EL NINO
VENTURES INC.

TSX.V: ELN   OTC Pink: ELNOF   FRANKFURT: E7QN

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CONDENSED INTERIM FINANCIAL STATEMENTS

31 July 2015

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian dollars)

MANAGEMENT'S COMMENTS ON

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of El Niño Ventures Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

El Niño Ventures Inc.

(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
As at 31 July 2015 and 31 January 2015
(Unaudited)
(Expressed in Canadian dollars)

	Notes	As at 31 July 2015	As at 31 January 2015 (Audited)
ASSETS		**$**	$
Current assets			
Cash and cash equivalents		**18,501**	31,283
Amounts receivable	5	**3,812**	5,196
Prepaid expenses	6	**2,600**	7,799
		24,913	44,278
Property, plant and equipment	8	**750**	1,050
Total assets		**94,858**	45,328
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	**177,978**	134,202
Provision for contingencies	20	**25,000**	25,000
		202,978	159,202
Due to related parties	18	**276,360**	264,563
Total liabilities		**479,338**	423,765
Equity (Deficiency)			
Common shares	11	**25,359,723**	25,359,723
Reserves	11 & 12	**7,518,332**	7,516,061
Deficit		**(33,262,535)**	(33,254,221)
Total equity (deficiency)		**(384,480)**	(378,437)
Total equity (deficiency) and liabilities		**94,858**	45,328

APPROVED BY THE BOARD:

"Harry Barr" — Director

"John Oness" — Director

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

El Niño Ventures Inc.

(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
For the six-month periods ended 31 July
(Unaudited)
(Expressed in Canadian dollars)

	Notes	**Three months ended 31 July 2015**	Three months ended 31 July 2014	**Six months ended 31 July 2015**	Six months ended 31 July 2014
		$	$	**$**	**$**
Administration expenses					
Accounting and audit		**7,000**	6,033	**7,000**	2,542
Bank charges and interest		**169**	214	**444**	181
Consulting fees	18	**-**	11,148	**8,876**	6,972
Depreciation	8	**150**	2,563	**300**	2,561
Information technology		**140**	533	**260**	-
Insurance, licenses and fees		**-**	1,030	**123**	765
Investor & shareholder relations (recovery)		**1,949**	(1,562)	**7,799**	2,860
Legal		**-**	20,431	**5,105**	51,736
Office and miscellaneous	18	**1,074**	10,625	**3,308**	10,639
Rent		**461**	12,138	**1,015**	12,023
Share-based payments	13	**-**	55,765	**2,271**	70,849
Telephone and utilities		**189**	1,609	**1,435**	930
Transfer agent and regulatory fees		**3,467**	5,529	**6,096**	6,213
Travel, lodging and food		**-**	12,425	**1,390**	8,197
Net loss before other items		**(14,599)**	(138,481)	**(45,423)**	(176,468)
Other items					
Recovery of provision for legal costs		**-**	-	**37,108**	-
Net loss and comprehensive loss for the period		**(14,599)**	(138,481)	**(8,314)**	(176,468)
Loss per share – basic and diluted	15	**(0.000)**	(0.004)	**(0.000)**	(0.006)

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

El Niño Ventures Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
For the six-month periods ended 31 July
(Unaudited)
(Expressed in Canadian dollars)

		Six months ended	
	Notes	**31 July 2015**	31 July 2014
		$	$
OPERATING ACTIVITIES			
Loss for the period		**(8,314)**	(314,949)
Adjustments for:			
Depreciation	8	**300**	5,124
Share-based payments	13	**2,271**	126,614
Cash received for exploration and evaluation properties		**-**	108,474
Recovery of provision for legal costs		**(37,108)**	-
Changes in operating working capital			
Decrease in amounts receivable		**1,384**	10,657
Decrease (increase) in prepaid expenses		**5,199**	(16,993)
Decrease in trade payables and accrued liabilities		**43,776**	(201,081)
Cash used in operating activities		**7,508**	(282,154)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures	9	**(20,290)**	(68,428)
Cash used in investing activities		**(20,290)**	(68,428)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares	10	**-**	421,300
Cash from financing activities		**-**	421,300
Increase (decrease) in cash and cash equivalents		**(12,782)**	70,718
Cash and cash equivalents, beginning of period		**31,283**	30,642
Cash and cash equivalents, end of period		**18,501**	101,360

Supplemental cash flow information (Note 19)

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

El Niño Ventures Inc.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Equity (Deficiency)

For the six-month periods ended 31 July

(Unaudited)

(Expressed in Canadian dollars)

	Number of shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$
Balances, 1 February 2014	25,363,891	24,891,582	1,757,970	5,316,209	(23,712,577)	8,253,184
Shares issued for						
Cash	5,301,905	317,000	-	-	-	317,000
Share-based payments	-	-	126,614	-	-	126,614
Share issue costs	-	(11,309)	-	5,639	-	(5,670)
Flow-through share liability		(24,500)	-	-	-	(24,500)
Fare value allocated to warrants	-	(142,861)	-	142,861	-	-
Net loss for the period	-	-	-	-	(936,208)	(936,208)
Balances, 31 July 2014	30,665,796	25,029,912	1,884,584	5,464,709	(24,648,785)	7,730,420
Shares issued for						
Cash	3,875,719	152,394	-	118,906	-	271,300
Debt	2,597,142	177,417	-	4,383	-	181,800
Share-based payments	-	-	43,479	-	-	43,479
Net loss for the period	-	-	-	-	(8,605,436)	(8,605,436)
Balances, 31 January 2015	**37,120,085**	**25,359,723**	**1,928,063**	**5,587,998**	**(33,254,221)**	**(378,437)**
Share-based payments	-	-	2,271	-	-	2,271
Net loss for the period	-	-	-	-	(8,314)	(8,314)
Balances, 31 July 2015	**37,120,085**	**25,359,723**	**1,930,334**	**5,587,998**	**(33,262,535)**	**(384,480)**

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

1. CORPORATE INFORMATION

El Niño Ventures Inc. (the "Company") was incorporated on 19 February 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Canada and the Democratic Republic of Congo ("DRC") with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploration.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitements, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses (Note 1.1).

The Company's principal address and records office is located at 101-2148 West 38th Avenue, Vancouver, BC V6M 1R9.

On 25 November 2013, the Company consolidated its share capital on a one (1) new common share without par value for every three (3) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 11).

1.1 GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultiamtely the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 July 2015, the Company had cash and cash equivalents of $18,501. Existing funds on hand at 31 July 2015 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the coming year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 17 and are presented in Canadian dollars except where otherwise indicated.

For the period ended 31 July 2015 and year ended 31 January 2015, the Company accounted for its investment in Infinity Resources SPRL ("Infinity") as available-for-sale financial assets rather than on a consolidation basis as the Company did not exercise control or significant influence over its investments in Infinity during the period ended 31 July 2015 and year ended 31 January 2015 (Notes 9 and 20).

2.2 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, '*Interim Financial Reporting*' using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2.3 New and revised standards and interpretations not yet adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 July 2015.

- IFRS 9 *'Financial Instruments'*: The IASB has undertaken a three-phase project to replace IAS 39 *'Financial Instruments: Recognition and Measurement'* with IFRS 9 *'Financial Instruments'*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

  - Financial assets meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances).
  - Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss.
  - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss.
  - The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the "business model" test and "cash flow characteristics" test.
  - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

  The amendments are effective for annual periods beginning on or after 1 January 2018.

- IAS 1 *'Presentation of Financial Statements'* is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.

- IAS 24 *'Related Party Disclosures'* is an amendment to 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. The amendment is applicable to annual periods beginning on or after 1 July 2014.

- IAS 8 *'Operating Segments'* is amendment to clarify aggregation criteria, effective for annual periods beginning on or after 1 July 2014.

- IFRS 11 *'Joint* Arrangements' is an amendment to clarify accounting for acquisition of interest in a joint operation. The amendment is applicable to annual periods beginning on or after 1 January 2016.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 income 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.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the Black-Scholes valuation model to determine the fair value of warrants issued.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

3.3 Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

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 period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Computer equipment 3 years
- Furniture and fixtures 5 years
- Software 1 year
- Leasehold improvements 10 years

3.5 Exploration and evaluation properties

Exploration and evaluation expenditures, including the costs of acquiring licenses, costs associated with exploration and evaluation assets acquired in a business combination, are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of the mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and reclassified to mining property and development assets within property, plant and equipment.

3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments 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 stock option reserve. The fair value of options is determined using the Black-Scholes Option 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 will eventually vest.

3.7 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management.
Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivables are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include investments in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.8 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.9 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss.

3.10 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.11 Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

3.12 Decommissioning liabilities

An obligation to incur decommissioning costs arises when environmental disturbance is caused by the exploration or development of an oil and gas property interest. These costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability, as soon as the obligation to incur such cost arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the well operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Estimated costs for decommissioning costs are adjusted as changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital costs of the related assets, in which case the capitalized cost is reduced to zero and the difference is recognized in profit or loss. As at 30 April 2015 and 31 January 2015, the Company has $Nil in decommissioning liabilities.

3.13 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.14 Comparative information

Certain comparative figures have been reclassified in accordance with the current period’s presentation.

(Expressed in Canadian dollars)

4. SEGMENTED INFORMATION

For the period ended 31 July 2015, the Company operated in two geographical areas, being Canada and the DRC. The following is an analysis of total expenses, current assets and non-current assets by geographical area:

	Canada	DRC	Total
	$	$	$
Net income (loss)			
For the six months ended 31 July 2015	**(8,314)**	**-**	**(8,314)**
For the six months ended 31 July 2014	(176,468)	-	(176,468)
Current assets			
As at 31 July 2015	**24,913**	-	**24,913**
As at 31 January 2015	44,278	-	44,278
Property, plant and equipment			
As at 31 July 2015	**750**	-	**750**
As at 31 January 2015	1,050	-	1,050

5. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from Goods and Services Tax ("GST") receivable due from the government taxation authorities and advances to related parties:

	As at 31 July 2015	As at 31 January 2015
	$	$
GST receivable	**1,312**	2,696
Advances (Note 18)	**2,500**	2,500
Total amounts receivable	**3,812**	5,196

(Expressed in Canadian dollars)

6. PREPAID EXPENSES

The Company's prepaid expenses are as follows:

	As at 31 July 2015	As at 31 January 2015
	$	$
Prepaid insurance and administration expenses	**2,600**	7,799
Total prepaid expenses	**2,600**	7,799

7. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the six-month period ended 31 July 2015 were as follows:

	Bathurst Project	Murray Brook Project	Total
	$	$	$
ACQUISITION COSTS			
Balance, 31 January 2015	-	-	-
Impairment write-down of exploration properties	-	-	-
Balance, 31 July 2015	**-**	**-**	**-**
EXPLORATION AND EVALUATION COSTS			
Balance, 31 January 2015			
Drilling	-	2,334	2,334
Assaying	-	1,462	1,462
Engineering and consulting	-	7,254	7,254
Geological and field expenses	-	9,145	9,145
Geophysics and environment	-	49,000	49,000
Balance, 31 July 2015	**-**	**69,195**	**69,195**
Total	**-**	**69,195**	**69,195**

(Expressed in Canadian dollars)

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2015 were as follows:

	Bathurst Project	Murray Brook Project	Total
	$	$	$
ACQUISITION COSTS			
Balance, 31 January 2014	169,631	152,603	322,234
Impairment write-down of exploration properties	(169,631)	(152,603)	(322,234)
Balance, 31 January 2015	**-**	**-**	**-**
EXPLORATION AND EVALUATION COSTS			
Balance, 31 January 2014	5,445,306	2,612,197	8,057,503
Drilling	-	5,046	5,046
Assaying	-	4,153	4,153
Engineering and consulting	-	12,875	12,875
Geological and field expenses	-	3,371	3,371
Geophysics and environment	-	83,350	83,350
Impairment write-down of exploration properties	(5,445,306)	(2,720,992)	(8,166,298)
Balance, 31 January 2015	**-**	**-**	**-**
Total	**-**	**-**	**-**

7.1 Bathurst Option JV Base Metals Project (the "BOJV Project") (Previously Bathurst Mining Camp Project)

The BOJV Project consists of various claims owned 50% by the Company and 50% by Xstrata Canada Corporation (now Glencore Canada Corporation) and various claims owned 100% by Glencore Canada Corporation. In 2009, the Company, Glencore Canada Corporation and Votorantim Metals Canada Inc. ("VM Canada") entered into a Tri-Party Agreement whereby VM Canada could earn 50% by spending $10 million over 5 years and could further increase its interest to 70% by spending an additional $10 million over 2 more years. During the previous year ended 31 January 2015, VM Canada relinquished its option to earn an interest in the property.

During the previous year ended 31 January 2015, due to prevailing junior resource market conditions, the uncertainty associated with the Company's ability to exploit any future economic benefits from the property and the Company not having sufficient funds to spend on its exploration program, the Company recorded an impairment write-down of $5,614,937 with respect to the BOJV Project.

7.2 Murray Brook Project

The Murray Brook consists of the Murray Brook Mining Lease No. 252 and the Camel Back Claims Block No. 4925 (the "Properties"). On 1 November 2010, VM Canada entered into an agreement with Murray Brook Minerals Inc. and Murray Brook Resources Inc. (collectively, "MBM") (the "Murray Brook Agreement") whereby VM Canada could earn 50% interest in the Murray Brook Project by funding $2,250,000 in exploration expenditures and making payments totalling $300,000 over a three-year period that commenced on 1 November 2011. VM Canada could earn an additional 20% interest in the Properties by funding an additional $2,250,000 in exploration expenditures over an additional two year period.

On 3 January 2011, the Company entered into a participation agreement with VM Canada whereby it could earn 50% of VM Canada's interest by paying 50% of the costs incurred by VM Canada, pursuant to the Murray Brook Agreement (paid). The Company and VM Canada each have a 35% interest in the Properties.

During the previous year ended 31 January 2015, due to prevailing junior resource market conditions, the uncertainty associated with the Company's ability to exploit any future economic benefits from the property and the Company not having sufficient funds to spend on its exploration programs, the Company recorded an impairment write-down of $2,873,595 with respect to the Murray Brook Project.

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in the Company's property, plant and equipment for the period ended 31 July 2015 and the year ended 31 January 2015 are as follows:

	Leasehold improvements	Computer equipment	Furniture and fixtures	Software	Total
	$	$	$	$	$
COST					
As at 31 January 2015	76,870	21,346	52,774	9,783	160,773
Additions	-	-	-	-	-
As at 31 July 2015	**76,870**	**21,346**	**52,774**	**9,783**	**160,773**
DEPRECIATION AND IMPAIRMENT					
As at 31 January 2015	76,870	21,346	51,724	9,783	159,723
Depreciation	-	-	300	-	300
Write – down	-	-	-	-	-
As at 31 July 2015	**76,870**	**21,346**	**52,024**	**9,783**	**160,023**
NET BOOK VALUE					
As at 31 July 2015	**-**	**-**	**750**	**-**	**750**

(Expressed in Canadian dollars)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Software	Total
	$	$	$	$	$
COST					
As at 31 January 2014	76,870	21,346	52,774	9,783	160,773
Additions	-	-	-	-	-
As at 31 January 2015	**76,870**	**21,346**	**52,774**	**9,783**	**160,773**
DEPRECIATION AND IMPAIRMENT					
As at 31 January 2014	15,374	19,601	51,124	9,783	95,882
Depreciation	7,687	1,745	600	-	10,032
Write – down	53,809	-	-	-	53,809
As at 31 January 2015	**76,870**	**21,346**	**51,724**	**9,783**	**159,723**
NET BOOK VALUE					
As at 31 January 2015	**-**	**-**	**1,050**	**-**	**1,050**

During the previous year ended 31 January 2015, the Company recorded a write-down of $53,809 related to the abandonment of its leasehold improvements.

9. INVESTMENTS

Available for sale investments consists of the Company's interest in Infinity which is accounted for on a cost basis in accordance with IAS 39 *'Financial Instruments: Recognition and Measurement'* on the basis that the Company did not exercise control or significant influence over Infinity and the Company is in dispute with GCP Group Ltd. ("GCP") (Notes 2 and 20).

Pursuant to an agreement dated 19 May 2007, the Company exercised its option to acquire a 70% interest in certain mineral research permits (the "Kasala Mineral Research Permits") in the DRC from GCP, a private British Virgin Islands company (the "Mineral Property Option Agreement"). Total consideration paid by the Company consisted of cash payments of US$550,000 (US$450,000 paid) and the issuance of 93,333 shares of the Company (80,000 shares issued). The remaining US$100,000 and 13,333 shares that were both payable and issuable on 18 May 2010 are being withheld as the Company has been granted the right to set-off the US$100,000 and 13,333 shares against certain amounts being claimed by the Company as against GCP (Note 20).

In February 2008, the Kasala Mineral Research Permits were transferred by GCP into Infinity in contemplation of the Company fulfilling all of the terms of the Mineral Property Option Agreement.

(Expressed in Canadian dollars)

The Company's rights under the Mineral Property Option Agreement are subject to a 1.5% net smelter return royalty ("NSR"). Under the Mineral Property Option Agreement, the Company is the operator of any work programs and is responsible for funding all authorized and approved exploration, development, feasibility, capital and other costs (the "Exploration Expenditures") related to the exploration and development of the property until such time as the property reaches commercial production. Upon reaching commercial production, the Company will be entitled to reimbursement for all Exploration Expenditures incurred before the distribution of such profits of such commercial production, if any.

The Company is involved in a dispute with GCP related to the exercise of the Company's 70% interest in Infinity and the Company does not exercise control or significant influence over Infinity (Note 20).

On 16 May 2014, the Company entered into an Option Agreement (the "Agreement") with MMG Limited ("MMG"), whereby MMG could acquire the Company's 70% interest in Infinity for a total consideration of USD$6,000,000 plus a 1.5% NSR as well as a commitment to spend US$15,000,000 in exploration expenses over 3 years. As part of the Agreement, MMG paid the Company a non-refundable deposit of US$100,000 (CDN$108,475) and also subscribed for 3,875,715 units of the Company in the amount of $271,300 (Note 11). On 1 April 2015, MMG terminated the Agreement dated 16 May 2014 whereby MMG could acquire the Company's 70% interest in Infinity subject to certain terms.

During the previous year ended 31 January 2015, the Company recorded a net recovery of write down of available for sale investments of $68,374, consisting of write-down of investment of $40,101 from the year ended 31 January 2014 and a recovery of $108,475.

The Company's available-for-sale investments are as follows:

	31 July 2015		31 January 2015	
	Cost **$**	**Fair Value** **$**	Cost $	Fair Value $
Infinity Resources SPRL	-	-	-	-
Total available-for-sale investments	**-**	**-**	-	-

(Expressed in Canadian dollars)

10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to exploration and evaluation activities and amounts payable for general operations. These are broken down as follows:

	31 July 2015	31 January 2015
	$	$
Trade payables	**177,978**	119,202
Accrued liabilities	**-**	15,000
Total	**177,978**	134,202

During the previous year ended 31 January 2015, the Company settled certain trade payables owed to third party vendors by issuing common shares and warrants of the Company (Notes 11 and 20).

During the previous year ended 31 January 2015, the Company issued Nil flow-through units (2014 - 950,000 flow-through units) for total proceeds of $Nil (2014 - $57,000). This issuance of flow-through units resulted in a flow-through share premium liability of $Nil (2014 - $Nil) (Notes 11 and 14).

11. SHARE CAPITAL

11.1 Authorized share capital

The Company has authorized an unlimited number of common and preferred shares with no par value. As at 31 July 2015, the Company had 37,120,085 common shares outstanding (31 January 2015 - 37,120,085) and no preferred shares outstanding (31 January 2015 - Nil).

11.2 Shares issuances

During the six-month period ended 31 July 2015, there was no issuance of common shares.

During the previous years ended 31 January 2015 and 2014, the Company issued common shares as follows:

On 4 November 2014, the Company settled trades payable owing to a third party in the amount of $15,000 through the issuance of 214,285 common shares at a price of $0.07 per share (Notes 10 and 19).

On 8 September 2014, the Company settled trades payable owing to a third party in the amount of $16,800 through the issuance of 240,000 common shares at a price of $0.07 per share (Notes 10 and 19).

On 30 June 2014, gross proceeds of $271,300 were raised through the issuance of 3,875,715 non flow-through units at a price of $0.07 per unit, consisting of one non flow-through common share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Note 9).

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 19 and 19).

On 30 June 2014, the Company settled trades payable owing to a third party in the amount of $10,000 through the issuance of 142,857 non flow-through units at a price of $0.07 per unit, consisting of one non flow-through common share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Notes 10 and 19).

On 25 November 2013, the Company consolidated its share capital on a one (1) new common share without par value for every three (3) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 1).

On 4 October 2013, gross proceeds of $53,000 were raised in a 883,333 flow-through units at a price of $0.06 per unit consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $3,150 and issued 52,500 warrants in finder's fees.

On 4 October 2013, gross proceeds of $210,000 were raised in a 3,500,000 non flow-through units at a price of $0.06 per unit, consisting of one common share and one-half of non-transferable purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $2,240 and 37,333 warrants in finder's fees (Notes 10 and 14).

(Expressed in Canadian dollars)

On 12 September 2013, gross proceeds of $50,000 were raised in a 833,333 non flow-through units at a price of $0.06 per unit, consisting of one common share and one-half of non-transferable purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year.

On 12 September 2013, gross proceeds of $4,000 were raised in a 66,667 flow-through units at a price of $0.06 per unit consisting of one common flow-through share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the closing date at a price of $0.15 per share during the first year and $0.30 per share during the second year. The Company paid $280 and issued 4,667 warrants in finder's fees (Notes 10 and 14).

11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the six-month period ended 31 July 2015 and year ended 31 January 201:

	31 July 2015		31 January 2015	
	Number of warrants	**Weighted average Exercise price**	Number of warrants	Weighted average Exercise price
Outstanding, beginning of period	**4,745,453**	**$0.19**	5,693,501	$0.35
Granted	**-**	**-**	2,009,286	$0.14
Exercised	**-**	**-**	-	-
Forfeited	**-**	**-**	(2,957,334)	$0.47
Outstanding, end of period	**4,745,453**	**$0.19**	4,745,453	$0.19

The 2,009,286 share purchase warrants granted during the previous year ended 31 January 2015 are subject to an accelerated expiry, such expiry being accelerated to 30 days in the event the Company's shares close at or above a price of $0.25 per share for 10 consecutive days on the TSX Venture Exchange (the "TSXV").

(Expressed in Canadian dollars)

The following table summarizes information regarding share purchase warrants outstanding as at 31 July 2015.

Date issued	**Number of warrants**	**Exercise price**	**Expiry date**
12 September 2013	450,000	$0.15/$0.30	12 September 2015
12 September 2013	4,667	$0.15/$0.30	12 September 2015
4 October 2013	1,750,000	$0.15/$0.30	4 October 2015
4 October 2013	441,667	$0.15/$0.30	4 October 2015
4 October 2013	52,500	$0.15/$0.30	4 October 2015
4 October 2013	37,333	$0.15/$0.30	4 October 2015
Balance at 31 July 2015	**2,736,167**		

12. STOCK OPTIONS

The Company has adopted a stock option plan (the "Plan") whereby, the Company may grant stock options up to a maximum of 20% of the number of issued shares of the Company. The exercise price of any options granted under the plan will be determined by the Board of Directors (the "Board"), at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Board grants such options, less the maximum discount permitted under the polices of the TSXV.

The following is a summary of the changes in the Company's stock option plan for the six-month period ended 31 July 2015 and year ended 31 January 2015:

	31 July 2015		31 January 2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of period	**3,134,000**	**$0.22**	**447,333**	**$1.23**
Granted	**-**	**-**	**3,165,000**	**$0.07**
Exercised	**-**	**-**	**-**	**-**
Forfeited	**111,666**	**-**	**(478,333)**	**$0.20**
Outstanding, end of period	**3,022,334**	**$0.22**	**3,134,000**	**$0.22**

The weighted average grant-date fair value for options granted during previous the year ended 31 January 2015 was $0.0545 (2014 - $Nil), which was determined using the Black-Scholes Option Pricing Model and the following assumptions: no dividends to be paid; volatility of 211.51% (2014 - Nil%) based on historical volatility; risk-free interest rate 2.79% (2014 - Nil%); and expected life of 5 years (2014 - 0 years) (Note 13).

(Expressed in Canadian dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2015:

Exercise price	Number of options outstanding	Weighted-average remaining contractual life (years)	Weighted average exercise Price
Options outstanding			
$0.05 - $0.59	2,528,833	4.13	$0.07
$0.60 - $1.17	40,000	0.40	$1.14
$1.18 - $1.77`	167,334	1.31	$1.29
Total options outstanding	**2,736,167**	**3.73**	**$0.22**

13. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which $170,093 was recognized in the year ended 31 January 2015 (2014 - $Nil) (Note 12):

Grant date	Fair value	**Amount vested in 31 July 2015**	Amount vested in 30 April 2014
	$	**$**	$
19 March 2014	161,880	**2,067**	**67,087**
28 April 2014	10,484	**204**	**3,762**
Total	172,364	**2,271**	**70,849**

(Expressed in Canadian dollars)

14. FINANCE INCOME

The finance income for the Company is broken down as follows:

	31 July 2015	31 July 2014
	$	$
Interest income	**-**	-
Flow-through share premium income (Notes 10 and 11)	**-**	-
Total	**-**	-

15. INCOME (LOSS) PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	31 July 2015	31 July 2014
Net loss	**$ (8,314)**	**$ (176,468)**
Weighted average number of shares – basic and diluted	**37,120,085**	**27,155,124**
Income (loss) per share, basic and diluted	**$ 0.000**	**$ (0.006)**

The basic income (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants were anti-dilutive for the period ended 31 July 2015 and 2014.

16. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

(Expressed in Canadian dollars)

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

17. FINANCIAL INSTRUMENTS

17.1 Categories of financial instruments

	As at 31 July 2015	As at 31 January 2015
FINANCIAL ASSETS	**$**	$
FVTPL, at fair value		
Cash and cash equivalents	**18,501**	**31,283**
Available-for-sale, at cost		
Investments	**-**	**-**
Total financial assets	**18,501**	**31,283**
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**177,978**	**119,202**
Due to related parties	**276,360**	**264,563**
Total financial liabilities	**454,338**	**383,765**

17.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

(Expressed in Canadian dollars)

- Level 1 fair value measurements are those derived from quoted prices 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 either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at 31 July 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	18,501	-	-	18,501
Investments	-	-	-	-
Total financial assets at fair value	**18,501**	**-**	**-**	**18,501**

There were no transfers between Level 1, 2 and 3 during the six-month period ended 31 July 2015.

As at 31 January 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	31,283	-	-	31,283
Investments	-	-	-	-
Total financial assets at fair value	31,283	-	-	31,283

There were no transfers between Level 1, 2 and 3 during the previous year ended 31 January 2015.

17.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. As a result, the Company is not subject to a significant credit risk. The Company does not consider any of its financial assets to be impaired.

(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 July 2015, the Company had a working capital deficit of $178,065 (31 January 2015 - $114,924).

Currency risk

For the period ended 31 July 2015 and year ended 31 January 2015, the Company's operations were mainly in Canada (Note 4). The Company considers its currency risk to be insignificant.

Other market risks

The Company is not subject to any other market risks, including interest rate risk and commodity price risk.

18. RELATED PARTY TRANSACTIONS

For the period ended 31 July 2015 and year ended 31 January 2015, the Company had transactions with Pacific North West Capital Corp. ("PFN"), a company with management and directors in common with the Company. PFN provides office and consulting services to the Company.

18.1 Related party expenses

The Company's related party expenses paid and/or accrued to PFN are as follows:

	Three months ended 31 July 2015	Three months ended 31 July 2014	**Six months ended 31 July 2015**	Six months ended 31 July 2014
	$	$	**$**	$
Consulting fees	**-**	9,393	**8,875**	15,114
Shared office costs	**3,408**	16,179	**5,768**	34,408
Total related party expenses	**3,408**	25,572	**14,643**	49,522

(Expressed in Canadian dollars)

18.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due to related parties:

	As at 31 July 2015	As at 31 January 2015
	$	$
Key management personnel	**86,478**	86,478
PFN	**189,882**	178,085
Total amount due to related parties	**276,360**	264,563
Chief Operating Officer (Note 5)	**2,500**	2,500
Total amount due from related parties	**2,500**	2,500

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 11 and 19).

The amounts due to/from related parties are non-interest bearing, unsecured and due on demand.

18.3 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	Three months ended 31 July 2015	Three months ended 31 July 2014	**Six months ended 31 July 2015**	Six months ended 31 July 2014
	$	$	**$**	$
Short-term benefits – management and consulting fees	**-**	-	**-**	-
Share-based payments	**-**	32,569	**1,292**	74,500
Total key management personnel compensation	**-**	32,569	**1,292**	74,500

(Expressed in Canadian dollars)

19. SUPPLEMENTAL CASH FLOW INFORMATION

19.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

Period ended 31 July	**2015**	2014
	$	$
Interest paid	**-**	-
Income taxes paid	**-**	-
Total cash payments	**-**	-

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 11 and 19).

On 30 June 2014, the Company settled trades payable owing to a third party in the amount of $10,000 through the issuance of 142,857 non flow-through units at a price of $0.07 per unit, consisting of one non flow-through common share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Notes 10 and 11).

On 8 September 2014, the Company settled trades payable owing to a third party in the amount of $16,800 through the issuance of 240,000 common shares at a price of $0.07 per share (Notes 10 and 11).

On 4 November 2014, the Company settled trades payable owing to a third party in the amount of $15,000 through the issuance of 214,285 common shares at a price of $0.07 per share (Notes 10 and 11).

During the previous year ended 31 January 2015, the Company recorded a net recovery of write down of available for sale investments of $68,374 (Note 9).

During the previous year ended 31 January 2015, the Company recorded a write-down of $53,809 (2014 - $Nil) related to the abandonment of its leasehold improvements (Note 8).

(Expressed in Canadian dollars)

20. CONTINGENCIES

The Company entered into arbitrated dispute proceedings with GCP (the "GCP Group") related to its efforts to assert its legal and effective control over the Kasala Mineral Research Permits and the Company's interest in Infinity (Notes 2 and 9).

On 5 December 2013, the Company was granted a partial award in the arbitration proceedings (the "Arbitration Findings") against the GCP Group. On 21 March 2014, the Company was granted the final award pursuant to the arbitration, whereby the Arbitrator declared various judgements in favour of the Company, including that the GCP Group shall return all assets of Infinity to the control of the Company, the net damages award to the Company being USD$1,850 with interest, and the GCP Group must pay costs to the Company in the amount of $431,532 with interest. Pursuant to the final award, the Company must also deliver the remaining 13,333 common shares of the Company to GCP to be held in trust pending resolution of this matter. The Company received a judgement pursuant to the *International Commercial Arbitration Act* to have the above noted awards applied in the DRC through a successful application of Exequatur. To date, the Company has not been successful in its efforts to realize or enforce these awards in the DRC.

During the previous year ended 31 January 2015, the GCP Group commenced legal actions against Infinity through a newly incorporated entity under the control of the GCP Group following the granting of the final award before the Kipushi High Court and the Lubumbashi Commercial Court seeking to nullify the mineral property option agreement related to the Infinity Kasala Mineral Research Permits and the eventual winding up of Infinity (Note 9).

To date, the Company has not been successful in its efforts in the DRC and there is no assurance that the Company will be successful in asserting its legal and effective control over Infinity.

During the previous year ended 31 January 2015, the Company has recorded an accrual for legal and other costs of $25,000 (2014 - $200,000) related to the ongoing legal disputes (Note 9).

	31 July 2015
	$
Beginning balance	**25,000**
Amounts charged against provision	**-**
Management revision of estimate	**-**
Ending balance	**25,000**

21. EVENTS AFTER THE REPORTING PERIOD

There are no reportable events subsequent to 31 July 2015.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the period ended 31 July 2015 were approved and authorized by the Board of Directors on 22 September, 2015.