

GALENA INTERNATIONAL RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

December 31, 2014

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

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of Galena International Resources Ltd. (the "Company") 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

GALENA INTERNATIONAL RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

Expressed in Canadian Dollars

	December 31	March 31
	2014	2014
ASSETS		
Current		
Cash	\$ 102,291	\$ 122,139
Receivables	1,047	2,859
	<u>103,338</u>	<u>124,998</u>
	\$ <u>103,338</u>	\$ <u>124,998</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 1,086	\$ 10,650
Shareholders' equity		
Share capital (Note 3)	4,288,473	4,288,473
Reserves (Note 3)	39,193	42,207
Deficit	(4,225,414)	(4,216,332)
	<u>102,252</u>	<u>114,348</u>
	\$ <u>103,338</u>	\$ <u>124,998</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on February 26, 2015

"Randy Turner"
Randy Turner, Director

"Donald McInnes"
Donald McInnes, Director

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

GALENA INTERNATIONAL RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (unaudited)

Expressed in Canadian Dollars

	Three Month Period Ended December 31 <u>2014</u>	Three Month Period Ended December 31 <u>2013</u>	Nine Month Period Ended December 31 <u>2014</u>	Nine Month Period Ended December 31 <u>2013</u>
EXPENSES				
Business development	\$ 181	\$ 230	\$ 677	\$ 675
Legal, audit and accounting	-	2,250	2,447	12,272
Management fees and corporate services	-	9,325	325	41,925
Office and miscellaneous	1,172	1,505	1,219	2,545
Regulatory and transfer agent fees	4,840	3,345	8,575	8,222
Rent	-	3,000	-	9,000
	<u>(6,193)</u>	<u>(19,655)</u>	<u>(13,243)</u>	<u>(74,639)</u>
Interest income	-	50	1,147	1,973
	<u>-</u>	<u>50</u>	<u>1,147</u>	<u>1,973</u>
Loss and comprehensive loss for the period	\$ <u>(6,193)</u>	\$ <u>(19,605)</u>	\$ <u>(12,096)</u>	\$ <u>(72,666)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	22,822,884	22,822,884	22,822,884	22,822,884

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

GALENA INTERNATIONAL RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (unaudited)

Expressed in Canadian Dollars

	Nine Month Period Ended December 31 2014	Nine Month Period Ended December 31 2013
Cash flows from operating activities		
Income (loss) for the period	\$ (12,096)	\$ (72,666)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	1,812	17,923
Increase (decrease) in accounts payable and accrued liabilities	(9,564)	(25,860)
Net cash provided by (used in) operating activities	<u>(19,848)</u>	<u>(80,603)</u>
Change in cash during the period	(19,848)	(80,603)
Cash, beginning of the period	122,139	212,309
Cash, end of the period	<u><u>\$ 102,291</u></u>	<u><u>\$ 131,706</u></u>

Supplemental disclosure with respect to cash flows (Note 6)

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

GALENA INTERNATIONAL RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

Expressed in Canadian Dollars

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, March 31, 2014	22,822,884	\$ 4,288,473	\$ 42,207	\$ (4,216,332)	\$ 114,348
Reserves transferred on expiry of options (Note 3)	-	-	(3,014)	3,014	-
Loss for the period	-	-	-	(12,096)	(12,096)
Balance, December 31, 2014	<u>22,822,884</u>	<u>\$ 4,288,473</u>	<u>\$ 39,193</u>	<u>\$ (4,225,414)</u>	<u>\$ 102,252</u>
Balance, March 31, 2013	22,822,884	\$ 4,288,473	\$ 42,207	\$ (4,126,883)	\$ 203,797
Loss for the period	-	-	-	(72,666)	(72,666)
Balance, December 31, 2013	<u>22,822,884</u>	<u>\$ 4,288,473</u>	<u>\$ 42,207</u>	<u>\$ (4,199,549)</u>	<u>\$ 131,131</u>

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

GALENA INTERNATIONAL RESOURCES LTD.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2014 (Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Galena International Resources Ltd. (the "Company") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to mineral properties.

The Company's head office and principal address is 1410 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. The Company's registered and records office is 2300 – 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

These condensed interim financial statements have been prepared by management 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 for the foreseeable future. The Company has incurred ongoing losses. A number of alternatives including, but not limited to completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

The 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.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended March 31, 2014.

These condensed interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended March 31, 2014 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

The Company's condensed interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

GALENA INTERNATIONAL RESOURCES LTD.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2014 (Expressed in Canadian Dollars)

3. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

There were no shares issued during the nine month periods ended December 31, 2014 and 2013.

c) Stock options

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and/or consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. Options can be granted for a maximum term of ten years and vest on grant.

As at December 31, 2014, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
	650,000	\$ 0.15	October 4, 2017
	<u>650,000</u>		

Stock option transactions are summarized as follows:

	December 31, 2014		March 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	700,000	\$ 0.15	700,000	\$ 0.15
Granted	-	-	-	-
Exercised	-	-	-	-
Expired/cancelled	(50,000)	\$ 0.15	-	-
Balance, end of period	<u>650,000</u>	<u>\$ 0.15</u>	<u>700,000</u>	<u>\$ 0.15</u>
Options exercisable, end of period	<u>650,000</u>	<u>\$ 0.15</u>	<u>700,000</u>	<u>\$ 0.15</u>

d) Options – Stock-based compensation

During the nine month period ended December 31, 2014 and 2013 the Company did not grant any stock options.

GALENA INTERNATIONAL RESOURCES LTD.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2014 (Expressed in Canadian Dollars)

4. RELATED PARTY TRANSACTIONS

These condensed financial statements contain only the financial information of Galena International Resources Ltd. The Company has no subsidiaries.

Key Management Personnel

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management personnel for services rendered are as follows:

	Nine month period ended December 31, 2014	Nine month period ended December 31, 2013
Management fees	\$ 325	\$ 14,925
Total	\$ 325	\$ 14,925

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	Nine month period ended December 31, 2014	Nine month period ended December 31, 2013
Rent	\$ -	\$ 9,000
Accounting	-	6,750
Corporate services	-	27,000
Total	\$ -	\$ 42,750

Included in accounts payable and accrued liabilities at December 31, 2014 is \$NIL (March 31, 2014 - \$650) due to companies controlled by officers and/or directors of the Company.

5. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and the United States.

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transaction for the nine month periods ended December 31, 2014 and 2013.