Cascade Resources Ltd.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended October 31, 2014 and 2013

(Expressed in Canadian Dollars)

Crowe MacKay LLP
Member Crowe Horwath International
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
+1.604.687.4511 Tel
+1.604.687.5805 Fax
+1.800.351.0426 Toll Free
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of
Cascade Resources Ltd.

We have audited the accompanying consolidated financial statements of Cascade Resources Ltd. and its subsidiary, which comprise the consolidated statements of financial position as at October 31, 2014 and October 31, 2013, and the consolidated statements of operations and comprehensive loss, shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cascade Resources Ltd. and its subsidiary as at October 31, 2014 and October 31, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Cascade Resources Ltd. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Accountants
Vancouver, British Columbia
March 2, 2015

Cascade Resources Ltd.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	October 31, 2014	October 31, 2013
ASSETS			
Current assets			
Cash		$ -	$ 5,200
Receivable	9,12	3,148	9,823
		3,148	15,023
Non-current assets			
Accounts receivable, net of allowance	9,12	8,926	8,926
Investment	6	155,625	155,625
		164,551	164,551
TOTAL ASSETS		**$ 167,699**	**$ 179,574**
LIABILITIES			
Current liabilities			
Bank indebtedness		$ 42	$ -
Accounts payable and accrued liabilities	10	502,562	637,314
Promissory note payable	11	7,750	-
Due to related parties	12	293,000	544,961
Advances from related parties	12	3,864	12,123
		807,218	1,194,398
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Capital stock	8	4,219,945	4,219,945
Contributed surplus		625,739	625,739
Deficit		(5,485,203)	(5,860,508)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(639,519)	(1,014,824)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$ 167,699**	**$ 179,574**

Nature and continuance of operations (Note 1)
Contingency (Note 15)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

"Garry Stock"	*"Tom Davitt"*
Garry Stock, Director	Tom Davitt, Director

The accompanying notes form an integral part of these consolidated financial statements

Cascade Resources Ltd.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the year ended October 31

(Expressed in Canadian Dollars)

	2014	2013
Expenses		
Bank charges	$ 175	$ 394
Management fees (note 12)	93,000	172,500
Marketing	-	174
Office	5,066	7,491
Professional fees (note 12)	161,352	225,026
Exploration costs	4,800	9,600
Registration and filing fees	17,437	13,045
Mineral property costs write-off (note 7)	-	315,000
Telephone	21	3,282
	281,851	746,512
Other (income) and expense		
Debt forgiveness (note 10)	(659,765)	-
Write down of investment (note 6)	-	594,375
Allowance for doubtful accounts (note 9)	1,577	8,044
Interest expense (income) (note 11)	1,032	(17)
	(657,156)	602,402
Net income (loss) and comprehensive income (loss)	**$ 375,305**	**$(1,348,914)**
Basic and diluted income (loss) per common share	**$ 0.05**	**$ (0.18)**
Weighted average number of shares outstanding	**7,858,500**	**7,680,829**

The accompanying notes form an integral part of these consolidated financial statements

Cascade Resources Ltd.

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY (DEFICIENCY)

For the year ended October 31, 2014

(Expressed in Canadian Dollars)

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance at October 31, 2012	7,308,500	$4,169,945	$ 625,739	$(4,511,594)	$ 284,090
Shares issued for cash, net of share issue cost	550,000	50,000	-	-	50,000
Net loss for the year	-	-	-	(1,348,914)	(1,348,914)
Balance at October 31, 2013	7,858,500	4,219,945	625,739	(5,860,508)	(1,014,824)
Net income for the year	-	-	-	375,305	375,305
Balance at October 31, 2014	7,858,500	$4,219,945	$ 625,739	$(5,485,203)	$ (639,519)

The accompanying notes form an integral part of these consolidated financial statements

Cascade Resources Ltd.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended October 31

(Expressed in Canadian Dollars)

	2014	2013
Cash flows from operating activities		
Income (loss) for the year	$ 375,305	$ (1,348,914)
Items not affecting cash:		
Debt forgiveness	(659,765)	-
Accrued interest	1,032	-
Allowance for doubtful accounts	1,577	8,044
Mineral property costs write-off	-	315,000
Write down of investment	-	594,375
	(281,851)	(431,495)
Changes in non-cash working capital items:		
Receivable	6,675	-
Accounts receivable, net of allowance	(1,577)	(13,210)
Due to related parties	117,086	258,588
Accounts payable and accrued liabilities	147,707	135,804
Net cash flows used in operating activities	**(11,960)**	**(50,313)**
Cash flows from financing activities		
Promissory note payable	6,718	-
Common shares issued	-	50,000
Net cash flows provided by financing activities	**6,718**	**50,000**
Total decrease in cash during the year	(5,242)	(313)
Cash at the beginning of the year	5,200	5,513
Cash (bank indebtedness) at the end of the year	**$ (42)**	**$ 5,200**

	2014	2013
Supplemental cash flow information:		
Cash paid (received) for interest	$ -	$ -
Cash paid (received) for income tax	$ -	$ -

The accompanying notes form an integral part of these consolidated financial statements

(Expressed in Canadian Dollars)

1. Nature and continuance of operations

Cascade Resources Ltd. (the "Company" or "Cascade") was incorporated under the *Business Corporations Act* of British Columbia on February 7, 2007. The principal business of the Company was to identify, evaluate and then acquire an interest in a business or assets (the "Qualifying Transaction"). The Company does not currently have a head office – the registered records office is located at 2080-777 Hornby Street Vancouver BC, V6Z 1S4.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses of $5,485,203 since inception and further losses are anticipated in the development of its business plan. These circumstances and material uncertainties lead to significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	October 31, 2014	October 31, 2013
Deficit	$ (5,485,203)	$ (5,860,508)
Working capital (deficiency)	(804,070)	(1,179,375)

2. Basis of presentation

The consolidated financial statements of the Company, including comparatives have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended October 31, 2014.

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, or available for sale which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were approved for issue by the Board of Directors on March 2, 2015.

3. Significant accounting policies

These consolidated financial statements have been prepared by the Company in accordance with IFRS accounting principles, and are presented in Canadian dollars.

(a) Basis of consolidation and presentation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Northern Canadian Minerals Inc. (Mali) from the date of acquisition. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated.

(b) Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements, along with reported amounts of income and expenses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

i. Going concern risk assessment (see note 1);
ii. The measurement and assessment of the future recoverable value of mineral properties are based on various judgments, which are made at various stages of exploration and evaluation - see (f) below;
iii. The determination that the Company does not have any provisions for close down/restoration/environmental clean-up costs;
iv. The determination that the functional currency of the Company remains the Canadian dollar.

Estimates

i. The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives;
ii. The valuation of investments, particularly those that are not publicly-traded and assessment of any other than temporary impairment.

3. Significant accounting policies *(continued)*

(c) Currency and foreign exchange
The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar, the same as the presentation currency. Monetary assets and liabilities denominated in another currency are translated at exchange rates in effect at reporting dates. Other non-monetary items denominated in another currency are translated at the rates of exchange in effect at the time the items arose. Revenue and expenses are translated at the exchange rates in effect at the time of the transaction. Gains and losses arising from fluctuations in exchange rates are included in operations for the periods in which they occur.

(d) Cash and cash equivalents
Cash includes cash on hand and demand deposits. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change and have maturities of three months or less from the date of acquisition.

(e) Share-based payments
The Company measures share-based payments at fair value for all grants of options. The fair value is measured at grant date and each vesting tranche is recognized as a separate award. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds, together with the related contributed surplus amounts are credited to share capital.

Share-based payment expense is computed using the Black-Scholes option pricing model. The fair value of the stock options at the date of grant is charged to profit or loss on a straight-line basis over the vesting period. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Any consideration paid on exercise of stock options together with the related portion previously recognized as share-based payment is credited to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

3. Significant accounting policies *(continued)*

(f) Mineral properties
All costs related to acquisition are capitalized by mineral property, with exploration, and development costs of these properties expensed in the period in which they occur. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations.

A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value.

The amounts shown for mineral properties do not necessarily represent present or future values. The recoverability of mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing and permits necessary to complete the development and future profitable production, or proceeds from the disposition thereof.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry norms for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to prior agreements, transfers, or non-compliance with regulatory requirements, and title may be affected by undetected defects.

The Company has adopted IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which establishes standards for the recognition, measurement and disclosure of contingent liabilities for potential future obligations associated with the retirement of an asset, such as a mine. A provision is recognized in the financial statements when:

a) an entity has a present obligation as a result of a past event (the "obligating event");
b) it is probable that an outflow of economic resources will be required to settle the obligation; and
c) the amount of the obligation can be reliably estimated.

As of October 31, 2014, the Company does not have any provisions relating to a past event.

(g) Earnings per share
Basic earnings per share is computed by dividing earnings for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of warrants and options and that the assumed proceeds from the exercise of warrants and options are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during periods in which a net loss is incurred as the effect is anti-dilutive.

At October 31, 2014, there were 210,000 (2013 – 210,000) potentially dilutive shares that have not been included in the dilutive earnings per share calculation for the periods presented because their effective is anti-dilutive.

3. Significant accounting policies *(continued)*

(h) Share issue costs
Share issue costs directly attributable to the issue of the Company's shares are charged directly to share capital.

(i) Income taxes
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Financial instruments
Financial Assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Company has no financial assets classified as FVTPL. Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's cash and receivables are classified as loans-and-receivables.

3. Significant accounting policies *(continued)*

(j) Financial instruments (continued)
Financial Assets

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company's investment is classified as available-for-sale.

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

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, promissory note payable, due to related parties and advances from related parties are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

(k) Recent Accounting Pronouncements

New accounting standards and amendments adopted

The following pronouncements and amendments were adopted on November 1, 2013. Adopting these standards did not have a significant impact on the consolidated financial statements.

IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11- Joint arrangements outlines the accounting by entities that jointly control an arrangement.

IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

3. Significant accounting policies *(continued)*

(k) Recent Accounting Pronouncements (continued)

IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards. The amendments are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. The amendments are effective for annual periods beginning on or after January 1, 2013.

IAS 28 – Investments in Associates outlines the accounting for investments in associates. The amendments are effective for annual periods beginning on or after January 1, 2013.

Future accounting changes

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The amendments are effective for the annual period beginning on or after January 1, 2018.

IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2014. The adoption of this amendment is not expected to have a significant impact on the financial statements.

IAS 36 – Impairment of Assets ensures that an entity's assets are not carried at more than their recoverable amount. The amendments are effective for annual periods beginning on or after January 1, 2014. The adoption of this amendment is not expected to have a significant impact on the financial statements.

4. Capital management

The Company classifies its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash held by the Company.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in a Canadian chartered bank account.

The Company does not have sufficient capital resources to carry out all of its obligations and, accordingly, will attempt to raise additional capital when necessary.

The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the year ended October 31, 2014.

5. Financial instruments and financial risk management

The Company's financial instruments recognized in the Consolidated Statement of Financial Position consist of cash which approximate their carrying value due to their short-term maturity. Other financial instruments consist of receivables, investment, promissory note payable, due to related parties, advances from related parties, and accounts payable and accrued liabilities.

(a) Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations, including related parties. The Company believes it has no significant credit risk. Bank accounts are with a Canadian Schedule 1 bank.

(b) Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2014, the Company had no cash balance to settle current liabilities of $807,218, the Company will attempt to raise further capital to satisfy its obligations. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. Subsequent to year end, the Company settled $432,750 of debt by issuing shares.

(c) Market risk
The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

(d) Foreign exchange risk
As at October 31, 2014, the Company's functional currency is the Canadian dollar and the majority of its purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in other currencies, primarily US dollars, on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk using derivatives.

6. Investment

During the year ended October 31, 2011, for consideration of $750,000, the Company purchased 375,000 common shares of Ashmont Resources Inc. ("Ashmont"), a private mineral exploration company incorporated under the Business Corporations Act (British Columbia). The shares were purchased from related parties for cash, with the amount of consideration established and agreed to by the parties and were carried at cost. Given current market conditions, the Company reduced the carrying amount of this investment to $155,625 during the year ended October 31, 2013.

During the year ended October 31, 2011 the Company advanced $200,000, to Mibia Energy Proprietary Limited ("Mibia"), a private Namibian company controlled by a former Director of the Company that is pursuing and evaluating offshore energy projects and licensing opportunities in Namibia. The former Director is holding 15% of the shares of Mibia in trust for the Company. Until Mibia's interest in the 1810 licence is confirmed, the investment is carried at $nil.

7. Mineral properties

Samit Uranium Project, Mali

On July 20, 2009, Cascade entered into an agreement with Bayswater Uranium Corporation (“Bayswater”) whereby the Company acquired an undivided interest in the Samit Uranium Project through the purchase of Bayswater’s wholly owned subsidiary, Northern Canadian Minerals Inc. (Mali) (“NCA Mali”).

In consideration for NCA Mali, the Company must:

- issue to Bayswater 100,000 shares of the Company (issued);
- pay $250,000 in cash pursuant to a promissory note due on demand within 36 months of completion of the acquisition of NCA Mali. The note was unsecured and did not bear interest, and was replaced by an issuance of 100,000 shares (issued);
- grant to Bayswater a 2.5% net smelter royalty;
- bear all costs of the acquisition;
- use commercially reasonable best efforts to complete a $200,000 work requirement for the immediate maintenance of the property on or before December 31, 2009 (not completed).

The Company has not yet completed this $200,000 work program, and no longer considers it a necessary step for the transaction. The note payable was issued on July 20, 2009, and was included on the statements of financial position at October 31, 2010 and 2009. On August 18, 2009, the Company issued 100,000 shares to Bayswater pursuant to this agreement, at a deemed value of $0.065 per share. On June 9, 2011, the Company issued another 100,000 shares to Bayswater as agreed at a deemed value of $0.075 per share to replace the $250,000 note payable. As a result, the total note payable was written off and $175,000 was recorded as a gain on settlement of debt. The resultant total acquisition cost of $315,000 was written off as at October 31, 2013, due to market conditions and the recent political turmoil in Mali.

The results of NCA Mali have been consolidated with the Company’s at October 31, 2014. NCA Mali does not have any assets and liabilities other than the mineral property. The agreement Bayswater negotiated with the Government of Mali called for the government to receive a 10% carried interest in the Samit property once a production decision was made by the Company. The government would also have the right to participate for up to an additional 10% interest by contributing to development costs prorated to its participating interest.

8. Capital stock

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

On January 16, 2013, the Company completed a private placement of 450,000 shares at a price of $0.10 per share for gross proceeds of $45,000.

On August 30, 2013, the Company completed a private placement of 100,000 shares at a price of $0.05 per share for gross proceeds of $5,000.

On June 20, 2014, the Company consolidated its share capital on the basis of one post consolidation common share for 10 preconsolidation common shares. All share and per share amounts in these consolidated financial statements have been adjusted to reflect the share consolidation.

(Expressed in Canadian Dollars)

8. Capital stock (continued)

(b) Issued and outstanding (continued)

During the year ended October 31, 2014, the Company entered into share for debt arrangements which involve the settlement of a $432,750 debt by issuing 4,327,500 shares at a deemed price of $ 0.10 per share. These shares were issued subsequent to year end (note 16).

(c) Stock options and agent's options

The Company has adopted a stock option plan which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the plan may have a maximum term of five years (which may be increased to ten years for future issuances pursuant to the rules of the Exchange). The exercise price of options granted under the plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the rules of the Exchange. Stock options granted under the plan vest immediately subject to vesting terms which may be imposed at the discretion of the directors.

Stock option transactions and the number of stock options outstanding and exercisable are summarized as follows:

	Number of stock options and Agent's options	**Weighted average exercise price**
Balance, October 31, 2012	246,000	$ 1.30
Stock options expired	(36,000)	1.00
Balance, October 31, 2013 and 2014	210,000	$ 1.40

The following summarizes information about options outstanding at October 31, 2014:

	Number of stock options and Agent's options	**Weighted average number of years to expiry**
Expiring January 17, 2016	210,000	1.21
	210,000	**1.21**

(Expressed in Canadian Dollars)

9. Accounts Receivable

Accounts receivable consists of sales tax recoverable and amounts due from other parties based on shared office and administration expenses. At October 31, 2014, amounts due from another company related by two directors were assessed under IAS 39 to be impaired and an allowance against the full amount has been recorded.

	October 31, 2014	October 31, 2013
Accounts receivable		
Sales tax recoverable	$ 3,148	$ 9,823
Due from a former officer	8,926	8,926
Due from related companies	176,992	175,415
Allowance for doubtful accounts	(176,992)	(175,415)
	12,074	18,749
Receivable – current	(3,148)	(9,823)
Accounts receivable, net of allowance	$ 8,926	$ 8,926

10. Accounts Payable and Accrued Liabilities

During the year ended October 31, 2014, the Company entered into shares for debt arrangements to settle $1,092,515 of debt. Of this amount, $432,750 was settled subsequent to year end by issuing 4,327,500 shares at a deemed price of $0.10 per share (note 16) and the creditors agreed to forgive the remaining debt of $659,765.

11. Promissory Note Payable

On May 26, 2014 and July 14, 2014, the Company entered into promissory note agreements with a third party for a loan of $5,362. The loan matured on October 31, 2014 together with 12% interest accruing monthly on the principal amount.

On October 14, 2014, the Company entered into an additional promissory note agreement for a loan of $1,355. This loan is due on demand and will mature on April 30, 2014 together with 12% interest accruing monthly on the principal amount.

The balances of the promissory notes and interest are as follow:

	October 31, 2014
Balance at October 31, 2013	$ -
Promissory note	6,718
Accrued interest	1,032
Balance at October 31, 2014	$ 7,750

(Expressed in Canadian Dollars)

12. Related party transactions

During the year ended October 31, 2014, the Company paid or accrued $90,000 in management fees to directors and officers of the Company (2013 - $172,500) and $27,000 in consulting fees to a director of the Company (2013 - $72,000). At October 31, 2014, $296,864 (2013 - $557,084) is owed to directors and officers. Of this amount, $216,500 was settled by the issuance of shares subsequent to year end (note 16).

These transactions with related parties have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management personnel compensation: The remuneration of the chief executive officer, chief financial officer, and directors, those persons having authority and responsibility for planning, directing, and controlling activities of the Company are as follows:

	Year ended October 31, 2014	Year ended October 31, 2013
Management fees	$ 90,000	$ 172,500
Consulting fees	27,000	72,000
	$ 117,000	$ 244,500

13. Income taxes

At October 31, 2014 the Company had available non-capital tax losses for Canadian income tax purposes of approximately $2,665,000 available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

2029	$ 470,000
2030	334,000
2031	683,000
2032	722,000
2033	456,000
	$ 2,665,000

In addition, the Company has available mineral resource related expenditure pools for Canadian income tax purposes totaling approximately $1,758,290 which may be deducted against future taxable income in Canada on a discretionary basis. Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts due to the uncertainty of future taxable income.

A reconciliation of income taxes at statutory rates with the reported taxes is as follows for the years ended October 31:

	2014	2013
Income (loss) before income taxes	$ 375,305	$ (1,348,914)
Statutory Canadian corporate tax rate	26%	25.58%
Income tax expense (recovery) at statutory rate	97,579	(345,097)
Effect of tax rate change	-	(46,431)
Unrealised benefit of deferred income tax assets	(97,579)	391,528
	$ -	$ -

(Expressed in Canadian Dollars)

13. Income taxes (continued)

The significant components of the Company's deferred tax assets are as follows:

		October 31, 2014		October 31, 2013
Deferred income tax assets				
Investments	$	154,538	$	154,538
Mineral properties		457,155		455,907
Equipment		1,611		1,611
Share issue costs		6,835		13,511
Non-capital losses available for future periods		692,876		785,027
		1,313,015		1,410,594
Unrealised deferred tax assets		(1,313,015)		(1,410,594)
	$	-	$	-

14. Segmented information

The Company has one reportable operating segment, which is the acquisition and exploration of mineral properties. The Company's mineral property holdings are in located in two geographic locations, Canada and Mali.

15. Contingency

On February 27, 2013 the Company learned that a former consultant was re-instating a claim for additional damages of $30,000 in addition to the $30,846 currently recorded as due to the former consultant in accounts payable and accrued liabilities. The outcome of this claim is not known at this time.

16. Subsequent events

On November 1, 2014, a creditor agreed to extend the maturity date of the promissory note that matured on October 31, 2014 to April 30, 2015.

On November 27, 2014, 4,327,500 shares were issued to settle $432,750 in debt at a deemed price of $0.10 per shares. The fair market value of these shares on issuance date was $86,550, resulting in a gain of $346,200.

On February 27, 2015, the Company entered into a promissory note agreement with a third party for a loan of $13,100. The loan matures on April 30, 2015 together with 18% interest accruing monthly on the principal amount.