PACIFIC CASCADE MINERALS INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements
Nine Months Ended June 30, 2015 and 2014
(Expressed in Canadian Dollars)

Notice of Disclosure of Non-auditor Review of the Interim Financial Statements
For the Nine Months Ended June 30, 2015

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

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

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

PACIFIC CASCADE MINERALS INC.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2015 (Unaudited)	September 30, 2014
Assets		
Current		
Cash	$ 24	$ -
Amounts receivable	30,306	29,374
Prepaid expenses	5,379	3,821
Reclamation bonds and deposit (note 5)	23,500	28,500
	59,209	61,695
Equipment (note 7)	1,706	2,438
	$ 60,915	$ 64,133
Liabilities		
Current		
Bank indebtedness	$ -	$ 4
Accounts payable and accrued liabilities (notes 5 and 6)	787,314	761,077
Due to related parties (note 10)	174,849	141,011
Loans payable (notes 10 and 11)	502,125	464,178
	1,464,288	1,366,270
Shareholders' Deficiency		
Capital Stock (note 8)	7,010,416	7,010,416
Subscriptions Received	35,000	-
Share-Based Payments Reserve	1,250,821	1,250,821
Reserves	164,425	164,425
Deficit	(9,864,035)	(9,727,799)
	(1,403,373)	(1,302,137)
	$ 60,915	$ 64,133

Approved on behalf of the Board:

"Harold Forzley" Director
Harold Forzley

"Eugene Hodgson" Director
Eugene Hodgson

See notes to condensed interim financial statements.

PACIFIC CASCADE MINERALS INC.
(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	3 months ended June 30, 2015	3 months ended June 30, 2014	9 months ended June 30, 2015	9 months ended June 30, 2014
Expenses				
Accounting and audit (note 10(a))	$ 2,500	$ 3,000	$ 8,000	$ 12,000
Consulting	-	27,000	36,000	57,410
Depreciation	244	244	732	732
Filing fees	1,300	3,200	2,968	6,087
General and office (note 10(a))	858	64	965	1,121
Interest and bank charges	10,680	12,247	39,138	33,755
Investor relations and communication	-	500	-	500
Legal (note 10(a))	-	887	2,347	3,934
Management fees (note 10(a))	-	21,000	42,000	42,000
Transfer agent fees	2,715	584	4,310	3,823
Travel and promotion	-	-	104	2,250
Interest income	(9)	(5)	(328)	(325)
Net Loss and Comprehensive Loss for the Period	$ 18,288	$ 68,721	$ 136,236	$ 163,287
Loss Per Share, Basic and Diluted	$ 0.000	$ 0.001	$ 0.002	$ 0.002
Weighted Average Number of Common Shares Outstanding	80,454,719	80,454,719	80,454,719	80,454,719

See notes to condensed interim financial statements.

PACIFIC CASCADE MINERALS INC.
(An Exploration Stage Company)
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock						
	Number of Shares	Amount	Subscriptions Received	Share-Based Payments Reserve	Reserves	Deficit	Total
Balance, September 30, 2013	80,454,719	$ 7,010,416	$ -	$ 1,250,821	$ 164,425	$ (9,474,043)	$ (1,048,381)
Net loss for the period	-	-	-	-	-	(163,287)	(163,287)
Balance, June 30, 2014	80,454,719	$ 7,010,416	$ -	$ 1,250,821	$ 164,425	$ (9,637,330)	$ (1,211,668)
Balance, September 30, 2014	80,454,719	$ 7,010,416	$ -	$ 1,250,821	$ 164,425	$ (9,727,799)	$ (1,302,137)
Subscriptions received	-	-	35,000	-	-	-	35,000
Net loss for the period	-	-	-	-	-	(136,236)	(136,236)
Balance, June 30, 2015	**80,454,719**	**$ 7,010,416**	**$ 35,000**	**$ 1,250,821**	**$ 164,425**	**$ (9,864,035)**	**$ (1,403,373)**

See notes to condensed interim financial statements.

PACIFIC CASCADE MINERALS INC.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
For the Nine Months Ended June 30
(Expressed in Canadian Dollars)
(Unaudited)

	2015	2014
Operating Activities		
Net loss for the period	$ (136,236)	$ (163,287)
Items not affecting cash		
Depreciation	732	732
Interest income accrued	(49)	-
Interest expense accrued	31,897	33,319
	(103,656)	(129,236)
Changes in non-cash working capital		
Amounts receivable	(882)	(789)
Prepaid expenses	(1,558)	(3,970)
Accounts payable and accrued liabilities	23,286	151,904
Due to related parties	33,838	(40,000)
Cash Used in Operating Activities	(48,972)	(22,091)
Investing Activity		
Redemption of reclamation bond	5,000	-
Cash Provided by Investing Activity	5,000	-
Financing Activities		
Short-term loans payable	9,000	24,000
Proceeds from share subscriptions	35,000	-
Cash Provided by Financing Activities	44,000	24,000
Increase in Cash	28	1,909
Bank Indebtedness, Beginning of Period	(4)	(2,070)
Cash (Bank Indebtedness), End of Period	$ 24	$ (161)

See notes to condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Pacific Cascade Minerals Inc. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on January 24, 2006 and received final listing approval on the TSX Venture Exchange ("TSX") on February 16, 2007. The Company is involved in the acquisition, exploration and development of mineral properties located in Nunavut, Canada. The Company's registered office is located at 665 Dougall Road, Gibsons, British Columbia, V0N 1V8.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several adverse conditions cast significant doubt on the validity of this assumption. The Company reported a net loss of $136,236 for the nine months period ended June 30, 2015 (June 30, 2014 - $163,287), and as at June 30, 2015 has a working capital deficit of $1,405,079 (September 30, 2014 - $1,304,575) and an accumulated deficit of $9,864,035 (September 30, 2014 - $9,727,799), and has no source of revenue or operating cash flow.

The Company's ability to continue as a going concern is dependent on the Company being able to obtain the necessary financing to meet administrative overhead and to complete the acquisition, exploration and development of its mineral property interests into profitable mining operations.

The Company has relied mainly upon the issuance of capital stock and loan arrangements to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition. The Company has experienced difficulty obtaining financing to provide it with the working capital to meet its financial obligations, exploration and development commitments, and operations.

There can be no assurance that any or all of the foregoing conditions will be met. These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and its interpretations. Accordingly, they do not include all of the information and note disclosures as required by International Financial Reporting Standards ("IFRS") for annual financial statements. Unless stated otherwise, the accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its most recent annual financial statements which are filed on the Company's profile on SEDAR at www.sedar.com. These condensed interim financial statements should be read in conjunction with the Company's financial statements as at and for the year ended September 30, 2014. Results for the period ended June 30, 2015 are not necessarily indicative of future results.

2. BASIS OF PRESENTATION (Continued)

(a) Statement of compliance (Continued)

These financial statements were approved by the Board of Directors and authorized for issue on August 31, 2015.

(b) Presentation

These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except cash flow information. The Company's functional and reporting currency is the Canadian dollar.

(c) Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and judgments.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

<u>Restoration, rehabilitation and environmental provisions</u>
Decommissioning and restoration obligation provisions represent management's best estimate of the present value of the future costs. Significant estimates and assumptions are made in determining the amount of obligation provisions. Those estimates and assumptions deal with uncertainties such as: requirements of the relevant legal and regulatory framework; the magnitude of possible disturbance; and the timing, extent and costs of required restoration and rehabilitation activity. These uncertainties may result in future actual expenditures differing from the amounts currently provided.

<u>Accrued liabilities</u>
Management makes estimates of the Company's obligations to the Company as a result of past transactions and events. The estimates are reviewed on an ongoing basis and revisions to the estimate are recognized in the period in which the estimate is revised.

<u>Assumptions used in the calculation of the fair value assigned to share-based payments</u>
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

2. BASIS OF PRESENTATION (Continued)

(c) Estimates and judgments (Continued)

Critical accounting judgments

Economic recoverability and profitability of future economic benefits of mineral property interests

Management has determined that exploration, evaluation and related costs incurred, which were capitalized, have future economic benefits and are economically recoverable. Where future economic benefits and economic recovery are determined to be below the carrying value, management have assessed an impairment. Management uses several criteria in its assessment, including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared on the basis of accounting policies and method of computation consistent with those applied in the Company's September 30, 2014 audited annual financial statements. The accompanying unaudited interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2014.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

The Company classifies its cash as FVTPL; interest receivable as loans and receivable; reclamation bonds and deposit, as HTM investments; and accounts payable, due to related parties and loans payable, as other financial liabilities.

(a) Fair value

The carrying values of cash, interest receivable, reclamation bonds and deposit, accounts payable, due to related parties and loans payable approximate their fair values due to the short term to maturity of these financial instruments.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

(i) Interest rate risk (Continued)

(b) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As the majority of the Company's loans payable have fixed interest rates, the Company's sensitivity analysis indicates that exposure to interest rate risk is minimal.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk on its financial instruments.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's reclamation bonds and deposit of $23,500 (September 30, 2014 - $28,500), which are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at June 30, 2015, the Company has $30,306 (September 30, 2014 - $29,374) in amounts receivable available to settle current liabilities. The amounts receivable consist of GST receivable and interest receivable.

The Company's cash, accounts payable, amounts due to related parties, and loans payable are due in the short term (0 to 3 months).

As at June 30, 2015, there is an insufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and liabilities as they come due.

(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

There has been no change to the Company's approach to risk management during the period ended June 30, 2015.

5. RECLAMATION BONDS AND DEPOSIT

Pursuant to government regulations, and as a condition of undertaking mineral property exploration activities, the Company is obligated to provide specified amounts of security ("reclamation bonds") against potential future rehabilitation costs.

The Company has pledged two guaranteed investment certificates as reclamation bonds with the following terms:

June 30, 2015	Interest Rate	Maturity Date		Amount
Bank of Montreal	Prime less 1.95%	January 13, 2016	$	20,000 [1]
Bank of Montreal	0.75%	June 12, 2015		3,500 [2]
			$	23,500

September 30, 2014	Interest Rate	Maturity Date		Amount
Bank of Montreal	Prime less 1.95%	January 15, 2015	$	20,000
Bank of Montreal				5,000 [3]
Bank of Montreal	0.75%	June 12, 2015		3,500
			$	28,500

[1] The Company estimated that the undiscounted value of its site restoration obligation for Crack Moly minerals property amounts to $20,000 and has recognized a decommissioning liability in accrued liabilities during the year ended September 30, 2013. As the Crack Moly mineral property interest is considered impaired, the asset related to the decommissioning liability has been expensed in the statements of loss and comprehensive loss in the year ended September 30, 2013. As it is uncertain when reclamation activities are to occur, a discount rate has not been applied to correspond with the impact of the passage of time. As at June 30, 2015, the Company estimates that the site restoration obligation for the Crack Moly mineral property remains at $20,000. The Company expects that the reclamation bond of $20,000 pledged for this property will be used to fulfill its obligation.

[2] Matured during the quarter ended June 30, 2015 and reinvested.

[3] Matured during the 2014 fiscal year and redeemed subsequent to September 30, 2014.

6. MINERAL PROPERTY INTERESTS

(a) Turner Lake Project, Nunavut, Canada (2015)

On May 7, 2015, the Company entered into a Letter of Intent with Bama Gold Corp. ("Bama") whereby the Company may the acquire the right and option to earn a 60% undivided interest in the mineral concessions located in Nunavut known as the Jam 1-4 Property. In consideration of the grant of the option, the Company is required to pay $20,000 in three installments as follows:

(Expressed in Canadian Dollars)

6. MINERAL PROPERTY INTERESTS (Continued)

(a) Turner Lake Project, Nunavut, Canada (2015) (Continued)

Date for Option Payment	**Amount $**
Closing Date*	$5,000
July 1, 2015*	$5,000
September 30 , 2015	$10,000
TOTAL	**$20,000**

(*) – unpaid, agreement subject to TSX approval.

In addition, the Company shall also incur a total of US$20,000 in exploration and development expenditures on the Property to be completed on or before the first anniversary of the closing date. The expenditures shall include any costs required to take the claims to lease.

Upon the exercise of the option, a joint venture shall be formed with Bama for further exploration and development of the property.

For 90 days following the first anniversary of the closing date of the Letter of Intent, Bama has the option to sell the remaining 40% interest in the property for $15,000 payable by the issuance of the Company's common shares at a per share price according to the policies of the TSX.

(b) Turner Lake Project, Nunavut, Canada (2014)

On March 31, 2014, the Company entered into an agreement (subject to TSX approval) with 2406031 Ontario Ltd. (the "Vendor") to purchase a 100% interest in the Turner Lake Project (the "Property") located in Nunavut.

The Property consists of 3 claims, Jam 1, Jam 2 and Jam 3, near Bathurst Inlet in the Kitikmeot District of Western Nunavut, Yellowknife, Northwest Territories. Under the terms of the agreement the Company agrees to purchase a 100% right title and interest in the property in exchange for 1,000,000 common shares of the Company to be delivered to the Vendor within 10 days of claims title being successfully transferred into the Company's name. There is a 1% net smelter return ("NSR") reserved by the original property owners on Jam 1, 2 and 3 and a further 1% NSR on Jam 1 with buy outs in place for all of the NSRs. The date of completion of the purchase and sale of the claims (the "Closing Date") shall be such date as may be established by the purchaser, but shall in no event be later than July 28, 2014. The agreement between the Company and the Vendor has expired.

(c) El Centenario Property, State of Durango, Mexico

During the year ended September 30, 2013, the Company breached the terms of the Letter of Intent (the "LOI") signed on April 26, 2011 with Arcelia Gold Corp. ("Arcelia") on the El Centenario property due to lack of working capital to meet its obligations, including acquisition payments made up of cash and common share issuance, mineral concession payments, and minimum annual exploration and development expenditures required by the LOI. The Company was unable to renegotiate the terms of the LOI with Arcelia.

6. MINERAL PROPERTY INTERESTS (Continued)

(c) El Centenario Property, State of Durango, Mexico (Continued)

As a result, the Company recorded an impairment of $2,254,952 on the property during the year ended September 30, 2013, reducing its carrying value to $nil; $388,453 in accounts payable and accrued liabilities relate to amounts outstanding to Arcelia and remains outstanding as at June 30, 2015.

(d) Environmental

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company currently has an obligation on a property (note 5).

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

(e) Title to mineral property interests

Although the Company has taken steps to ensure the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior arrangements or transfers and title may be affected by undetected defects.

(f) Realization of assets

Realization of the Company's investment in mineral property interests is dependent upon the establishment of legal ownership, the attainment of successful production from the mineral property interests or from the proceeds of disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

(Expressed in Canadian Dollars)

7. EQUIPMENT

		Equipment
Cost		
Balance, September 30, 2013 and 2014	$	4,881
Additions		-
Balance, June 30, 2015	$	4,881
Accumulated Depreciation		
Balance, September 30, 2013	$	1,467
Depreciation		976
Balance, September 30, 2014		2,443
Depreciation		732
Balance, June 30, 2015	$	3,175
Carrying Amounts		
Balance, September 30, 2014	$	2,438
Balance, June 30, 2015	**$**	**1,706**

8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of Class A cumulative shares with a par value of $1 per share and with special rights and restrictions
Unlimited number of Class B non-cumulative shares with a par value of $5 per share and with special rights and restrictions

(b) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2013 and 2014	4,200,000	$ 0.10
Warrants expired	(4,200,000)	$ 0.10
Balance, June 30, 2015	-	$ 0.10

As at June 30, 2015, the warrants with expiry date of June 26, 2015 have expired.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(c) Subscriptions received

The Company received $35,000 as subscriptions for a private placement of units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.10 within 24 months after closing. The private placement is subject to regulatory approval.

9. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company adopted a stock option plan on April 20, 2012 (the "2012 Plan"). The 2012 Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance, may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options including all options granted by the Company to date.

The option price under each option is subject to a minimum of $0.10 per share and shall not be less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. Options granted to consultants engaged in investor relations activities shall vest in stages over a minimum period of twelve months with no more than 25% of the options vesting in any three-month period. All other options granted shall vest immediately.

A summary of the Company's outstanding options is as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, September 30, 2013	(5,500,000)	$ 0.10
Expired	(2,350,000)	$ 0.10
Balance, September 30, 2014 and June 30, 2015	3,150,000	$ 0.10

As at June 30, 2015 and September 30, 2014, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Average Fair Value at Grant Date	Remaining Contractual Life	Options Exercisable
March 3, 2021	$ 0.10	2,175,000	$ 0.07	5.67	2,175,000
September 30, 2021	$ 0.10	675,000	$ 0.09	6.26	675,000
June 18, 2022	$ 0.10	300,000	$ 0.03	6.97	300,000
		3,150,000		5.93	3,150,000

There were no options granted during the period ended June 30, 2015 and the year ended September 30, 2014.

The stock options have expired, as the employees and consultants are no longer employed or providing services to the Company.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise disclosed in the financial statements, are as follows:

(a) During the quarter ended June 30, 2015, a director paid $793 (September 30, 2014 - $23,774) for operating expenses on behalf of the Company and repayments of $Nil (September 30, 2014 - $1,000) were made to the same director for operating expenses incurred in prior periods. At June 30, 2015, $174,849 (September 30, 2014 - $141,011) are owed to directors and officers for amounts related to operating expenses and unpaid management fees.

(b) On January 30, 2013, the Company entered into a $65,000 loan agreement with an arm's length party who is currently a director of the Company. The loan has a 28-day term and interest accrues at 8% per annum. Any outstanding loan balance on February 28, 2013 shall bear interest at 25% per annum, retroactive to January 30, 2013. As further consideration for the loan, the Company agreed to issue 195,000 bonus shares to the lender with a fair value of $3,900 recorded as bonus shares issuable in share-based payments reserve during the year ended September 30, 2013. As at June 30, 2015, these shares have not been issued. During the quarter ended June 30, 2015, an additional $4,000 without interest was advanced to the Company. As at June 30, 2015, the principal balance of $29,500 and accrued interest of $5,850 remains outstanding. In addition, the director paid $5,000 or operating expenses during the year ended September 30, 2014 which is included in due to related parties.

(c) During the year ended September 30, 2012, the Company entered into a series of loans with a director for a total principal amount of $195,000 with an interest rate ranging from 4% to 6% per annum to be paid monthly. All of the loans are due on demand. During the year ended September 30, 2013, the Company borrowed an additional $22,500 without interest and repaid $15,000 of this balance in the same year. During the quarter ended June 30, 2015, the Company borrowed an additional $5,000 without interest. As at June 30, 2015, the principal amount outstanding of $207,500 and unpaid accrued interest of $22,711 are included in loans payable.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation comprises:

	9 months ended June 30, 2015	**9 months ended June 30, 2014**
Management fees expense (*)	$ 42,000	$ 42,000

* These amounts are included in due to related parties as at June 30, 2015.

The Company has no termination benefits, post-employment benefits and other long-term employee benefits.

11. LOANS PAYABLE

(a) On November 13, 2012, the Company entered into a $100,000 loan agreement with an arm's length party. The loan has a 60-day term and interest accrues at 8% per annum. Any outstanding loan balance on January 13, 2013 shall bear interest at 25% per annum, retroactive to November 13, 2012. As further consideration for the loan, the Company issued 200,000 bonus shares to the lender. These shares were recorded with a fair value of $3,000. As at June 30, 2015, the principal balance of $100,000 and accrued interest of $65,736 remains unpaid.

(b) During the year ended September 30, 2012, the Company entered into a series of loans with a director for a total principal amount of $54,500 with interest rates ranging from 4% to 6% per annum to be paid monthly. All of the loans are due on demand. During the year ended September 30, 2013, the Company borrowed an additional $1,000 without interest. During the year ended September 30, 2014, the director resigned and is no longer a related party. As at June 30, 2015, the principal balance of $55,500 and accrued interest of $6,062 remains outstanding.

(c) During the year ended September 30, 2014, $5,000 without interest was loaned to the Company by an arm's length party. The loan is due on demand and remains outstanding as at June 30, 2015.

(d) During the year ended September 30, 2014, an additional advance of $4,000 was made to the Company by a director with interest at CIBC prime plus 2% due on April 30, 2014 (unpaid). As at June 30, 2015, the balance of this loan including accrued interest of $266 for a total of $4,266 is included in loans payable. During the quarter ended June 30, 2015, the director has resigned from his position with the Company.

12. CAPITAL DISCLOSURE

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock and loan arrangements.

Capital requirements are driven by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company strictly monitors actual expenses to budget on all exploration projects and overhead to ensure costs are controlled, commitments are met and exploration activities are completed.

The Company considers its capital under management to be its capital stock and loans payable, and makes adjustments to it based on the funds available to the Company in order to support future business opportunities.

The Company is not subject to externally imposed capital requirements.

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

13. OPERATING SEGMENTS

The Company has one industry segment, the exploration and development of mineral property interests.

During the period ended June 30, 2015, the Company's entire operation and non-current assets are located in Canada.