HIGHBANK RESOURCES LTD.

Financial Statements

Six months ended June 30, 2015

Expressed in Canadian Dollars

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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HIGHBANK RESOURCES LTD.
Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

	Notes	June 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash		$ 304,693	$ 189,018
Accounts receivable	4	33,525	87,747
Due from related parties	12	2,946	4,625
Prepaid expenses		62,899	134,719
		404,063	416,109
Non-current assets			
Property and equipment	5	9,596,176	8,580,590
Reclamation bond	7	189,500	189,500
Exploration and evaluation assets	6	3	3
		9,785,679	8,770,093
TOTAL ASSETS		$ 10,189,742	$ 9,186,202
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8	$ 622,111	$ 427,877
Promissory note	11	560,726	515,726
Due to related parties	12	57,338	116,192
		1,240,175	1,059,795
Non-current liabilities			
Production loan	6, 11	755,736	-
Convertible debenture	11	3,563,476	3,468,271
Reclamation obligation	7	94,750	94,750
		4,413,962	3,563,021
TOTAL LIABILITIES		5,654,137	4,622,816
SHAREHOLDERS' EQUITY			
Share capital	9	15,245,969	14,729,590
Share subscription receivable		(6,650)	(6,650)
Equity component of convertible debenture	11	380,344	380,344
Contributed surplus	10	1,216,725	1,174,340
Deficit		(12,300,783)	(11,714,238)
TOTAL SHAREHOLDERS' EQUITY		4,535,605	4,563,386
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 10,189,742	$ 9,186,202

Nature and continuance of operations (Note 1)
Commitments (Notes 6 and 12)
Contingency (Note 6)

Approved on behalf of the Board:

"Victor Bryant" — Director

"Gary Musil" — Director

HIGHBANK RESOURCES LTD.
Statements of Comprehensive Loss
(Expressed in Canadian dollars - unaudited)

		Three months ended June 30		Six months ended June 30,	
	Notes	2015	2014	2015	2014
Expenses					
Amortization	5	$ 93	$ 84	$ 186	$ 168
Consulting fees		500	-	1,770	-
Foreign exchange loss (gain)		-	-	-	160
Interest and bank charges		325	2,341	928	3,745
Loan bonus shares	11	-	-	-	9,075
Management fees	12	28,125	15,000	50,625	30,000
Office and miscellaneous	12	3,636	6,413	7,386	8,921
Professional fees		15,692	46,124	23,748	51,575
Regulatory and transfer agent		6,948	28,091	8,970	33,307
Rent	12	7,050	5,850	14,100	11,700
Share-based payment	9,12				
Consultants		26,565	28,702	51,814	36,886
Travel and promotion		46,417	127,681	124,242	198,480
Wages and salaries	12	23,508	20,845	40,855	38,305
		158,859	281,131	324,624	422,322
Other items					
Other income		-	(437)	-	(437)
Interest on promissory notes and convertible debentures	11	131,901	51,014	261,921	51,014
		131,901	50,577	261,921	50,577
Net and comprehensive loss for the period		$ 290,760	$ 331,708	$ 586,545	$ 472,899
Weighted average number of common shares outstanding (basic and diluted)		103,165,699	80,846,468	102,328,854	79,469,232
Basic and diluted net loss per share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)

See accompanying notes to the financial statements

HIGHBANK RESOURCES LTD.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars - unaudited)

	Notes	Share capital: Number of shares	Share capital: Amount	Share subscription advance (receivable)	Equity component of convertible debenture	Contributed Surplus	Deficit	Total
Balance at January 1, 2014		78,017,749	$ 11,612,764	$ (6,650)	$ -	$ 1,003,912	$ (10,237,093)	$ 2,372,933
Loss for the period		-	-	-	-	-	(472,899)	(472,899)
Shares issued for cash								
- options	9	125,000	12,500	-	-	-	-	12,500
- warrant exercise	9	3,354,450	438,955	-	-	-	-	438,955
Share issue costs		-	-	-	-	-	-	-
- finders fee		-	(150,000)	-	-	-	-	(150,000)
- option exercise		-	9,652	-	-	(9,652)	-	-
Bonus shares issued		55,000	9,075	-	-	-	-	9,075
Share-based payment		-	-	-	-	36,886	-	36,886
Balance atJune 30, 2014		**81,552,199**	**$ 11,932,946**	**$ (6,650)**	**$ -**	**$ 1,031,146**	**$ (10,709,992)**	**$ 2,247,450**
Balance at January 1, 2015		98,933,699	$ 14,729,590	$ (6,650)	$ 380,344	$ 1,174,340	$ (11,714,238)	$ 4,563,386
Loss for the period		-	-	-	-	-	(586,545)	(586,545)
Shares issued for cash								
– option exercise	9	100,000	17,722	-	-	(7,722)	-	10,000
– warrant exercise	9	4,132,000	498,657	-	-	(1,707)	-	496,950
Share-based payment	10	-	-	-	-	51,814	-	51,814
Balance at June 30, 2015		**103,165,699**	**$ 15,245,969**	**$ (6,650)**	**$ 380,344**	**$ 1,216,725**	**$ (12,300,783)**	**$ 4,535,605**

HIGHBANK RESOURCES LTD.
Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Operating activities				
Loss for the year	$ (290,760)	$ (331,708)	$ (586,545)	$ (472,899)
Adjustments for non-cash items:				
Amortization	93	84	186	168
Accrued interest and accretion on notes and convertible debentures	131,901	51,014	261,921	51,014
Share-based payment	26,565	28,702	51,814	36,886
Bonus and finders shares issued	-	-	-	9,075
Changes in non-cash working capital items:				
Accounts receivable	77,157	(115,784)	54,222	(115,854)
Prepaid expenses	62,349	(26,017)	71,820	(840)
Trade payables and accrued liabilities	(164,142)	(17,026)	(268,788)	1,115
Due from related parties	1,679	(1,779)	1,679	(1,779)
Due to related parties	(100,058)	108,195	(58,854)	109,014
Net cash flows used in operating activities	(255,216)	(304,319)	(472,545)	(384,100)
Investing activities				
Reclamation bond	-	(144,500)	-	(189,500)
Expenditures on exploration and evaluation assets and property and equipment	(637,271)	(60,916)	(1,081,800)	(68,817)
Sale of royalty interest	144,264	-	144,264	-
Accounts payable due to exploration activities and property and equipment	263,070	(2,315,918)	263,070	(2,315,918)
Net cash flows used in investing activities	(229,937)	(2,521,334)	(674,466)	(2,574,235)
Financing activities				
Proceeds on issuance of common shares - net of share issue costs	-	154,605	506,950	301,455
Production loan	755,736	(56,218)	755,736	-
Convertible debenture	-	2,700,000	-	2,700,000
Net cash flows from financing activities	755,736	2,798,387	1,262,686	3,001,455
(Decrease) increase in cash	270,583	(27,266)	115,675	43,120
Cash, beginning	34,110	149,972	189,018	79,586
Cash, ending	$ 304,693	$ 122,706	$ 304,693	$ 122,706
Supplemental cash flow information				
Cash paid (received) for interest	$ -	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -	$ -

Non-cash transactions (Note 15)

1. Nature and continuance of operations

Highbank Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "HBK".

The corporate office and principal place of business of the Company is 625 Howe Street, Suite 600, Vancouver, British Columbia, Canada, V6C 2T6.

These financial statements have been prepared on the assumption that the Company 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 June 30, 2015 the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. This material uncertainty raises significant doubt regarding the Company's 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 and development 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

The financial statements were authorized for issue on August 28, 2015 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

Basis of preparation

This interim financial report does 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 31 December 2014.

The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for financial instruments classified as available-for-sale or fair value through profit and loss, which are stated at their fair value. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. Significant accounting policies and basis of preparation (cont'd)

Significant estimates made in the preparation of these financial statements include the useful lives of equipment, recoverable value of exploration and evaluation assets and equipment, fair value estimates for financial instruments and equity-based payments and the valuation of provisions for restoration and environmental liabilities. Actual results may differ from those estimates. Financial statement areas requiring significant judgment relate to the testing of impairment of exploration and evaluation assets and mine under construction, recognition of deferred tax assets, determination of cash-generating units, selection of fair value models, and the determination of technical feasibility and commercial viability of mineral properties.

Foreign currency translation

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

<u>Transactions and balances:</u>

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

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation expenditures

The Company is in the exploration stage in respect to its exploration and evaluation assets.

Pre-exploration costs are expensed in the year in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include costs such as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such amounts unpaid are not recorded as a liability when they are payable entirely at the Company's discretion. Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. The exploration and evaluation assets may be subject to prior undetected agreements or transfers and title may be affected by such defects.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date.

2. Significant accounting policies and basis of preparation (cont'd)

Any incidental revenue earned in connection with exploration activities is applied as a reduction to capitalized exploration costs. Any operational income earned in connection with exploration activities is recognized in profit or loss.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine development cost." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Provision for Environmental Rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

Share-based payment

The Company operates an employee stock option plan. Share-based payment to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payment to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the contributed surplus. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. All equity-settled share-based payment is reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale, held-to-maturity and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Held-to-maturity financial assets are measured at amortized cost.

Non-derivative other financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs with all other financial assets are included in the initial carrying amount of the asset.

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets (cont'd)

using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Deferred income tax:

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

The Company may from time to time, issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability and deferred tax expense for the amount of tax reduction renounced to the shareholders. The reduction of the premium previously recorded is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Tax Act. When applicable, this tax is accrued as a financial expense until paid.

2. Significant accounting policies and basis of preparation (cont'd)

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is calculated at the following rates upon the asset being ready for use:

Computer equipment	30%
Office equipment	20%
Mining equipment	30%, capitalized to mine under development
Conveyor system	6 years straight line, capitalized to mine under development

One-half the normal rate is recorded in the year of acquisition.

Share capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company. The Company's common shares, share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per Share

The Company applies the "Treasury Stock Method" to calculate loss per common share. Under this method, the basic loss per share is calculated based on the weighted average aggregate number of common shares outstanding during each period. The diluted loss per share assumes that the outstanding stock options and share purchase warrants had been exercised at the beginning of the period and proceeds from dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share warrants and options has an anti-dilutive impact in 2015 and 2014.

Warrants

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a private placement unit. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in contributed surplus.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable. When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up adjusted by the fair value of any monetary consideration received or given. When the asset received or the consideration given up is shares in an actively traded market, the value of those shares will be considered fair value.

(Expressed in Canadian dollars - unaudited)

2. Significant accounting policies and basis of preparation (cont'd)

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in profit or loss in the period in which they are incurred.

3. New accounting pronouncements

The Company had adopted the following accounting standards and amendments effective January 1, 2015.

IFRS 2 Share-based Payment amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. This standard is effective for reporting periods beginning on or after July 1, 2014. The adoption of this standard had no effect on the financial statements.

IAS 24 Related Party Disclosures amendments clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. This standard is effective for reporting periods beginning on or after July 1, 2014. The adoption of this standard had no effect on the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2015 reporting period. The Company is assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new standards:

IFRS 15 Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments – IFRS 9 is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The standard will be effective for annual periods beginning on or after January 1, 2018.

4. Accounts receivable

	June 30, 2015	December 31, 2014
Goods and services tax receivables	$ 33,525	$ 87,747

(Expressed in Canadian dollars - unaudited)

5. Property and Equipment

During the period ended June 30, 2015, $169,078 (December 31, 2014 - $301,637) of the amortization was recorded in exploration and evaluation assets (Note 6).

	Computer Equipment	Office Equipment	Mining Equipment	Mine under Development	Conveyor System	Total
Cost:						
At December 31, 2013	$ 3,306	$ 5,379	$ 36,000.00	$ -	$ -	$ 8,685
Additions	1,208	-	1,946,115	5,574,592	1,326,800	7,520,707
At December 31, 2014	4,514	5,379	1,982,115	5,574,592	1,326,800	7,529,392
Additions	-	-	27,820	1,301,293	-	1,329,113
Sale of royalty interest	-	-	-	(144,264)	-	(144,264)
At June 30, 2015	$ 4,514	$ 5,379	$ 2,009,935	$ 6,731,621	$ 1,326,800	$ 8,714,241
Depreciation:						
At December 31, 2013	$ 3,079	$ 4,037	$ 3,600	$ -	$ -	$ 10,716
Charge for the year	189	268	301,637	-	-	302,094
At December 31, 2014	3,268	4,305	305,237	-	-	312,810
Charge for the period	78	107	169,078	-	-	169,263
At June 30, 2015	$ 3,346	$ 4,412	$ 474,315	$ -	$ -	$ 482,073
Net book value:						
At December 31, 2014	$ 1,246	$ 1,074	$ 1,676,878	$ 5,574,592	$ 1,326,800	$ 8,580,590
At June 30, 2015	**$ 1,168**	**$ 967**	**$ 1,535,620**	**$ 6,731,621**	**$ 1,326,800**	**$ 9,596,176**

During the period the Company entered into a Royalty Agreement in which a $900,000 non-interest bearing production loan was advanced to the Company to be repaid from sales and a royalty of $0.50 per ton to be paid once the loan was repaid. The Company calculated the value of the sale of the royalty interest to be $144,264. The fair value of the royalty component was determined at the time of issue as the difference between the proceeds of the production loan and the fair value of the liability component. (See Note 11)

(Expressed in Canadian dollars - unaudited)

6. Exploration and evaluation assets

	Canada			Ireland	Total for year ended December 31, 2014
	Granby Claims	Swamp Point	Highland Valley	Mace -Murvey	
Property acquisition costs					
Balance, beginning of year	$ 1	$ 721,062	$ 1	$ 1	$ 721,065
Additions	-	25,000	-	-	25,000
Balance, end of year	1	746,062	1	1	746,065
Exploration and evaluation costs					
Balance, beginning of year	-	1,675,687	-	-	1,675,687
Amortization	-	142,087	-	-	142,087
Assays and sampling	-	1,600	-	-	1,600
Barge load out	-	500,000	-	-	500,000
Camp	-	300,790	-	-	300,790
Equipment rental	-	101,134	-	-	101,134
Geological consulting	-	5,090	-	-	5,090
Travel and accommodation	-	21,852	-	-	21,852
Mine plan and permitting	-	78,942	-	-	78,942
Licenses, taxes, and legal	-	27,505	-	-	27,505
Wages	-	74,104	-	-	74,104
	-	2,928,791	-	-	2,928,791
Balance, end of year	1	3,674,853	1	1	3,674,856
Transfer to mine under development	-	(3,674,853)	-	-	(3,674,853)
Total	$ 1	$ -	$ 1	$ 1	$ 3

6. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

a. Swamp Point

By an Earn-in Agreement dated August 22, 2003 (amended February 10, 2005 and December 9, 2005) with Portland Canal Aggregates Corporation ("PCAC"), the Company acquired a 100% Working Ownership Interest in PCAC's Swamp Point Gravel Deposit (the "Property") located in British Columbia for consideration of:

- Issuance of a total of 2,000,000 common shares of the Company's capital stock at a price of $0.20 per share (issued);
- Exploration and development expenditures of $1,300,000 (incurred).

In addition, the Company issued 150,000 common shares at a price of $0.20 per share in payment of finder's fees related to the transaction.

This Earn-in Agreement is subject to a 5% royalty payable to PCAC on the gross receipts from sales of product from the Property of 7,000,000 Metric Tonnes or less, and an 8% royalty on sales of product of greater than 7,000,000 Metric Tonnes.

In the event that the Company had not obtained production and sale of product from the Property on or before May 2006, the Company was obliged to make advanced royalty payments to PCAC as follows:

- $25,000 on or before May 31, 2006; (paid)
- $25,000 on or before November 30, 2006; (paid)
- $50,000 on or before May 31, 2007; (paid) and
- $50,000 on or before November 30, 2007 (paid).

Pursuant to the Original Agreement dated August 22, 2003 between the Company and PCAC, it was disclosed that an action was commenced by Hidden Rock Drilling Ltd. ("Hidden Rock") against unrelated parties. Other suits by Hidden Rock have since been filed concerning certain ownership claims of PCAC and the Swamp Point North Aggregates Project ("SPNAP"), and as a result the Company was named and consented to join as a co-defendant under a case management format to answer and deny any and all of Hidden Rock's claims.

In July 2010 the B.C. Supreme Court dismissed the action by Hidden Rock and has upheld the Company's ownership of the claims. Hidden Rock made an application to appeal the court's decision in February 2011 which was denied in May 2011. The Company is moving forward on development of this project and will seek costs against Hidden Rock. Any adjustment resulting from the settlement of this claim will be accounted for in the period of settlement.

On November 1, 2012 the Company entered into a Cooperation Agreement with the Metlakatla First Nation and the Metlakatla Development Corporation ("Metlakatla") which provides the Metlakatla with the opportunity to participate in the economic benefits arising from the development of SPNAP within their traditional territory. Consideration includes payment of $25,000 (paid), the issuance of a total of 5,000,000 share purchase warrants (issued), and a production benefit of $0.25 per metric tonne of aggregate produced.

On March 19, 2014, the Company received the Mines Act permit which carries special conditions which are to be satisfied prior to commencing production for the Swamp Point North Aggregate Project. The Company has also remitted $189,500 for the reclamation security deposit.

6. Exploration and evaluation assets (cont'd)

a. Swamp Point (cont'd)

On March 20, 2014 the Company entered into a Letter of Intent ("LOI") with North Coast Concrete ("NCC"). NCC has committed to accept 150,000 tons of aggregate for use in supply construction projects in the Prince Rupert area, based on the ability of the Company to meet the specifications and delivery requirements within one year from the LOI.

On March 21, 2014 the Company entered into a Letter of Intent ("LOI") with West Coast Tug & Barge Ltd. ("West Coast Tug") to provide tugs and barges to operate from the Swamp Point North aggregate project to destinations in the Port Simpson and Prince Rupert area.

On October 1, 2014, the Company classified the SPNAP as a mine under development and transferred the capitalized costs to property and equipment. All subsequent expenditures were classified as property and equipment additions.

On May 25, 2015 the Company entered into a Royalty Agreement to pay $0.50 per ton to an arm's length party and a company controlled by a director. Terms of this agreement include the advance of a $900,000 non-interest bearing production loan to the Company which is to be repaid from gravel sales. The royalty payments will commence upon repayment of the production loan.

b. Highland Valley Property

On December 8, 2009, the Company entered into an agreement to acquire a 50% interest in the Highland Valley Property, located in British Columbia.

The terms of the agreement include the issuance of a total of 20,000,000 common treasury shares of the Company, staged cash payments totalling $250,000 (paid $50,000), and expenditures of $1,000,000 in exploration and development within three years of Exchange approval (received). The Company obtained disinterested shareholder approval of the transaction.

On July 19, 2012, the Company negotiated an amendment of the agreement with MOAG to eliminate the remaining $200,000 in cash payments and $412,000 in exploration commitments required, and still earn its 50% interest, subject to other terms of the December 8, 2009 agreement remaining. On December 6, 2012, the Company resolved to cancel the agreement to acquire the property and recorded an impairment to reduce the carrying value to $1. On January 7, 2013 the Company cancelled the balance of 14,000,000 treasury shares remaining in escrow (see note 9).

On December 23, 2013 the Company received a Notice of Civil Claim (the "Claim") in the B.C. Supreme Court from MOAG claiming losses as a result of the Company cancelling the balance of 14 million treasury shares in escrow, general damages, and interest on those general damages. On January 17, 2014 the Company filed a Response to the Civil Claim. The hearing of the summary trial application filed by MOAG's counsel and originally scheduled to be heard on June 3, 2014, has been adjourned at the request of counsel of MOAG. The hearing was then adjourned, by consent, to June 25, 2014. The summary trial application filed by MOAG's counsel did not proceed on June 25, 2014 and has been postponed indefinitely. The Company is unable to determine the outcome at this time, as the matter is still before the courts.

7. Reclamation deposit and obligation

During the year ended December 31, 2014, the Company posted a bond totaling $189,500 with the British Columbia government. The purpose of the bond is to cover any costs of reclamation and rehabilitation of the Swamp Point mine site.

Management has recorded an obligation of $94,750 (December 31, 2014 - $94,750) at this time based on the estimated level of disturbance at the reporting date.

(Expressed in Canadian dollars - unaudited)

8. Trade payables and accrued liabilities

		June 30, 2015		December 31, 2014
Trade payables	$	144,074	$	121,592
Accrued liabilities		3,800		32,000
Interest payable on convertible debentures		449,626		249,674
Other liabilities - Part XII tax payable		24,611		24,611
	$	622,111	$	427,877

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2015 there were 103,165,699 issued and fully paid common shares (December 31, 2014 – 98,933,699).

Bonus shares

On October 27, 2014, the Company issued 227,273 shares valued at $62,500 as bonus shares as part of a finance fee for promissory notes issued by the Company.

On March 28, 2014, the Company issued 55,000 shares valued at $9,075 as bonus shares as part of a finance fee for a loan made to the Company.

Finders fee shares

On August 8, 2014, the Company issued 22,727 shares valued at $6,591 per share as finders fee shares in consideration of private placement of the convertible debenture.

Shares for debt

On October 1, 2014, the Company issued 1,193,000 shares valued at $334,040 as consideration of settlement of debt in the amount of $250,000, resulting in a loss on debt settlement of $71,540.

On October 16, 2014, the Company issued 1,193,000 shares valued at $328,075 as consideration of settlement of debt in the amount of $250,000 resulting in a loss on debt settlement of $65,575.

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 Exchange 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 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. 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.

A total of 100,000 options priced at $0.10 were exercised for total proceeds of $10,000 during the period ended June 30, 2015. Fair value of $7,722 has been transferred from contributed surplus and allocated to share capital in connection with the exercise. The weighted average share price for the options exercised during the period ended June 30, 2015 was $0.16 (December 31, 2014 - $0.281).

(Expressed in Canadian dollars - unaudited)

9. Share capital (cont'd)

Stock options (cont'd)

The changes in options during the period ended June 30, 2015 and year ended December 31, 2014 are as follows:

	June 30, 2015			December 31, 2014		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of year	5,600,000	$	0.10	5,900,000	$	0.10
Options granted	-		-	1,950,000		0.18
Options exercised	(100,000)		0.10	(2,250,000)		0.10
Options expired	-		-	-		-
Options outstanding, end of year	5,500,000	$	0.13	5,600,000	$	0.12
Options exercisable, end of year	5,434,058	$	0.13	5,180,000	$	0.12

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

Exercise Price	Number of options outstanding	Expiry Date
$0.10	2,075,000	February 8, 2016
$0.10	1,100,000	February 28, 2017
$0.10	550,000	October 25, 2017
$0.10	250,000	August 27, 2018
$0.10	250,000	January 10, 2019
$0.15	50,000	May 1, 2017
$0.15	125,000	May 26, 2017
$0.25	600,000	July 24, 2019
$0.22	500,000	August 11, 2019
$0.12	5,500,000	1.98 weighted average years

The weighted average fair value of options granted during the period ended June 30, 2015 was $nil (December 31, 2014 - $0.17). The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Year ended December 31, 2014
Expected life of options	4.74 years
Annualized volatility	110.95%
Risk-free interest rate	1.53%
Dividend rate	0%
Share price	$0.21

Annualized volatility is calculated using the historical share price of the Company.

Warrants

A total of 4,095,000 warrants were exercised at $0.10 and 37,000 warrants were exercised at $0.15 during the period ended June 30, 2015 for total proceeds of $496,950. Fair value of $1,707 has been transferred from contributed surplus and allocated to share capital in connection with the exercise.

(Expressed in Canadian dollars - unaudited)

9. Share capital (cont'd)

Warrants cont'd

	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, December 31, 2013	22,972,750	0.13
Exercised	(15,974,950)	0.13
Expired	(1,395,800)	0.15
Warrants outstanding, December 31, 2014	5,602,000	$ 0.13
Exercised	(4,132,000)	0.12
Expired	(100,000)	0.12
Warrants outstanding, June 30, 2015	1,370,000	$ 0.18

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

Number	Exercise Price	Expiry Date
1,000,000	$0.20	November 26, 2015
350,000	$0.12	October 23, 2015
20,000	$0.12	November 7, 2015
1,370,000		

10. Contributed surplus

Contributed surplus includes share-based payment expense of stock options granted and fair value of share purchase warrants issued.

	June 30, 2015	December 31, 2014
Balance, beginning of year	$ 1,174,340	$ 1,003,912
Share-based payment	51,814	302,418
Transfers to share capital	(7,722)	(131,990)
Value of agents' warrants	(1,707)	-
Balance, end of year	$ 1,216,725	$ 1,174,340

11. Convertible debentures, promissory notes, and production loan

On April 15, 2014 the Company issued convertible debentures totaling $2,700,000. The debentures have a maturity of three years from the date of signing, accrue interest at 10% per annum, paid or accrued quarterly, and are convertible into common shares based on the following terms, or repaid from aggregate production revenues, upon providing ninety calendar days's notice to the Company:

(a) converting the principal amount within one year of anniversary of signing –the conversion price will be calculated at $0.45 per share;

(b) converting the principal amount within two years of anniversary of signing – the conversion price will be calculated at $0.35 per share;

(Expressed in Canadian dollars - unaudited)

11. Convertible debentures, promissory notes, and production loan (cont'd)

(c) converting the principal amount within three years of anniversary of signing – the conversion price will be calculated at $0.25 per share.

On August 8, 2014 the Company issued convertible debentures totaling $1,300,000. The debentures have a maturity of three years from the date of signing, accrue interest at 10% per annum, payable quarterly in cash or shares, and are convertible into common shares based on the above terms, or repaid from aggregate production revenues.

The convertible debenture was a compound financial instrument containing a liability component and an equity component. The liability component was measured at amortized cost and was accreted over the expected term to maturity using the effective interest method. The fair value of the liability component at the time of issue was calculated using an estimated effective interest rate for a debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the proceeds of the compound convertible debenture and the fair value of the liability component.

The Company paid cash finder's fees equal to 7-1/2% on a portion of the gross proceeds raised from the convertible debentures totaling $232,500, filing fees of $20,750, and issued 22,727 finders' shares valued at $6,591.

	June 30, 2015	December 31, 2014
Balance, beginning of period	$ 3,468,271	$ -
Amount at issuance	-	3,593,232
Transaction costs	-	(233,417)
Accretion included in interest expense	95,205	108,456
Balance, end of period	$ 3,563,476	$ 3,468,271

In May 2015 the Company arranged a non-interest bearing production loan totaling $900,000 to be repaid from production sales. The Company also arranged a $250,000 bridge loan, without interest, which was repaid from the proceeds of the financing. General terms are repayment of $1.00 per tonne from sales until the $900,000 financing is repaid and $0.50 per tonne interest royalty for the life of operations. No finders fees were paid in connection with this financing. Of the $900,000, $675,000 was advanced from a non-related third party and $225,000 from Melsar Management Inc. (a company controlled by William Loucks, Director).

The production loan was a financial instrument containing a liability component and a sale of royalty component. The liability component was initially measured at fair value and is being accreted over the expected term to maturity using the effective interest method. The fair value of the liability component at the time of issue was calculated using an effective interest rate of 15% and an estimated expected term of 15 months. The fair value of the royalty component was determined at the time of issue as the difference between the proceeds of the production loan and the fair value of the liability component.

On October 10, 2014, the Company entered into short term promissory notes totaling $500,000 with arm's length creditors. Terms included interest payable at 1.5% per month and the issuance of 227,273 bonus shares valued at $62,500. Repayment is upon demand, dependent upon the Company completing a debt or other financing which would allow the Company to repay the notes in full. The $62,500 for the bonus shares was expensed due to the short-term nature of the note.

During the period ended June 30, 2015 the Company has accrued $45,000 (December 31, 2014 - $15,726) in interest payable on the notes.

(Expressed in Canadian dollars - unaudited)

11. Convertible debentures, promissory notes, and production loan (cont'd)

On March 12, 2014 the Company arranged a short-term loan in the amount of $50,000 USD ($55,020 CDN) from a non-related party. The loan bears interest of 2.5% per month. In consideration for the loan, the Company issued an aggregate of 55,000 bonus common shares valued at $9,075 on March 28, 2014. The Company repaid the loan principal and accrued interest of $2,659 during the year ended December 31, 2014.

During the period ended June 30, 2015 the Company capitalized $78,236 (December 31, 2014 - $86,598) of borrowing costs.

12. Related party transactions

Related party balances

The following amounts due to related parties:

	June 30, 2015	December 31, 2014
Directors of the Company	$ 19,941	$ 40,876
Companies with common officer and directors	37,846	75,316
	$ 57,388	$ 116,192

The following amounts due from related parties:

	June 30, 2015	December 31, 2014
Company with common directors	$ 2,946	$ 4,625

The amounts due to and from directors and companies related by common directors and officers are unsecured, non-interest bearing and have no fixed terms of repayment, accordingly fair value cannot be reasonably measured.

Related party transactions

The Company incurred the following transactions with a company related by common directors.

	Six months June 30,	
	2015	2014
Rent	$ 14,100	$ 11,700
Office and secretarial	3,480	3,480
	$ 17,580	$ 15,180

The Company incurred the following transactions with companies owned by a director and a senior officer.

	Six months ended June 30,	
	2015	2014
Consulting	$ 68,100	$ -
Equipment purchases	13,375	2,322,970
Exploration costs	669,954	-
	$ 733,329	$ 2,322,970

(Expressed in Canadian dollars - unaudited)

12. Related party transactions (cont'd)

Key management personnel compensation

	Six months ended June 30,	
	2015	**2014**
Short-term employee benefits – management fees	$ 50,625	$ 30,000
Short-term employee benefits – salaries and wages	32,917	33,647
	$ 83,542	$ 63,647

On June 1, 2014 the Company Amended the Office Services Agreement with its Chief Financial Officer for compensation of $5,000 per month plus benefits for a term of 24 months.

On September 1, 2012 the Company entered into a Management Agreement with its new President for compensation of $5,000 per month for a term of 24 months. On July 1, 2014 the Company amended the Management Services Agreement (the "Agreement") with V.N. Bryant & Associates (the "Consultant") increasing the monthly remuneration to $7,500 per month, plus applicable taxes (the "Fee") for a term of 24 months.

During the period the Company incurred $5,625 project management expense with a company owned by a director.

13. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

The Company is exposed to credit risk by holding cash. Holding the cash in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure, and its various refundable credits are due from the Canadian government.

Currency Risk

The Company's functional currency is the Canadian dollar. There is minimal foreign exchange risk to the Company as its mineral property interests are located in Canada. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its outstanding loans to unrelated third parties which bear interest at 10% to 19% per annum. The interest rates are fixed and will have minimal risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

13. Financial risk management (cont'd)

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. At June 30, 2015, the Company had a cash balance of $304,693 which will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities of $622,111, promissory notes of $1,460,726, and amounts due to related parties of $57,338. The Company's ability to continue operations remains uncertain and dependent on its ability to obtain additional financing and the ongoing support of its creditors.

Capital Management

The Company is engaged in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental issues and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, contributed surplus, shares to be returned to treasury, share subscription advance (receivable), and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

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

Classification of financial instruments

The Company has designated its cash as FVTPL which is measured at fair value. Due from related parties and reclamation bond are classified as loans and receivables, which is measured at amortized cost. Trade payables and accrued liabilities, promissory notes, convertible debentures, and amounts due to related parties are classified as other financial liabilities, which are measured at amortized cost.

The fair value of the Company's financial assets and liabilities approximates the carrying amount, unless otherwise noted. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Fair value

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair measurement.

(Expressed in Canadian dollars - unaudited)

13. Financial risk management (cont'd)

Fair value (cont'd)

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair measurement.

As at June 30, 2015, the Company's financial instruments measured at fair value are as follows:

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 304,693	$ -	$ -	$ 304,693

As at December 31, 2014, the Company's financial instruments measured at fair value are as follows:

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 189,018	$ -	$ -	$ 189,018

14. Segmented information

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development.

Property and equipment by geographical segment are as follows:

	Canada	Ireland	Total
June 30, 2015			
Property and equipment	$ 9,596,176	$ -	$ 9,596,176
Reclamation bond	189,500	-	189,500
Exploration and evaluation assets	2	1	3
	$ 9,785,678	$ 1	$ 9,785,679

	Canada	Ireland	Total
December 31, 2014			
Property and equipment	$ 8,580,590	$ -	$ 8,580,590
Reclamation bond	189,500	-	189,500
Exploration and evaluation assets	2	1	3
	$ 2,430,720	$ 1	$ 8,770,093

15. Non-cash transactions

During the periods ended June 30, 2015 and 2014, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Six months ended June 30,	
	2015	**2014**
Non-cash financing activities:		
Issuance of share capital for:		
Bonus shares	$ -	$ 9,075