CYPRIUM MINING CORPORATION

Condensed Interim Consolidated Financial Statements

Three-month periods ended
March 31, 2015 and 2014

The accompanying unaudited condensed interim consolidated financial statements of Cyprium Mining Corporation (the "Company") for the three-month periods ended on March 31, 2015 and 2014 have been prepared by management and are its responsibility. These unaudited condensed interim consolidated financial statements, together with the accompanying notes, have been reviewed by the audit committee and approved by the Company's Board of Directors. These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

CYPRIUM MINING CORPORATION
Condensed Interim Consolidated Financial Statements
Three-month periods ended March 31, 2015 and 2014

Financial Statements

CYPRIUM MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
As of
(Unaudited - in Canadian dollars)

	Notes	March 31 2015	December 31 2014
		$	$
Assets			
Current assets:			
Cash		166,870	141,770
Other receivables		26,945	3,115
Sales tax receivable		157,542	196,507
Funds reserved for interest payments on debenture	5	90,000	90,000
Prepaid expenses and deposit		98,825	53,544
Total current assets		540,182	484,936
Non-current assets:			
Equipments		241,813	248,924
Investments in Global Resources Investment Ltd.		164,045	244,592
Total non-current assets		405,858	493,516
Total assets		946,040	978,452
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and accrued liabilities		817,697	921,654
Loans payable, without interest, due on demand		50,545	104,520
Options on debenture units	5	40,864	15,580
Total current liabilities		909,106	1,041,754
Non-current liabilities:			
Debentures	5	1,576,687	739,649
Subcriptions received for debenture units issued in January 2015		-	297,920
Subcriptions received for private placement closed in April 2015		70,000	-
Total non-current liabilities		1,646,687	1,037,569
Total liabilities		2,555,793	2,079,323
Equity:			
Share capital	6	6,159,301	6,061,450
Contributed surplus		1,354,776	1,299,728
Deficit		(7,633,528)	(7,100,792)
Accumulated other comprehensive loss		(882,955)	(802,408)
Total equity attributable to owners of the parent company		(1,002,406)	(542,022)
Non-controlling interests		(607,347)	(558,849)
Total equity		(1,609,753)	(1,100,871)
Total liabilities and equity		946,040	978,452

Going concern (Note 3)
Subsequent events (Note 14)

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

CYPRIUM MINING CORPORATION
Condensed Interim Consolidated Statements of Comprehensive Loss
Three-month periods ended March 31, 2015 and 2014

(Unaudited - in Canadian dollars)

	Notes	March 31 2015	March 31 2014
		$	$
Sales		-	-
Cost of sales	7	30,856	-
Gross operating loss		(30,856)	-
Exploration and evaluation expenditures	8	96,972	70,184
General and administrative expenses	9	308,080	425,014
Operating loss		435,908	495,198
Other expenses			
Finance expense	11	145,326	60,555
Total other expenses		145,326	60,555
Net loss		581,234	555,753
Other comprehensive loss			
Items that will be reclassified subsequently to net loss			
Available-for-sale-financial assets			
Net change in fair value		80,547	-
Total comprehensive loss		80,547	-
Net loss and total comprehensive loss		661,781	555,753
Net loss attributable to:			
Shareholders of Cyprium Mining Corporation		532,736	526,555
Non-controlling interests		48,498	29,198
		581,234	555,753
Comprehensive loss attributable to:			
Shareholders of Cyprium Mining Corporation		613,283	526,555
Non-controlling interests		48,498	29,198
		661,781	555,753
Weighted average number of outstanding shares - basic and diluted		39,318,566	26,560,387
Basic and diluted loss per share		0.014	0.020

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

CYPRIUM MINING CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity

Three-month periods ended March 31, 2015 and 2014

(Unaudited - in Canadian dollars)

	Notes	Share Capital		Warrants	Contributed surplus	Deficit	Total attributable to owners of the parent company	Non-controlling interest	Total equity
		Number	$	$	$	$	$	$	$
Balance at January 1, 2014		23,159,400	3,669,931	325,127	448,978	(4,742,846)	(298,810)	(19,677)	(318,487)
Shares issued:	6								
Private placements (common shares)									
net of share issuance costs of $33,916		1,827,100	310,607	-	-	-	310,607	-	310,607
As part of the Share Exchange arrangement with									
Glc net of a liability of $67,500									
net of share issuance costs of $90,868		6,000,000	1,047,000	-	-	-	1,047,000	-	1,047,000
In consideration with the Share Exchange agreement		491,176	90,868	-	-	-	90,868	-	90,868
In consideration with the dedenture offering		1,425,750	90,249	-	-	-	90,249	-	90,249
net of share issuance costs of $8,100									
Issuance costs			(101,854)	883	-	-	(100,971)	-	(100,971)
Share-based compensation	10	-	-	-	920	-	920	-	920
Net loss and comprehensive loss		-	-	-	-	(423,998)	(423,998)	(131,755)	(555,753)
		9,744,026	1,436,870	883	920	(423,998)	1,014,675	(131,755)	882,920
Other comprehensive loss									
Available-for-sale-financial assets									
Net change in fair value		-	-	-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	-	-	-	-
Balance as at March 31, 2014		32,903,426	5,106,801	326,010	449,898	(5,166,844)	715,865	(151,432)	564,433

CYPRIUM MINING CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity

Three-month periods ended March 31, 2015 and 2014

(Unaudited - in Canadian dollars)

	Notes	Share Capital		Warrants	Contributed surplus	Deficit	Total attributable to owners of the parent company	Non-controlling interest	Total equity
		Number	$	$	$	$	$	$	$
Balance at January 1, 2015		38,743,597	6,061,450	(802,408)	1,299,728	(7,100,792)	(542,022)	(558,849)	(1,100,871)
Shares issued	6								
In consideration with the debentures offering		684,800	118,858	-	25,955	-	144,813	-	144,813
Issuance costs		-	(21,007)	-		-	(21,007)	-	(21,007)
Share-based payments	10	-	-	-	29,093	-	29,093	-	29,093
Net loss and comprehensive loss		-	-	-	-	(532,736)	(532,736)	(48,498)	(581,234)
		684,800	97,851	-	55,048	(532,736)	(379,837)	(48,498)	(428,335)
Other comprehensive loss									
Available-for-sale-financial assets									
Net change in fair value		-	-	(80,547)	-	-	(80,547)	-	(80,547)
Total comprehensive loss		-	-	(80,547)	-	-	(80,547)	-	(80,547)
Balance as at March 31, 2015		39,428,397	6,159,301	(882,955)	1,354,776	(7,633,528)	(1,002,406)	(607,347)	(1,609,753)

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

CYPRIUM MINING CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
Three-month periods ended March 31, 2015 and 2014
(Unaudited - in Canadian dollars)

	Notes	March 31 2015	March 31 2014
		$	$
Operating activities:			
Net loss		(581,234)	(555,753)
Adjustments for:			
Share-based payments	10	29,093	920
Depreciation		7,111	179
Accreted interest on debentures		55,598	5,196
Unrealized exchange loss		52,529	-
Operating activities before changes in working capital items		(436,903)	(549,458)
Change in other receivables		(23,830)	(103,213)
Change in sales tax receivable		38,965	13,351
Change in prepaid expenses and deposit		(45,281)	(75,775)
Change in trade accounts payable and accrued liabilities		(103,957)	(72,281)
		(134,103)	(237,918)
Cash flows from operating activities		(571,006)	(787,376)
Investing activities:			
Acquisition of equipments		-	(1,750)
Cash flows from investing activities		-	(1,750)
Financing activities:			
Proceeds from issuance of shares		-	310,607
Subcriptions received for private placement closed in April 2015		70,000	-
Proceeds from issuance of debentures		676,304	588,027
Repayments of loans		(53,975)	-
Funds reserved for interest payments on debentures		-	(83,096)
Share issuance costs		(96,223)	(18,203)
Cash flows from financing activities		596,106	797,335
Net change in cash		25,100	8,209
Cash, beginning of period		141,770	89,345
Cash, end of period		166,870	97,554
Interest paid included in operating activities		59,526	70,687

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

NOTE 1. REPORTING ENTITY AND NATURE OF OPERATIONS

Cyprium Mining Corporation and its subsidiaries (hereinafter "Cyprium" or the "Company") is in the exploration stage and does not derive any revenue from its properties.

Cyprium is incorporated under the Canada Business Corporations Act. The address of the Company's registered office is 800 Rene-Levesque West, suite 425, Montreal (Quebec) Canada, H3B 1X9.

Cyprium's shares are listed on the TSX Venture Exchange under the symbol CUG.

These unaudited condensed interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), have been approved and authorized for issue by the Board of Directors on May 28, 2015 in preparation of their filing.

NOTE 2. STATEMENT OF COMPLIANCE

These unaudited interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, as they follow the same accounting policies and methods of application, unless otherwise indicated.

NOTE 3. GOING CONCERN ASSUMPTION

These unaudited interim condensed consolidated financial statements have been prepared based on the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at March 31, 2015, the Company has a deficit of $7,633,528 ($7,062,471 as at December 31, 2014) and a working capital deficiency of $368,924 (a working capital of $556,818 as at December 31, 2014) which will not be sufficient to support the Company's needs for cash during the coming year. The Company will require additional funding to be able to advance and retain mining rights interest and to meet ongoing requirements for general operations. These material uncertainties cast doubt regarding the Company's ability to continue as a going concern.

In April 2015, the Company completed Debentures offering for a total of US$4,500,000 and a private placement of $280,000 (Note 14).

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

NOTE 4. BASIS OF PREPARATION

Basis of consolidation:
These unaudited condensed interim consolidated financial statements include the accounts of the Company, which include:

Subsidiaries
Subsidiaries are all entities over which the Company is exposed or have rigths to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

(Unaudited - in Canadian dollars)

NOTE 4. BASIS OF PREPARATION (Continued)

The following are the subsidiaries of the Company:

Subsidiary	Jurisdiction of Incorporation	% of Ownership
Cypriummining de Mexico SA de CV	Mexico	100%
Exploracion Rio Placer SA de CV	Mexico	100%
Cypriumex SA de CV	Mexico	100%
Coyame Copper S. RL de CV	Mexico	51%
Pirate Mining Inc.	Canada	46%

Non-controlling interests

Non-controlling interests represent equity interests owned by outside parties. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

NOTE 5. DEBENTURES

Proceeds from Debenture units of US$303,000 and US$500,000 are allocated between the debt and common shares components by measuring fair value of the debt component first and assigning the residual value to the common shares component. The initial fair value of the liability component of US$260,212 and US$444,430 ($516,651 and $212,303 for the fifteen month period ended December 31, 2014) respectively has been determined by discounting the future repayments at a discount rate which represents the estimated borrowing rate available to the Company for similar debentures having no conversion right. The residual of the gross proceeds over the estimated initial fair value of the debt component of US$42,788 and US$55,570 ($98,349 and $37,697 respectively for the fifteen month period ended December 31, 2014) respectively was attributed to the common shares component. Issuance costs were applied in reduction of the debt and common shares components based on their respective fair values.

Subsequently, the debt component is measured at amortized cost using the effective interest method, over the term of the debenture, the debt component will be accreted to the face value of the debenture by the recording of additional interest expense. The weighted effective interest rate on the debt components is 34.80 % (29.27 % for the fifteen month period ended December 31, 2014). Subsequent measurement of the Debenture Finder's Option is at fair value.

	March 31 2015	**December 31 2014**
	$	**$**
Debenture with a face value of $750,000, 12%, maturity on February 28, 2017 (a)	546,238	527,678
Debenture with a face value of $250,000, 12%, maturity on June 6, 2016 (b)	217,329	211,971
Debenture with a face value of US$303,000, 12%, maturity on February 2, 2016 (c)	301,004	-
Debenture with a face value of US$500,000, 14%, maturity on February 12, 2016 (d)	512,116	-
	1,576,687	739,649

(a) On February 28, 2014, the Company completed a Debenture Offering and issued 750 Debenture Units at a price of $820 per Debenture Unit for gross proceeds of $615,000. Each Debenture Unit is comprised of 1,901 common shares of the Company and $1,000 principal amount of unsecured non-convertible debenture, bearing interest at 12% payable semi-annually and with a term of 3 years from the date of issuance. In addition, the Company paid an aggregate of $35,072 in cash and issued 19 non-transferrable finders options ("Debenture Finder's Option") to three arm's length parties pursuant to finders' agreements valued at $15,580 and recorded as an option on debenture units in the liabilities. An amount of $8,100 was attributed to the equity component of the debenture and recorded as issuance costs against share capital in the consolidated statement of changes in equity. Each Debenture Finder's Option entitles the holder thereof to purchase one Debenture Unit for a period of 18 months from the closing of the Debenture Offering at an exercise price of $820 per Debenture Unit. The Company is required to hold in a separate account an amount equal to the interest payable over the twelve month period following the Closing Date. These amounts shall be used solely for the purpose of paying interest on such Debentures. An amount of $90,000 was reserved and presented as funds reserved for interest payments on debenture.

NOTE 5. DEBENTURES (Continued)

(b) On June 6, 2014, the Company completed a Debenture Offering and issued 250 Debenture Units at a price of $1,000 per Debenture Unit for gross proceeds of $250,000. Each Debenture Unit is comprised of 1,500 common shares of the Company and $1,000 principal amount of secured non-convertible debenture, bearing interest at 12% payable monthly and with a term of 2 years from the date of issuance. The Company paid an aggregate of $10,813 in cash of which an amount of $1,630 was attributed to the equity component of the debenture and recorded as issuance costs against share capital in the consolidated statement of changes in equity. The debenture is secured by the common shares owned in Global Resources Investment Ltd. ("GRIT") and by the sales tax receivable from the governments.

(c) On January 2, 2015, the Company completed a Debenture Offering and issued 303 Debenture Units at a price of US$1,000 per Debenture Unit for gross proceeds of US$303,000. Each Debenture Unit is comprised of 1,600 common shares of the Company and US$1,000 principal amount of unsecured, non-convertible debenture, bearing interest at 12% payable semi-annually and with a term of thirteen months from the date of issuance. The Company paid an aggregate of $26,686 in cash and issued 20 finders options ("Debenture Finder's Option") valued at US$20,000 which are recorded as an option on debenture units in the liabilities. An amount of $7,040 was attributed to the equity component of the debenture and recorded as issuance costs against share capital in the consolidated statement of changes in equity. Each Debenture Finder's Option entitles the holder thereof to purchase one Debenture Unit for a period of 18 months from the closing of the Debenture Offering at an exercise price of US$1000 per Debenture Unit.

(c) On February 12, 2015, the Company completed a Debenture Offering and issued 500 Debenture Units at a price of US$1,000 per Debenture Unit for gross proceeds of US$500,000. Each Debenture Unit is comprised of 400 common shares of the Company and US$1,000 principal amount of unsecured, non-convertible debenture, bearing interest at 14% payable quarterly and with a term of twelve months from the date of issuance. The Company paid an aggregate of $50,588 in cash and issued 385,046 broker warrant. Each broker warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.13 per share until August 17, 2016. The fair value of the broker warrants was estimated at $0.07 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 115.6%, a risk-free interest rate of 0.46%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of $0.13. As a result, the warrants were valued at $25,955 and recorded as share issuance costs against the liability component and credited to Contributed surplus in the statement of changes in equity. In total, an amount of $13,967 was attributed to the equity component of the debenture and recorded as issuance costs against share capital in the consolidated statement of changes in equity.

NOTE 6. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Transactions on share capital

2014:

On February 28, 2014, the Company concluded a share exchange arrangement (the “Share Exchange”) with GRIT pursuant to which the Company acquired 564,366 ordinary shares of GRIT (the “GRIT Shares”), which are listed on the London Stock Exchange's main market in connection with GRIT's re-registration as a public company and constitution as a UK Investment Trust with the name "Global Resources Investment Trust Plc." in exchange for 6,000,000 common shares of the Company (the "Common Shares"). The Common Shares issued were valued based on the share price of GRIT's Shares at the time of the transaction which was £1.00 per share for an aggregate value of $1,047,000. In addition, the Company issued 491,176 common shares of the Company valued at $90,868 to an arm's length party, as a finders' fee. This finders' fee was recorded as share issuance costs in the statement of changes in equity.

On February 28, 2014, the Company concluded a private placement by issuing 1,827,100 units at a price of $0.17 per unit for gross proceeds of $310,607 and incurred share issuance costs of $18,203. Each Unit is comprised of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire a common share of the Company at an exercise price of $0.27 per share until February 28, 2016. The fair value of the warrants is $Nil based on the residual method. In addition, the Company issued 9,600 non-transferable options to purchase units at a price of $0.17 per unit as finders' fees. Each Unit is comprised of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire a common share of the Company at an exercise price of $0.27 per share until August 28, 2015. The fair value of the options was estimated at $0.09 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 103.4%, a risk-free interest rate of 0.98%, an expected unit life of 1.5 years, no expected dividend yield and a share price at date of grant of $0.185. As a result, the warrants were valued at $883 and recorded as share issuance costs in Contributed surplus in the statement of changes in equity.

(Unaudited - in Canadian dollars)

NOTE 6. SHARE CAPITAL (Continued)

(c) Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

		March 31 2015		**December 31 2014**
	Number of outstanding warrants	**Weighted average exercise price**	**Number of outstanding warrants**	**Weighted average exercise price**
		$		**$**
Outstanding at beginning	12,855,344	0.23	1,514,700	0.25
Issued through the acquisition of Cyprium	-	-	3,222,500	0.12
Issued	385,046	0.13	8,118,144	0.27
Outstanding at end	13,240,390	0.23	12,855,344	0.23

The table below presents a summary of the outstanding warrants

		March 31 2015		**December 31 2014**
Expiry date	**Number of outstanding warrants**	**Exercise price**	**Number of outstanding warrants**	**Exercise price**
		$		**$**
April 2015	16,800	0.17	16,800	0.17
August 2015	9,600	0.17	9,600	0.17
October 2015	1,485,000	0.27	1,485,000	0.27
December 2015	1,514,700	0.25	1,514,700	0.25
February 2016	913,550	0.27	913,550	0.27
March 2016	175,229	0.14	175,229	0.14
June 2016	660,000	0.11	660,000	0.11
August 2016	385,046	0.13	-	-
September 2016	5,440,171	0.28	5,440,171	0.28
November 2017	2,200,000	0.10	2,200,000	0.10
October 2018	440,294	0.22	440,294	0.22
	13,240,390	0.23	12,855,344	0.23

NOTE 7. COST OF SALES

The following table presents cost of sales by nature:

	March 31 2015	**March 31 2014**
	$	**$**
Metallurgy sampling and analysis	5,349	-
Standby fee	24,997	-
Transport	435	-
Depreciation of equipments	75	-
Total cost of sales	30,856	-

(Unaudited - in Canadian dollars)

NOTE 8. EXPLORATION AND EVALUATION EXPENDITURES

The following table presents exploration and evaluation expenditures by nature:

	March 31 2015	March 31 2014
	$	$
Mexico		
Las Christinas property:		
Acquisition costs		
Acquired through the acquisition of Cyprium	-	35,037
Exploration expenditures		
Licenses and permits	5,842	3,991
Geology	43,178	28,027
Drilling	-	-
Road access	-	4,129
Metallurgy sampling and analysis	1,726	(1,058)
General expenses	39,278	58
Depreciation of equipments	6,948	-
	96,972	35,147
Total Las Christinas property	96,972	70,184
Total exploration and evaluation expenditures	96,972	70,184

NOTE 9. ADMINISTRATIVE EXPENSES BY NATURE

The following table presents administrative expenses by nature:

	March 31 2015	March 31 2014
	$	$
Management fees	110,912	96,798
Professional fees	29,237	103,090
Audit fees	10,710	36,400
Consulting fees	125	8,290
Investor relations	53,785	59,822
Travel and promotion	27,152	41,632
Registration, listing fees and shareholders information	12,117	23,108
Director's fees	10,300	33,625
Other general expenses	24,561	21,150
Share-based payments	29,093	920
Depreciation	88	179
Total administrative expenses	308,080	425,014

(Unaudited - in Canadian dollars)

NOTE 10. SHARE-BASED COMPENSATION

Share option plan:

The Company adopted a share option plan under which members of the Board may grant to directors, officers, employees and service providers options to purchase common shares.

The maximum number of shares that may be issued under the plan is limited to 10% of the issued and outstanding common shares. The exercise price of each option is determined by the Board of Directors and may not be lower than the market value of common shares on the eve of the grant, and the due date may not exceed five years. The options are exercisable upon grant. However, according to policy established by the Exchange, when shares reserved for share option plan to purchase common shares exceed 10% of the outstanding shares, options granted to directors, officers, employees and service providers must be exercised proportionately over a period of 18 months from the date of grant.

All share-based compensation will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The following table summarizes the status of the share option plan:

		March 31 2015		December 31 2014
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
		$		$
Opening balance	3,100,000	0.19	825,000	0.15
Acquired through the acquisition of Cyprium	-	-	100,000	0.19
Granted	-	-	2,725,000	0.20
Forfeited	(200,000)	0.15	(550,000)	0.19
Closing balance - outstanding	2,900,000	0.19	3,100,000	0.19
Closing balance - exercisable	2,299,998	0.19	2,349,998	0.19

The fair value of share options acquired through the acquisition of Cyprium and granted to employees, directors and consultants of the Company was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	December 31 2014
Weighted average price at the grant date	0.19
Weighted average exercise price	0.19
Expected dividend	- %
Expected average volatility	156 %
Risk-free average interest rate	1.56 %
Expected average life (years)	5.00
Weighted fair value per share option	0.17

The underlying expected volatility was determined by reference to historical data of comparative companies' shares over the expected average life of the options. No special features inherent to the options were incorporated into measurement of fair value. Starting April 2014, the expected volatility was determined using the historical volatility of the Company's share price according to each expected life of the share options.

In total, an amount of $29,093 in share-based payments was included in net loss for the three-month period ended March 31, 2015 ($920 for 2014) and credited to Contributed surplus.

(Unaudited - in Canadian dollars)

NOTE 10. SHARE-BASED COMPENSATION (Continued)

The following table provides outstanding options information as at March 31, 2015:

			Share options outstanding	
Expiry date	**Number of options outstanding**	**Number of options exercisable**	**Exercise price**	**Remaining contractual life**
			$	**(years)**
November 2017	100,000	100,000	0.19	2.59
January 2018	375,000	375,000	0.15	2.81
October 2018	1,100,000	1,100,000	0.22	3.57
April 2019	350,000	300,000	0.20	4.04
August 2019	600,000	300,000	0.155	4.41
December 2019	375,000	124,998	0.200	4.72
Closing balance	2,900,000	2,299,998	0.19	3.82

NOTE 11. FINANCE EXPENSE

Finance expense recognized in the net loss of the year are as follows:

	March 31 2015	**March 31 2014**
	$	**$**
Bank charges	2,764	9,101
Interest on loans	2,800	10,526
Interest on debentures	50,978	8,016
Accretion of interest	55,598	4,824
Exchange loss (gain)	33,186	31,878
Part XII.6 tax related to flow-through shares	-	(3,790)
Finance expense	145,326	60,555

NOTE 12. RELATED PARTY TRANSACTIONS

Transactions with key management personnel:

The Company's key management personnel are members of the Board of Directors, as well as the president and the chief financial officer.

Key management personnel compensation comprised:

	March 31 2015	**March 31 2014**
	$	**$**
Management fees		
including amounts paid through their holding companies	110,912	96,798
Director's fees	10,300	33,625
Accounting fees	19,844	15,600
Share-based payments	1,376	-
	142,432	146,023

Accounting fees includes fees paid to the Chief Financial Officer for financial services.

These transactions were measured at the exchange amount, which is the amount established and accepted by the parties and were conducted in the normal course of business.

(Unaudited - in Canadian dollars)

NOTE 13. SEGMENTED INFORMATION

The Company presents and discloses segmental information based on information that is regularly reviewed by the president and the Board of Directors. The president and the Board of Directors have joint responsibility for allocating resources and assessing performance. The Company is of the opinion that there is only a single segment of business being the exploration, evaluation and development of mineral resources.

The geographical distribution of the non-current assets is as follows:

	March 31 2015	December 31 2014
	$	$
Canada		
Equipment		1,400
Marketable securities	164,045	244,592
	164,045	245,992
Mexico		
Equipment	241,813	247,524
	241,813	247,524
Ending balance	405,858	493,516

NOTE 14. SUBSEQUENT EVENTS

On April 17, 2015, the Company completed the initial closing (the "First Tranche") of its non-brokered private placement (the "Bond Financing") of bonds in the aggregate amount of US$4,500,000. Pursuant to the closing of the First Tranche, the Company received a disbursement in the amount of US$1,000,000 (the "First Tranche Disbursement") from the subscriber of the Bond Financing.

On April 21, 2015, the Company completed a private placement of 2,000,000 units (the "Units") at a price of $0.14 per Unit for gross proceeds of $280,000. Each Unit is comprised of one (1) common share of the Company and one (1) share purchase warrant of the Company. Each Warrant will be exercisable into one common share at an exercise price of $0.28 expiring two (2) years from the date of issuance.