(Unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2015	**2014**	**2015**	**2014**
Expenses				
General and administrative (note 12)	$ 82,262	$ 144,371	$ 341,780	$ 508,603
Reversal of flow-through share liabilities (note 7(b)(5))	(2,942)	(4,791)	(77,896)	(59,684)
Foreign exchange loss (gain)	700	(340)	(374)	(574)
Interest income	-	-	(419)	-
Impairment of exploration and evaluation assets (note 5)	17,545	-	17,545	-
Net loss and comprehensive loss for the period	$ 97,565	$ 139,240	$ 280,636	$ 448,345
Basic and diluted loss per share (note 10)	$ 0.00	$ 0.00	$ 0.00	$ 0.01
Weighted average number of shares outstanding - basic and diluted	82,842,596	62,718,695	72,126,113	61,107,829

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

ANCONIA RESOURCES CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

		Reserves				
	Share capital	Share-based payments	Warrants	Other reserves (1)	Accumulated deficit	Total
Balance, September 30, 2013	$ 4,727,368	$ 1,005,620	$ 1,302,930	$ 1,169,149	$ (3,028,383)	$ 5,176,684
Common shares and warrants issued in private placement, (note 7(b)(2))	257,281	-	44,541	-	-	301,822
Premium on flow-through shares (note 7(b)(2))	(45,035)	-	-	-	-	(45,035)
Expiry of warrants	-	-	(146,564)	146,564	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(448,345)	(448,345)
Balance, June 30, 2014	$ 4,939,614	$ 1,005,620	$ 1,200,907	$ 1,315,713	$ (3,476,728)	$ 4,985,126
Balance, September 30, 2014	$ 4,983,018	$ 1,112,307	$ 679,602	$ 1,837,018	$ (3,616,205)	$ 4,995,740
Common shares and warrants issued in private placement, (note 7(b)(3))	176,000	-	176,000	-	-	352,000
Common shares issued for exploration and evaluation assets (note 7(b)(4))	15,000	-	-	-	-	15,000
Expiry of warrants	-	-	(579,614)	579,614	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(280,636)	(280,636)
Balance, June 30, 2015	$ 5,174,018	$ 1,112,307	$ 275,988	$ 2,416,632	$ (3,896,841)	$ 5,082,104

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

(1) Other reserves include the value of the warrants that had expired unexercised.

ANCONIA RESOURCES CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine months ended June 30,	2015	2014
Operating Activities		
Net loss for the period	$ (280,636)	$ (448,345)
Depreciation	420	419
Reversal of flow-through share liabilities	(77,896)	(59,684)
Impairment of exploration and evaluation assets	17,545	-
Net change in non-cash working capital:		
Decrease (increase) in amounts receivable and other assets	9,609	(25,575)
Increase (decrease) in accounts payable and accrued liabilities	153,472	(550,451)
Cash used in operating activities	(177,486)	(1,083,636)
Investing Activities		
Expenditures on exploration and evaluation assets	(239,186)	(310,874)
Consideration paid for acquisition of Cadillac Ventures (Spain) S.L.U.	-	(20,000)
Cash obtained upon acquisition of Cadillac Ventures (Spain) S.L.U.	-	496
Cash used in investing activities	(239,186)	(330,378)
Financing Activities		
Issuance of common shares and warrants	368,000	301,822
Cash provided by financing activities	368,000	301,822
Net change in cash and cash equivalents	(48,672)	(1,112,192)
Cash and cash equivalents, beginning of the period	112,716	1,267,756
Cash and cash equivalents, end of the period	$ 64,044	$ 155,564
Supplemental cash flow information:		
Non-cash transaction costs for issuance of common shares and warrants	$ (16,000)	$ -
Non-cash expenditures on exploration and evaluation assets	$ (99,352)	$ (9,113)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Anconia Resources Corp. ("Anconia" or the "Company") was incorporated under the Business Corporation Act (Ontario) on March 22, 1962 and its activities were directed toward locating exploration and evaluation assets. The primary office of the Company is located at 65 Front Street East, Suite 200, Toronto, Ontario, M5E 1B5, Canada.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned revenue and has an accumulated deficit of $3,896,841 as at June 30, 2015 (September 30, 2014 - $3,616,205). As at June 30, 2015, the Company had cash and cash equivalents of $64,044 (September 30, 2014 - $112,716) and a working capital deficit of $552,501 (September 30, 2014 - working capital deficit of $303,292). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern, as described in the following paragraph. These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures.

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS"), which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due. Management is of the opinion that additional funding is available and may be sourced in time to allow the Company to acquire exploration and evaluation assets. While it has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such exploration and evaluation assets, these procedures do not guarantee the Company has a perfected title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, and renegotiation of contracts.

2. Significant accounting policies

(a) Statement of compliance

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 26, 2015, the date the Board of Directors approved the statements. Other than changes in accounting policies discussed below, the same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended September 30, 2014. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ended September 30, 2015 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(b) Changes in accounting policies

Certain pronouncements were issued by IASB and IFRIC that are mandatory for accounting periods after September 30, 2014. The following new standard has been adopted:

IAS 32 - Financial Instruments, Presentation ("IAS 32") was effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify the application of certain offsetting criteria in the standard. The Company adopted this amendment on October 1, 2014 and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(c) New accounting standards and interpretations

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

Various other accounting pronouncements that have no material impact to the Company are not included above.

3. Amounts receivable and other assets

	June 30, 2015	September 30, 2014
Sales tax receivable (i)	$ 23,434	$ 34,361
Prepaid expenses	5,808	4,490
	$ 29,242	$ 38,851

(i) Sales tax receivable is not past due.

(Expressed in Canadian Dollars)

4. Equipment

Cost		Furniture and office equipment
Balance, September 30, 2014 and June 30, 2015	$	5,594
Accumulated depreciation		
Balance, September 30, 2014	$	2,727
Depreciation		420
Balance, June 30, 2015	$	3,147
Net book value		
Balance, September 30, 2014	$	2,867
Balance, June 30, 2015	$	2,447

5. Exploration and evaluation assets

		Acquisition		Exploration		Total
Balance, September 30, 2013	$	123,200	$	4,611,225	$	4,734,425
Additions		17,545		318,520		336,065
Balance, June 30, 2014		140,745		4,929,745		5,070,490
Additions		60,000		165,675		225,675
Balance, September 30, 2014		200,745		5,095,420		5,296,165
Additions		15,000		338,538		353,538
Impairment		(17,545)		-		(17,545)
Balance, June 30, 2015	$	198,200	$	5,433,958	$	5,632,158

Exploration and acquisition activities for the three months ended June 30, 2015 are as follows:

		Spanish Subsidiary Properties		Grenfell Property	Total
Geology	$	-	$	256	256
Drilling		-		12,163	12,163
Others		-		15,238	15,238
Acquisition (note 7(b)(4))		-		15,000	15,000
Impairment		(17,545)		-	(17,545)
	$	(17,545)	$	42,657	25,112

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

Exploration activities for the nine months ended June 30, 2015 are as follows:

	Spanish Subsidiary Properties	Grenfell Property	Total
Geology	$ -	$ 232,891	232,891
Drilling	-	62,163	62,163
Others	-	43,484	43,484
Acquisition (note 7(b)(4))	-	15,000	15,000
Impairment	(17,545)	-	(17,545)
	$ (17,545)	$ 353,538	335,993

Exploration activities for the three months ended June 30, 2014 are as follows:

	Spanish Subsidiary Properties	Nuvanut Properties	Total
Planning	$ -	$ 11,298	$ 11,298
Others	2,443	14,481	16,924
	$ 2,443	$ 25,779	$ 28,222

Exploration activities for the nine months ended June 30, 2014 are as follows:

	Spanish Subsidiary Properties	Nunavut Properties	Total
Geology	$ -	$ 83,201	$ 83,201
Drilling	-	97,226	97,226
Planning	-	11,298	11,298
Mining claims	-	60,000	60,000
Others	2,443	66,795	69,238
Acquisition	15,102	-	15,102
	$ 17,545	$ 318,520	$ 336,065

Exploration and acquisition activities and impairment from inception to June 30, 2015 are as follows:

	Grenfell Property	Properties written off	Spanish Subsidiary Properties	Nunavut properties	Total
Geology	$ 268,808	$ 93,977	$ -	$2,390,127	$2,752,912
Drilling	62,163	-	-	2,252,012	2,314,175
Planning	-	1,100	-	73,956	75,056
Drafting	-	14,588	-	26,944	41,532
Mining claims	-	140,700	-	278,282	418,982
Others	53,484	841	-	151,382	205,707
Acquisition costs	75,000	-	17,545	-	92,545
Impairment	-	(251,206)	(17,545)	-	(268,751)
	$ 459,455	$ -	$ -	$5,172,703	$5,632,158

(Expressed in Canadian Dollars)

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration costs on exploration and evaluation assets, general operating activities and amounts payable for professional fees activities.

	June 30, 2015	September 30, 2014
Accounts payable	$ 507,506	$ 328,648
Accrued liabilities	130,286	40,320
Total accounts payable and accrued liabilities	$ 637,792	$ 368,968

The following is an aged analysis of the accounts payable and accrued liabilities:

	June 30, 2015	September 30, 2014
Less than 1 month	$ 178,444	$ 104,115
1 to 3 months	26,817	47,460
Over 3 months	432,531	217,393
Total accounts payable and accrued liabilities	$ 637,792	$ 368,968

7. Share capital

(a) Authorized

Unlimited number of common shares without par value

(b) Common shares issued

	Number of common shares	Stated value
Balance, September 30, 2013	59,358,074	$ 4,727,368
Common shares issued in private placements (1)(2)	3,941,665	306,500
Valuation of warrants issued (1)(2)	-	(44,541)
Premium on flow-through shares (1)(2)	-	(45,035)
Transaction costs	-	(4,678)
Balance, June 30, 2014	63,299,739	$ 4,939,614
Balance, September 30, 2014	64,299,739	$ 4,983,018
Common shares issued in private placements (3)	18,400,000	368,000
Common shares issued for exploration and evaluation assets (4)	1,000,000	15,000
Transaction costs (3)	-	(16,000)
Valuation of warrants issued (3)	-	(176,000)
Balance, June 30, 2015	83,699,739	$ 5,174,018

7. Share capital (continued)

(b) Common shares issued (continued)

(1) On December 31, 2013, the Company closed the first tranche of its non-brokered private placement offering, announced on December 20, 2013, and issued 416,665 flow-through units ("FT Units") at $0.12 per FT Unit, for aggregate gross proceeds of $50,000.

Each FT Unit consist of one common share of the Company issued on a flow-through basis and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one common share of the Company at a price of $0.16 per share for a period of 12 months following the date of issuance. The fair value of the Warrants was determined to be $3,125 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 127% based on the Company's historical volatility, risk-free interest rate of 1.10% and an expected life of one year.

As a result of the flow-through placement, the flow-through premium of $8,333 was calculated. This amount of flow-through premium has been presented as a current liability in the unaudited condensed interim consolidated statements of financial position.

(2) On April 2, 2014, the Company announced that it proposed to complete a non-brokered private placement offering ("Private Placement") of units ("Units") and flow-through units ("Flow-through Unit"), at a subscription price of $0.06 per Unit and $0.075 per Flow-through Unit for aggregate gross proceeds of up to $750,000.

On April 16, 2014, the Company completed the first tranche of the Private Placement issuing 525,000 Units at $0.06 per Unit and 3,000,000 Flow-through Units at $0.075 per Flow-through Unit, for aggregate proceeds of $256,500. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (a "Unit Warrant"). Each whole Unit Warrant entitles the holder to purchase one common share of the Company at a price of $0.08 per share for a period of 18 months following the date of issuance. The fair value of the Unit Warrants was determined to be $6,786 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 142% based on the Company's historical volatility, risk-free interest rate of 1.05% and an expected life of 18 months.

Each Flow-through Unit consist of one common share of the Company issued on a flow-through basis and one-half of one common share purchase warrant (a "FT Warrant"). Each whole FT Warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of 18 months following the date of issuance. The fair value of the FT Warrants was determined to be $34,630 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 142% based on the Company's historical volatility, risk-free interest rate of 1.05% and an expected life of 18 months.

As a result of the flow-through placement, the flow-through premium of $36,702 was calculated. This amount of flow-through premium has been presented as a current liability in the unaudited condensed interim consolidated statements of financial position.

All of the securities issued under the first tranche of the Private Placement are subject to a statutory hold period in Canada expiring on August 17, 2014.

(Expressed in Canadian Dollars)

7. Share capital (continued)

(b) Common shares issued (continued)

(3) On March 5, 2015, the Company closed the first tranche of a private placement offering (the "Offering") with gross proceeds of $300,000, issuing 15,000,000 units ("Offering Units"). The Offering Units were issued at $0.02 per Offering Unit. Each Offering Unit consists of one common share of Anconia and one common share purchase warrant (an "Offering Warrant"). Each Offering Warrant entitles the holder to purchase one common share of Anconia at a price of $0.05 for a period of 36 months following the date of issuance. The fair value of the Offering Warrants was determined to be $150,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 176% based on the Company's historical volatility, risk-free interest rate of 0.61% and an expected life of 36 months. The Company incurred $13,043 transaction costs related to this tranche of which $6,522 was allocated to the Offering Warrants.

On March 19, 2015, the Company closed the second and final tranche of the Offering with gross proceeds of $68,000, issuing 3,400,000 Offering Units. The fair value of the Offering Warrants was determined to be $34,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 182% based on the Company's historical volatility, risk-free interest rate of 0.47% and an expected life of 36 months. The Company incurred $2,957 transaction costs related to this tranche of which $1,478 was allocated to the Offering Warrants.

(4) On June 17, 2015, the Company issued 1,000,000 common shares of the Company for acquiring the remaining interest in the Grenfell Property. The shares were valued for $15,000 with $0.015 per share based on the fair market value of the Company's shares on the date of issuance (note 5).

(5) During the three and nine months ended June 30, 2015, $2,942 and $77,896, respectively (three and nine months ended June 30, 2014 - $4,791 and $59,684, respectively), of the flow-through premiums from the issuance of shares in prior periods on flow-through basis was reversed and recognized in the unaudited condensed interim consolidated statement of comprehensive loss for the three and nine months ended June 30, 2015 as expenditure requirements were met.

8. Warrants

	Number of warrants	Amount
Balance, September 30, 2013	12,792,449	$ 1,302,930
Expired (i)	(1,402,559)	(146,564)
Issued (notes 7(b)(1)(2))	1,970,833	44,541
Balance, June 30, 2014	13,360,723	$ 1,200,907
Balance, September 30, 2014	10,192,024	$ 679,602
Expired (i)	(7,781,199)	(579,614)
Issued (note 7(b)(3))	18,400,000	176,000
Balance, June 30, 2015	20,810,825	$ 275,988

(i) Value of expired warrants is transferred to the other reserves.

(Expressed in Canadian Dollars)

8. Warrants (continued)

Details of the warrants outstanding at June 30, 2015 are as follows:

Number of warrants	Amount ($)	Exercise price ($)	Expiry date
418,192 (i)	39,310	0.10	September 5, 2015
131,333 (i)	11,951	0.10	September 19, 2015
98,800 (i)	7,311	0.10	September 27, 2015
262,500	6,786	0.08	October 16, 2015
1,500,000	34,630	0.10	October 16, 2015
15,000,000	143,478	0.05	March 5, 2018
3,400,000	32,522	0.05	March 19, 2018
20,810,825	275,988	0.06	

(i) These are broker warrants issued to finders.

9. Share-based payments

(a) Stock options

	Number of stock options	Weighted average exercise price
Balance, September 30, 2013	3,680,000	$ 0.35
Expired	(480,000)	0.42
Balance, June 30, 2014	3,200,000	$ 0.33
Balance, September 30, 2014 and June 30, 2015	5,500,000	$ 0.22

Details of the stock options outstanding at June 30, 2015 are as follows:

Fair value ($)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price ($)	Expiry date
726,150	0.99	2,350,000	2,350,000	0.40	June 27, 2016
120,700	2.06	850,000	850,000	0.15	July 20, 2017
106,687	4.14	2,300,000	2,300,000	0.05	August 18, 2019
953,537	2.47	5,500,000	5,500,000	0.22	

(b) Reserves for share-based payments

Reserves for share-based payments include the accumulated fair value of vested options. The reserve for share-based payments records items recognized as share-based payments in the form of stock option grants and vesting of such options until such time that these stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded will stay in the share-based payment reserve.

(Expressed in Canadian Dollars)

10. Loss per share

The calculation of basic and diluted loss per share for the three and nine months ended June 30, 2015 was based on the loss attributable to common shareholders of $97,565 and $280,636, respectively (three and nine months ended June 30, 2014 - $139,240 and $448,345, respectively) and the weighted average number of common shares outstanding of 82,842,596 and 72,126,113, respectively (three and nine months ended June 30, 2014 - 62,718,695 and 61,107,829, respectively). Diluted loss per share did not include the effect of 5,500,000 options (three and nine months ended June 30, 2014 - 3,200,000 options) and 20,810,825 warrants and broker warrants (three and nine months ended June 30, 2014 - 13,360,723 warrants and broker warrants) as they are anti-dilutive.

11. Related party disclosures

Related parties include the Board of Directors, officers, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

(a) The Company entered into the following transactions with related parties:

		Three months ended June 30,		Nine months ended June 30,	
		2015	2014	2015	2014
	Note	$	$	$	$
2181038 Ontario Inc.	(i)	24,000	30,000	72,000	90,000

(i) The President and Chief Executive Office, Mr. Jason Brewster, of the Company is the President of 2181038 Ontario Inc. During the three and nine months ended June 30, 2015, $11,000 and $47,000, respectively, were expensed as consulting fees (three and nine months ended June 30, 2014 - $18,000 and $43,150, respectively) and $13,000 and $25,000, respectively, (three and nine months ended June 30, 2014 – $12,000 and $46,850, respectively) were capitalized as exploration and evaluation assets. As at June 30, 2015, $132,480 (September 30, 2014 - $76,840) was owed to 2181038 Ontario Inc.

(Expressed in Canadian Dollars)

11. Related party disclosures (continued)

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2015	2014	2015	2014
	$	$	$	$
Salaries and benefits (1)	10,000	7,500	40,000	25,000
Business advisory fees paid to a director (2)	6,000	15,000	27,000	45,000
Consulting fees paid to officers (3)	14,400	18,000	43,200	54,000

(1) Directors are entitled to director fees and stock options as remuneration for their services. As at June 30, 2015, the directors were owed a total of $55,000 (September 30, 2014 - $22,500).

(2) One of the directors of the Company provides business advisory services and as such is compensated for his services. These fees are included in consulting fees in general and administrative in the unaudited condensed interim consolidated statements of comprehensive loss. As at June 30, 2015, this director of the Company was owed $74,130 (September 30, 2014 - $38,550).

(3) The Chief Financial Officer of the Company has a service contract and was paid fees based on this contract relating to consulting services in the normal course of business and these fees are expensed as consulting fees in general and administrative in the unaudited condensed interim consolidated statements of comprehensive loss. As at June 30, 2015, the Chief Financial Officer of the Company was owed $79,488 (September 30, 2014 - $46,104).

(4) The compensation to the President and Chief Executive Officer of the Company is disclosed in note 11(a).

To the knowledge of the directors and senior officers of the Company, as at June 30, 2015, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than Bernard C. Sherman, a major shareholder who owns 37.32% of all the issued and outstanding shares of the Company. The remaining 62.68% of the shares are widely held. These holdings can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights other than holders of the Company's common shares.

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

12. General and administrative

	Three months ended June 30,		Nine months ended June 30,	
	2015	2014	2015	2014
Salaries and benefits (note 11)	$ 10,000	$ 7,500	$ 40,000	$ 25,000
Professional fees	19,111	25,939	74,920	91,103
Consulting fees (note 11)	31,400	63,000	121,200	211,747
Shareholder and investor relations	1,079	24,209	11,356	71,902
Reporting issuer costs	4,322	8,666	37,955	41,405
Depreciation	140	139	420	419
Administrative expense	16,210	14,918	55,929	67,027
	$ 82,262	$ 144,371	$ 341,780	$ 508,603

13. Commitment

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at June 30, 2015, the Company has committed to incurring approximately $34,000 by December 31, 2015 arising from the flow-through offerings.