MUNDORO

Condensed Consolidated Financial Statements

(Unaudited)

For the Three and Six Months Ended June 30, 2015 and 2014

Expressed in Canadian Dollars

Mundoro Capital Inc.

(An exploration stage company)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

As at		June 30, 2015		December 31, 2014
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**387,933**	$	86,474
Short-term investments		**6,068,896**		7,485,759
Amounts receivable (note 5)		**55,948**		174,409
Deposits		**19,128**		30,250
Prepaid expenses		**53,509**		83,077
		6,585,414		**7,859,969**
Non-current assets				
Restricted cash (note 4)	**$**	**415,236**	$	424,790
Mineral interests (note 8)		**497,849**		507,254
Equipment and vehicles (note 7)		**88,155**		99,749
Investments (note 6)		**344,364**		344,364
		1,345,604		**1,376,157**
TOTAL ASSETS	**$**	**7,931,018**	**$**	**9,236,126**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (notes 10 & 12)	**$**	**212,072**	$	351,031
TOTAL LIABILITIES	**$**	**212,072**	**$**	**351,031**
EQUITY				
Share capital (note 11)	**$**	**45,801,709**	$	45,801,709
Contributed surplus		**8,865,334**		8,862,637
Stock options reserve (note 11(d))		**615,043**		591,474
Accumulated Other Comprehensive Income		**7,126**		45,191
Deficit		**(47,570,266)**		(46,415,916)
TOTAL EQUITY	**$**	**7,718,946**	**$**	**8,885,095**
TOTAL EQUITY AND LIABILITIES	**$**	**7,931,018**	**$**	**9,236,126**

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

These consolidated financial statements are authorized for issue by the Board of Directors on August 21, 2015.

They are signed on the Company's behalf by:

/s/ Michael Calyniuk Director *   /s/ Teo Dechev Director*

Mundoro Capital Inc.

(An exploration stage company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	For the three months ended		For the six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest income	$ 28,290	$ 39,505	$ 58,736	$ 77,577
EXPENSES				
Exploration and project evaluation (note 9)	392,860	544,164	839,337	1,151,315
Corporate governance	97,897	101,697	180,381	165,877
General and administrative	26,405	42,297	50,686	80,552
Accounting and audit	23,929	17,921	46,699	39,576
Corporate communication	27,819	62,503	62,956	122,749
	568,910	768,582	1,180,059	1,560,069
LOSS BEFORE OTHER EXPENSES	540,620	729,077	1,121,323	1,482,492
OTHER (INCOME) EXPENSES				
Share-based payments (note 11(c))	7,747	19,700	26,266	35,323
Depreciation (note 7)	7,047	11,512	14,217	23,699
Foreign exchange (gain) loss	8,716	22,709	(7,456)	25,165
Loss on disposal of fixed assets (note 7)	-	-	-	1,804
Write-down of mineral properties	-	6,247	-	18,189
	23,510	60,168	33,027	104,180
NET LOSS FOR THE PERIOD	564,130	789,245	1,154,350	1,586,672
OTHER COMPREHENSIVE (INCOME) WHICH MAY BE RE-CLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
Foreign currency translation differences for foreign operations	(4,312)	34,050	38,065	(1,161)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ 559,818	$ 823,295	$ 1,192,415	$ 1,585,511
Loss per share				
Basic and diluted loss per share:	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.04)

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

Mundoro Capital Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Share capital		Reserves				
	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income	Deficit	Total
Balance at December 31, 2013	**43,436,776**	**$ 45,728,209**	**$ 8,549,487**	**$ 846,773**	**$ 98,259**	**$ (42,865,784)**	**$ 12,356,944**
Share issue costs	-	-	-	-	-	-	-
Shares issued on acquisition of mineral property (Note 11(b))	350,000	73,500	-	-	-	-	73,500
Reclassification of grant-date fair value on expired options	-	-	313,150	(313,150)	-	-	-
Share-based payments (Note 11(c))	-	-	-	57,851	-	-	57,851
Net comprehensive income (loss) for the year	-	-	-	-	(53,068)	(3,550,132)	(3,603,200)
Balance at December 31, 2014	**43,786,776**	**45,801,709**	**8,862,637**	**591,474**	**45,191**	**(46,415,916)**	**8,885,095**

	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income	Deficit	Total
Balance at December 31, 2014	**43,786,776**	**$ 45,801,709**	**$ 8,862,637**	**$ 591,474**	**$ 45,191**	**$ (46,415,916)**	**$ 8,885,095**
Reclassification of grant-date fair value on expired options	-	-	2,697	(2,697)	-	-	-
Share-based payments (Note 11(c))	-	-	-	26,266	-	-	26,266
Net comprehensive loss for the period	-	-	-	-	(38,065)	(1,154,350)	(1,192,415)
Balance at June 30, 2015	**43,786,776**	**$ 45,801,709**	**$ 8,865,334**	**$ 615,043**	**$ 7,126**	**$ (47,570,266)**	**$ 7,718,946**

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

Mundoro Capital Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	For the six months ended June 30, 2015	June 30, 2014
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (1,154,350)**	**$ (1,586,672)**
Adjustments for items not affecting cash:		
Depreciation	14,218	23,699
Share-based payments	26,266	35,323
Loss on disposal of equipment	27	1,815
Write-down of mineral properties	-	18,189
Unrealized interest income	-	(91,348)
	(1,113,839)	**(1,598,994)**
Net changes in non-cash working capital items:		
Amounts receivable	72,373	154,501
Prepaid expenses	28,876	8,443
Deposits	10,689	-
Accounts payable and accrued liabilities	(136,002)	(28,872)
Net cash flows (used in) operating activities	**(1,137,903)**	**(1,464,922)**
FINANCING ACTIVITIES		
Net cash flows from financing activities	**-**	**-**
INVESTING ACTIVITIES		
Expenditures on resource properties	(2,342)	(23,379)
Net proceeds on redemption and purchase of short-term investments, net of interest earned	1,464,186	2,020,362
Purchase of equipment	(6,325)	(6,223)
Proceeds on disposition of asset	1,688	1,221
Restricted Cash (note 4)	-	(342,295)
Net cash flows from investing activities	**1,457,207**	**1,649,686**
Effects of exchange rate changes on cash and cash equivalents	**(17,845)**	**2,045**
Net increase in cash and cash equivalents	**301,459**	**186,809**
Cash and cash equivalents, beginning of period	**86,474**	**177,647**
Cash and cash equivalents, end of period	**$ 387,933**	**$ 364,456**

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

1. NATURE OF OPERATIONS

Mundoro Capital Inc. (the "Company" or "MCI" or "Mundoro") is an exploration, development and investment company in the mineral resource sector. The Company's current exploration activity is focused on the Tethyan Belt of Serbia and Bulgaria in Southeastern Europe, and in Mexico. The business of exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in discovery or future profitable operations.

The Company was incorporated on March 6, 2008 under the Business Corporations Act of the Province of British Columbia for the purpose of acquiring all of the shares of Mundoro Mining Inc. ("MMI"), through a Plan of Arrangement. The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

The Company's head office and principal address is 1401-1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is, therefore, recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2014.

b) Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Adoption of new accounting standards

There were no amendments to existing standards commencing January 1, 2015 that required adoption by the Company.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company's principal wholly owned subsidiaries are:

- Stara Planina Resources d.o.o., located in Serbia and which holds eight exploration licenses;
- Bulgaria Alpha EAD, which holds three exploration licenses in Bulgaria; and
- Mundoro de Mexico S.A. de C.V., which holds nine mineral concessions located in the Mesa Central belt of Mexico.

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

e) Foreign currency translation

These consolidated financial statements are presented in CAD$. The functional currency of the Company and its controlled entities are measured using the currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity, Mexican entity, Bulgarian entity and Serbian entity are the Canadian dollar (CAD$), Mexican peso (MXN), Bulgarian Lev (BGN) and Serbian dinar (RSD), respectively.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise.

Presentation Currency:

The financial results and position of the entities whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded in the foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretation, will become effective subsequent to December 31, 2015. Many are not applicable to the Company and have been excluded from the discussion below. Those that are expected to be applicable to the consolidated financial statements of the Company are discussed below. The Company intends to adopt those standards when they become effective. As at June 30, 2015, the Company has not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

IFRS 9 – Financial Instruments. This standard and its consequential amendments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(Expressed in Canadian Dollars - unaudited)

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

FRS 11 – Joint Arrangements – Accounting for acquisitions of Interest in Joint Operations. This standard has been amended to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 – Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11, and disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in a joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured). This amended standard is effective for annual periods beginning on or after January 1, 2016.

The Company has not adopted these standards early and is currently assessing the impact they will have on the consolidated financial statements. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. RESTRICTED CASH

		June 30, 2015		December 31, 2014
Mineral Property Guarantee Deposits	**$**	**415,236**	**$**	**424,790**

*Restricted cash consists of cash held by the Bulgarian government as guarantees on the mineral licenses in country.

5. AMOUNTS RECEIVABLE

		June 30, 2015		December 31, 2014
Amounts Receivable				
VAT/GST Receivable	$	40,554	$	174,178
Trade Receivable		15,394		231
	$	**55,948**	**$**	**174,409**

6. INVESTMENTS

China
On October 11, 2011, the Company completed a strategic transaction with China National Gold Group Hong Kong Limited ("CNGHK"). Pursuant to the share purchase agreement, CNGHK acquired 95% of the issued and outstanding shares of MMI, the Company's previously wholly-owned subsidiary, for a cash purchase price of $13,800,000, with the Company retaining 5% of the issued and outstanding shares of MMI.

The Company has not been informed by MMI (a private Canadian Company controlled by CNGHK) of any change in (i) status of the licenses for the Maoling Gold Project or (ii) any loan or guarantee provided by CNGHK to MMI. The investment represents the retained 5% ownership interest in MMI. As at June 30, 2015, the balance of the investment was $63,511 (December 31, 2014 - $63,511).

(Expressed in Canadian Dollars - unaudited)

6. INVESTMENTS (continued)

Bulgaria

On June 10, 2013, the Company, through a 100%-owned subsidiary, acquired at a cost of $280,853 less than a 5% equity interest in a privately held gold producing company in Bulgaria that operates adjacent to the Company's Zvezda license. As at June 30, 2015, the Company had not received any indication from the majority owner that would indicate any impact on the carrying value of the investment.

Available for Sale Investments		June 30, 2015		December 31, 2014
Investment in China	**$**	**63,511**	$	63,511
Investment in Bulgaria		**280,853**		280,853
	$	**344,364**	**$**	**344,364**

7. EQUIPMENT AND VEHICLES

		Office Equipment		Field equipment		Total
Cost						
As at December 31, 2013	**$**	**54,502**	**$**	**185,415**	**$**	**239,917**
Additions		6,223		6,168		12,391
Disposals		(9,784)		(39,915)		(49,699)
Effect of movements in exchange rates	$	(120)	$	(8,189)		(8,309)
As at December 31, 2014	**$**	**50,821**	**$**	**143,479**	**$**	**194,300**
Additions		-		6,325		6,325
Disposals		-		(4,974)		(4,974)
Effect of movements in exchange rates		(188)		(3,621)		(3,809)
Balance at June 30, 2015	**$**	**50,633**	**$**	**141,209**	**$**	**191,842**
Accumulated depreciation						
As at December 31, 2013	**$**	**(21,983)**	**$**	**(59,140)**	**$**	**(81,123)**
Depreciation for the year		(10,627)		(34,460)		(45,087)
Disposals		5,481		22,593		28,074
Effect of movements in exchange rates	$	81	$	3,504		3,585
As at December 31, 2014	**$**	**(27,048)**	**$**	**(67,503)**	**$**	**(94,551)**
Depreciation for the year		(3,497)		(10,721)		(14,218)
Disposals		-		3,259		3,259
Effect of movements in exchange rates		107		1,716		1,823
Balance at June 30, 2015	**$**	**(30,438)**	**$**	**(73,249)**	**$**	**(103,687)**
Net book amount						
As at December 31, 2014	$	23,773		75,976		99,749
Balance at June 30, 2015	**$**	**20,195**	**$**	**67,960**		**88,155**

(Expressed in Canadian Dollars - unaudited)

8. MINERAL INTERESTS

	European Projects		Mexico Projects		Total	
Balance as at December 31, 2014	**$**	**500,487**	**$**	**6,767**	**$**	**507,254**
Add:						
Acquisition costs		2,342		-		2,342
Add:						
Effect of movements in exchange rates		(11,756)		9		(11,747)
Balance at June 30, 2015	**$**	**491,073**	**$**	**6,776**	**$**	**497,849**

Serbian Properties

The Company holds eight (2014 – eight) 100%-owned exploration licenses which include: (i) Zeleznik, (ii) Topla, (iii) Borsko Jezero, (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, and (viii) Dubrava-Ostrelj. These properties are located in Northeastern Serbia approximately 100 km east of Belgrade and are held in the name of Stara Planina d.o.o., Mundoro's 100%-owned Serbian company. To maintain title to the exploration licenses in Serbia, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes, estimated to be $44,000 in 2015, to the government.

On June 8, 2015, the Company reported that it has entered into an Option Agreement (the "Option Agreement") with First Quantum Minerals Ltd. ("FQM") pursuant to which FQM has been granted an option to enter into a joint venture agreement with the Company on four of the Company's exploration licenses which include Savinac, Sumrakovac, Bacevica and Osnic (the "Southern Timok Properties") located at the southern end of the Timok Magmatic Complex in northeastern Serbia. Under the terms of the Option Agreement, FQM has committed to drill 5,000 meters on the Southern Timok Properties by October 31, 2015. FQM will then have until December 15, 2015 to provide written notice to enter into a joint venture agreement with the Company in respect of those properties. FQM will cover the drilling and related costs during its option period for the Southern Timok Properties. At June 30, 2015, the Company reported a receivable of $9,787 from FQM which was credited against Serbian exploration expenditures.

Bulgarian Properties

The Company holds three (2014 – three) 100%-owned exploration licenses which include: (i) Zvezda, (ii) Byalo and (iii) Chuprene. The Zvezda and Byalo licenses are located in the Southeastern Rhodopes region. Chuprene is located in the Late Palaeozoic Belt of north-west Bulgaria. To maintain title to the exploration licenses in Bulgaria, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes to the government of approximately $40,000 in 2015 for the exploration contracts.

Mexico Properties

As of June 30, 2015, the Company holds nine (2014 – nine) 100%-owned mineral concessions in a prospective mineral region in the Mesa Central belt of Durango and Chihuahua States in Mexico. The nine concessions which comprise: (i) Cuencame, (ii) Cuencame 2, (iii) Cuencame 4, (iv) Camargo, (v) Hidalgo 3, (vi) Hidalgo 4, (vii) Mapimi Fraccion 1, (viii) Rodeo, and (ix) Mapimi, are held through its wholly owned subsidiary Mundoro de Mexico, S.A. de C.V. In 2014, the Company submitted applications with the Mexican General Bureau of Mines (GBM) to drop all of the concessions with the exception of Camargo. Although the GBM has not yet granted all of these applications to drop, all mineral concessions, with the exception of Camargo, were also written down at that time. To maintain the Camargo mineral concession, the Company has an ongoing annual exploration expenditure commitment and is obligated to pay approximately $4,000 in 2015 in semi-annual government property tax payments.

(Expressed in Canadian Dollars - unaudited)

9. EXPLORATION AND PROJECT EVALUATION

The following is a summary of expenditures incurred on the Company's projects during the year:

	Europe									
		Serbia		Bulgaria		Mexico		Other Project Evaluation		Total
For the six months ended June 30, 2015										
Corporate [1]	$	64,204	$	57,951	$	18,218	$	-	$	140,373
Land holding [2]		58,001		10,512		4,148		-	$	72,661
Government and community relations [3]		20,845		439		-		-	$	21,284
Field related [4]		35,588		13,999		221		-	$	49,808
Personnel [5]		162,735		105,126		-		5,987	$	273,848
Technical Services [6]		60,885		5,970		-		-	$	66,855
Project evaluation [7]		85,487		28,785		6,696		93,540	$	214,508
	$	487,745	$	222,782	$	29,283	$	99,527	$	839,337
For the six months ended June 30, 2014										
Corporate [1]	$	65,102	$	63,104	$	44,541	$	-	$	172,747
Land holding [2]		82,819		27,058		111,034		-	$	220,911
Government and community relations [3]		8,960		8,218		-		-	$	17,178
Field related [4]		32,955		17,265		-		-	$	50,220
Personnel [5]		201,046		158,005		5,970		-	$	365,021
Technical Services [6]		97,473		31,134		-		-	$	128,607
Project evaluation [7]		70,093		41,077		32,342		53,119	$	196,631
	$	558,448	$	345,861	$	193,887	$	53,119	$	1,151,315

1) Corporate expenses include legal fees, and general and administrative costs related to the projects.
2) Land holding costs include property taxes and related costs associated with holding the properties.
3) Government and community relations relates to the costs of communicating with governing bodies in the local jurisdictions.
4) Field related expenses include items such as field equipment costs, and lodging for field personnel.
5) Personnel costs for conducting exploration work include consultants and employees, full-time and allocated.
6) Technical Services expenditures include activities such as geochemical sampling and assaying, geophysical surveys and interpretation, and drilling and assaying.
7) Project evaluation expenditures capture those costs incurred in analysis of existing mineral projects and evaluating new mineral project opportunities.

(Expressed in Canadian Dollars - unaudited)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2015	December 31, 2014
Trade payables	**$ 154,390**	**$ 219,123**
Accrued liabilities	**57,682**	**131,908**
	$ 212,072	**$ 351,031**

11. SHARE CAPITAL

a) Authorized share capital
Unlimited number of common shares without par value.

b) Issued share capital
At June 30, 2015 there were 43,786,776 issued and fully paid common shares (December 31, 2014 – 43,786,776).

c) Stock options
At the Company's 2009 Annual General Meeting ("AGM"), the shareholders approved a stock option plan for the Company's directors, officers, employees and consultants. The stock option plan was approved by shareholders on May 27, 2011, and amended by the Board on March 26, 2012.

The changes in options during the six months ended June 30, 2015 were as follows:

	June 30, 2015	
	Number outstanding	Weighted average exercise price
Opening Balance, January 1, 2015	**2,822,500**	**$ 0.42**
Granted	522,500	0.21
Excercised	-	-
Expired	(15,000)	0.41
Cancelled	(34,999)	0.24
Closing Balance, June 30, 2015	**3,295,001**	**$ 0.39**

(Expressed in Canadian Dollars - unaudited)

11. SHARE CAPITAL (continued)

c) Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at June 30, 2015:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
August 11, 2015	210,000	210,000	0.82	0.12
February 25, 2016	50,000	50,000	0.59	0.66
August 3, 2016	700,000	700,000	0.50	1.10
November 28, 2016	150,000	75,000	0.31	1.42
February 7, 2017	37,500	37,500	0.41	1.61
April 3, 2017	225,000	225,000	0.37	1.76
May 21, 2017	300,000	300,000	0.38	1.89
November 14, 2017	105,000	105,000	0.34	2.38
April 3, 2018	177,500	177,500	0.28	2.76
December 2, 2018	840,834	568,339	0.30	3.43
January 13, 2020	499,167	174,169	0.21	4.54
	3,295,001	**2,622,508**		**2.41**

On January 14, 2015, the Company granted 522,500 incentive stock options with an exercise price of $0.21 to 4 independent directors, 1 officer and 2 consultants of the Company. The options are subject to vesting such that 1/3 vested at the time of the grant, 1/3 shall vest 12 months from the date of grant and 1/3 shall vest 24 months from the date of grant. The options are exercisable for a period of five years.

The estimated value of the options granted during the six months ended June 30, 2015 and 2014 was calculated using the Black-Scholes Option Pricing Model with the following assumptions:

	For the six months ended June 30, 2015	June 30, 2014
Risk-free interest rate	1.02%	N/A
Expected annual volatility	61% - 64%	N/A
Expected life (in years)	3 - 5	N/A
Expected dividend yield	0%	N/A
Grant date fair value per option	$0.05 - $0.08	N/A

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

During the six months ended June 30, 2015, the Company recognized share-based payments expense of $26,266 (2014 – $35,323). For the three and six months ended June 30, 2015 and 2014, share-based payments expense related to the stock options consists of the following:

(Expressed in Canadian Dollars - unaudited)

11. SHARE CAPITAL (continued)

c) Stock options (continued)

	For the three months ended		For the six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
For services in respect of:				
Exploration and project evaluation	$ **3,843**	$ 9,190	$ **11,156**	$ 15,959
Corporate governance	**2,466**	6,981	**12,112**	12,368
Accounting and audit	**1,085**	2,004	**2,096**	3,689
Corporate communication	**353**	1,525	**902**	3,307
	$ **7,747**	$ 19,700	$ **26,266**	$ 35,323

d) Reserves

Stock options reserve

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to additional paid-in capital.

Foreign currency translation reserve

The foreign currency translation reserve records foreign exchange differences arising on translation of the Company's financial statements to the presentation currency (CAD$).

12. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances

The balances due to related parties included in accounts payables and accrued liabilities were $35,633 as at June 30, 2015 (December 31, 2014 – $23,985). These amounts are for reimbursement of expenses and service fees.

b) Related party transactions

	For the three months ended		For the six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Directors' fees	$ **27,885**	$ 35,468	$ **55,155**	$ 65,456
Short-term management salaries and benefits	**90,185**	92,325	**185,789**	189,702
Share based payments - Directors	**2,326**	6,444	**11,741**	11,466
Share based payments - Management	**5,191**	9,182	**9,906**	15,795
	125,587	143,419	**262,591**	282,419

(Expressed in Canadian Dollars - unaudited)

13. COMMITMENTS

Office Lease

In February 2010, the Company signed a lease agreement for office space in Vancouver for a term of five years ending March 31, 2015. In December of 2014, the Company signed a renewal agreement to extend the lease for a further 3 years ending March 31, 2018. The Company also has leased offices in Serbia and Bulgaria and a rented storage space in Mexico. The Mexican storage and Bulgarian office can be terminated with 30 days notice while the lease agreement for the office in Serbia can be terminated with 60 days notice. As of June 30, 2015, the minimum obligations under these leases are as follows:

	Canada	Mexico	Europe	Total
2015	**$ 54,865**	**$ -**	**$ -**	**$ 54,865**
2016	**73,152**	**-**	**-**	**73,152**
2017	**73,152**	**-**	**-**	**73,152**
2018	**18,288**			**18,288**
	$ 219,457	**$ -**	**$ -**	**$ 219,457**

During the six months ended June 30, 2015, $50,177 of lease payments have been recognized as an expense (June 30, 2014 - $53,454).

14. SEGMENTED INFORMATION

The Company has the following geographic segments: the Mexico exploration program (“Mexico”), the Serbian and Bulgarian exploration programs (“Europe”) and, corporate administrative functions in Canada. The Company’s total assets and net losses by geographic segment are as follows:

	Canada	Mexico	Europe	Total
Assets				
Balance at June 30, 2015				
Non-current	$ 188,573	$ 6,776	$ 1,150,255	**$ 1,345,604**
Current	6,181,229	84,396	319,789	**6,585,414**
Total Assets	$ 6,369,802	$ 91,172	$ 1,470,044	**$ 7,931,018**
As at December 31, 2014				
Non-current	$ 191,766	$ 8,397	$ 1,175,994	**$ 1,376,157**
Current	7,619,519	101,550	138,900	**7,859,969**
Total Assets	$ 7,811,285	$ 109,947	$ 1,314,894	**$ 9,236,126**
Net loss for the period:				
For the six months ended June 30, 2015	$ 776,059	$ 12,347	$ 365,944	**$ 1,154,350**
For the six months ended June 30, 2014	$ 905,266	$ 157,285	$ 524,121	**$ 1,586,672**

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company continuously reviews the shareholders' equity, cash and cash equivalents. 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 issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Company expects its current capital resources will be sufficient to carry its activities through the current operating period.

16. FINANCIAL INSTRUMENTS

a) Financial Risk Management

The Company is exposed to a variety of financial instrument related risks. The types of risk exposure and the way in which such exposure is managed are as follows:

Credit risk

The Company is exposed to credit risk with respect to its cash, cash equivalents and short-term investments. Cash, cash equivalents and short-term investments have been placed on deposit with major Canadian financial institutions.

The risk arises from the non-performance of counter parties of contractual financial obligations. The Company manages credit risk, in respect of cash, cash equivalents and, short-term investments by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution.

Concentration of credit risk exists with respect to the Company's cash and short term investments as the majority of the amounts are held at a single Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

(Expressed in Canadian Dollars - unaudited)

16. FINANCIAL INSTRUMENTS (continued)

a) *Financial Risk Management (continued)*

		June 30, 2015		December 31, 2014
Held at major Canadian financial institutions:				
Cash	$	47,863	$	44,693
Guranteed Investment Certificate		6,068,896		7,485,759
		6,116,759		**7,530,452**
Held at major Mexican financial institution:				
Cash	$	69,432	$	6,210
Held at major European financial institutions:				
Cash	$	270,638	$	35,571
Total cash and short-term investments	**$**	**6,456,829**	**$**	**7,572,233**

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are in commercial paper, bankers acceptances and other money market instruments issued by Canadian Federal and Provincial governments and other entities with a Dominion Bond Rating Service credit rating of R1M or higher.

The Company is exposed to certain risks associated with receivables held in foreign jurisdictions. Management believes these risks are not significant.

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 requirements for its exploration, development and other corporate activities, and ensuring that it has sufficient cash and cash equivalents on hand to meet its short-term business requirements. Management and the Board of Directors annually review, plan and approve annual budgets and significant expenditures and commitments. The Company believes that it has sufficient cash, cash equivalents and short-term investments to meet its short-term business requirements. In the long-term, the Company may have to raise funds through the issuance of equity, assumption of debt, or other financing alternatives to complete development of its current projects and any projects acquired by the Company in the future. There are no assurances that the Company would be successful in its efforts to secure any required future financing.

The Company maintained sufficient cash and cash equivalents and short-term investments at June 30, 2015 in the amount of $387,933 and $6,068,896 respectively, in order to meet short-term business requirements. At June 30, 2015 the Company had accounts payable and accrued liabilities of $212,072, which will be paid within three months.

16. FINANCIAL INSTRUMENTS (continued)

b) *Financial Risk Management*

Market Risk
The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash, cash equivalents and, short-term investments primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of June 30, 2015. As at June 30, 2015, the Company holds $6,068,896 in short-term investments. Based on this net exposure as at June 30, 2015, and assuming that all other variables remain constant, a 10% change in the interest rate the Company is currently receiving would result in an increase or decrease of approximately $1,932 in the Company's net loss.

Currency risk
The Company primarily operates in Canada, Mexico, Serbia and Bulgaria, and its expenses are incurred in CAD$, US$, MXN, EUR, BGN and RSD, whereas the functional currency of the Canadian entity, Mexican entity, Bulgarian entity and Serbian entity are the CAD$, MXN, BGN and RSD, respectively. The Company is affected by currency transaction risk, which may affect the Company's operating results as exchange rates fluctuate. The Company has not hedged its exposure to currency risk.

The Company is also affected by currency translation risk as the Company's reporting currency is CAD$ which differs from the functional currency of many of the subsidiaries. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on dates of transactions. At each financial reporting date, monetary assets and liabilities that are denominated in foreign currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items are measured in terms of historical costs in a foreign currency are not retranslated. Gains and losses on translation are included in net profit or loss for the year. The financial statements are subsequently translated into the CAD$ reporting currency by translating the assets and liabilities at the closing rate at the reporting date and translating income and expenses for the period at the year-to-date average exchange rates, with the resulting translation adjustment recorded in other comprehensive (income) loss.

The Company maintains its funds in Canadian dollars and purchases foreign currencies to meet current operating needs.

17. SUBSEQUENT EVENTS

In August 2015, the Company signed an agreement to Sublease its office space to a third party for the remaining 31 months of the existing lease (see Note 13 "Commitments")