MOAG COPPER GOLD RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2014

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", 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 condensed interim financial statements of the Corporation have been prepared by the Audit Committee and Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants of interim financial statements by an entity's auditors.

MOAG COPPER GOLD RESOURCES INC.
Statement of Financial position
(Expressed in Canadian dollars)

	September 30, 2015	June 30, 2015
ASSETS		
Current		
Cash	**$ 1,333,050**	$ 570,262
GST recoverable	**6,636**	6,636
Prepaid expenses	**22,623**	22,623
Due from related parties (Note 8)	**466,805**	434,358
Total current assets	**1,829,114**	1,033,879
Non-Current		
Exploration and evaluation assets (Note 5)	**1,757,662**	1,109,171
Reclamation bond	**4,000**	4,000
Total non-current assets	**1,761,662**	1,113,171
Total assets	**$ 3,590,776**	$ 2,147,050
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 567,555**	$ 433,174
Short-term loan (Note 6)	**295,000**	295,000
Debenture subscription payable	**78,803**	78,803
Convertible debenture – current portion	**1,595,355**	2,394,575
Deferred premium on flow-through shares	**37,500**	37,500
Total current liabilities	**2,574,213**	3,239,052
Convertible debenture (Note 7)	**4,557,542**	1,965,702
	7,131,755	5,204,754
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 9)	**3,180,315**	3,160,315
Equity component of convertible debenture (Note 7)	**1,135,196**	746,890
Reserve (Note 9)	**481,255**	289,603
Deficit	**(8,337,745)**	(7,254,512)
Total shareholders' equity	**(3,540,979)**	(3,057,704)
Total shareholders' equity and liabilities	**$ 3,590,776**	$ 2,147,050

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Bradley L. Jones"	***"Peter B. Cooper"***
Director – Bradley L. Jones, CPA, CA	Director – Peter B. Cooper

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

MOAG COPPER GOLD RESOURCES INC.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Expenses		
Automobile	$ 3,175	$ 3,049
Accretion and interest expense – convertible debenture (Note 7)	400,068	99,327
Finance fees	259,159	72,558
Investor relations	-	2,150
Management fees (Note 8(a))	60,000	60,000
Office and miscellaneous	89,963	8,028
Foreign exchange loss	73,443	3,293
Professional fees	32,692	13,496
Promotion	1,299	-
Rent (Note 8(a))	9,000	9,000
Transfer agent and filing fees	1,130	3,985
Travel and entertainment	-	5,508
Write-off on due from related party	155,000	
	1,084,929	280,394
Loss before other item	(1,084,929)	(280,394)
Other items		
Forgiveness of debt	1,696	-
	(1,083,233)	(280,394)
Net loss for the period	(1,083,233)	(280,394)
Loss per share – basic and diluted	$ (0.01)	$ (0.00)
Weighted average number of shares outstanding	72,789,813	71,751,333

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

MOAG COPPER GOLD RESOURCES INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Equity Component of Convertible Debenture	Subscriptions Received	Reserve	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total Equity
Balance, June 30, 2015	72,789,813	$ 3,160,315	$ 746,890	$ -	$ 289,603	$ -	$ (7,254,512)	$ (3,057,704)
Convertible debenture (Note 7)	-	-	388,306	-	191,652	-	-	579,958
Convertible debenture issuance cost (Note 8)	-	-	-	-	-	-	-	-
Share issued	-	20,000	-	-	-	-	-	20,000
Net loss for the period	-	-	-	-	-	-	(1,083,233)	(1,083,233)
Balance, September 30, 2015	**72,789,813**	**$ 3,180,315**	**$ 1,135,196**	**$ -**	**$ 481,255**	**$ -**	**$ (8,337,745)**	**$ (3,540,979)**

	Number of Shares	Share Capital	Equity Component of Convertible Debenture	Subscriptions Received	Reserve	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total Equity (deficiency)
Balance, June 30, 2014	70,751,333	$ 3,003,005	$ 221,900	$ -	$ 289,603	$ -	$ (4,416,568)	$ (902,060)
Convertible debenture (Note 7)	-	-	69,553	-	-	-	-	69,553
Convertible debenture issuance cost (Note 8)	-	-	(7,086)	-	-	-	-	(7,086)
Financing Fees	-	(25,000)						(25,000)
Net loss for the period	-	-	-	-	-	-	(280,394)	(280,394)
Balance, September 30, 2014	70,751,333	$ 2,978,005	$ 284,367	$ -	$ 289,603	$ -	$ (4,696,962)	$ 1,144,987

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

MOAG COPPER GOLD RESOURCES INC.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Cash flows from (used in)		
Operating activities		
Loss for the period	**$ (1,083,233)**	$ (280,394)
Items not affecting cash		
Accretion on convertible debenture	**206,207**	62,922
	(877,026)	(217,472)
Changes in non-cash working capital items:		
Increase in GST recoverable	**-**	(1,643)
Increase in prepaid expenses	**-**	(11,847)
Increase in accounts payable and accrued liabilities	**134,381**	(68,169)
	134,381	(81,659)
Investing activities		
Exploration and evaluation expenditures	**(648,491)**	(99,106)
Financing activities		
Proceeds from issuance of convertible debenture (net)	**2,166,371**	300,278
Financing fees	**-**	(25,000)
Proceeds from issuance of Shares	**20,000**	-
Net advances to related parties	**(32,447)**	(48,100)
	1,982,871	227,178
Increase (decrease) in cash during the period	**762,788**	(171,059)
Cash (bank indebtedness), beginning of the period	**570,262**	218,138
Cash, end of the period	**$ 1,333,050**	$ 47,079

Supplemental information:		
Interest paid	$ 192,372	$ **-**
Income taxes paid	$ -	$ **-**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

MOAG Copper Gold Resources Inc. (formerly Transformation Capital Corp.) (the "Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on May 11, 2006. The Company changed its name on June 30, 2009 and has been engaged in the acquisition and development of molybdenum, silver, copper and gold mineral properties. The Company has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral properties in accordance with industry practice, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

On September 22, 2011, the Company entered into an amalgamation agreement with Greenfab Build Systems Inc. ("Greenfab"), a reporting issuer in the provinces of British Columbia, Alberta and Ontario, to combine as one corporation under the name MOAG Copper Gold Resources Inc. As part of the amalgamation agreement, each shareholder of Greenfab received one (1) common share of the amalgamated company in exchange for every four (4) issued common shares of Greenfab held by the shareholder. Each shareholder of MOAG received one (1) common share of the amalgamated company in exchange for every one (1) issued common share of MOAG held by the shareholder. On December 1, 2011, Industry Canada granted the certificate of amalgamation under the Canada Business Corporations Act (Note 4 and 10). Following the amalgamation, MOAG commenced trading on the Canadian National Stock Exchange on January 9, 2013.

The head office and principal address of the Company is 21 Burkebrook Pl., Suite 405, Toronto, Ontario, M4G 0A2.

These financial statements have been prepared by management on a going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities and commitments in the normal course of business. As at September 30, 2015, the Company had working capital deficit of $745,099 (June 30, 2015: $2,205,173), and has incurred losses since inception of $8,337,745 (June 30, 2015: 7,254,512). The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations, and to raise the necessary capital to fund ongoing exploration expenditures, support its operations, and discharge its liabilities as they come due. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses that would be necessary should the going concern assumption become inappropriate.

The Company's Board of Directors authorized these financial statements for issue on September 28, 2016.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended June 30, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended June 30, 2015.

2. **BASIS OF PRESENTATION (continued)**

(b) **Basis of measurement**

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information. The Company's functional and reporting currency is the Canadian dollar.

(c) **Use of estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of policies and reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, along with reported amounts of expenses and net losses during the period. Significant areas requiring the use of management estimates and assumptions relate to the recoverability of exploration and evaluation assets, collection of amounts due to Related Parties, deferred income tax, provision for environmental rehabilitation and assumptions used in valuing options in share-based compensation calculations. Actual results could be different from those estimates.

3. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **Marketable securities**

Marketable securities are classified as available-for-sale and recorded at fair value based on quoted market prices with unrealized gain (loss) recorded in other comprehensive income (loss).

(b) **Exploration and evaluation assets**

Costs related to mineral activities are capitalized as tangible or intangible assets on a property-by-property basis. Examples of such costs include acquisition of rights to explore, gathering exploration data through geological, geochemical and geophysical studies, drilling, trenching, sampling, activities in relation to evaluating technical feasibility and commercial viability of extraction, and administration costs directly attributable to the mining properties. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss. Once the technical feasibility and commercial viability of a mineral project is demonstrable, exploration and evaluation assets are reclassified to intangible assets, mining property, plant and equipment and other tangible assets.

All exploration and evaluation assets are recorded at acquisition costs less cumulative write-downs and are monitored for indications of impairment. Where a potential impairment is indicated, an estimate of the recoverable amount is performed (Note 3(c)).

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) **Impairment**

The Company's long-lived assets are reviewed for an indication of impairment at each financial reporting date or at any time if an indicator of impairment is considered to exist. If any such indicator exists, an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less costs to sell and value in use. If the asset's carrying amount exceeds its recoverable amount, then an impairment loss is recognized in the profit or loss.

If there is a future change in the estimate of the recoverable amount, partial or full amount of the impairment is reversed. An impairment loss with respect to goodwill is never reversed.

(d) **Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(e) **Share-based payments**

The share option plan allows employees and consultants to acquire shares of the Company. The fair value of the options is measured at grant date and each tranche is recognized on a straight line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(f) **Warrants**

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method whereby proceeds are first allocated to the fair value of the shares and the excess if any, allocated to the warrants.

(g) **Earnings (loss) per share**

Basic earnings (loss) per share are computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding potential conversion of convertible debenture, stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

As the Company is incurring losses, basic and diluted per share per share are the same since including the exercise of outstanding options and share purchase warrants in the diluted loss per share calculation would be anti-dilutive.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) **Comprehensive income (loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale-investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations.

(i) **Flow-through shares**

Flow-through shares are a unique Canadian tax incentive. They are the subject of specific guidance under US GAAP, but there is no equivalent IFRS guidance. Therefore, the Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted market price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow-through expenditures is recorded as income tax expense in the period of renunciation.

(j) **Income taxes**

The income tax expense for the period comprises current and deferred taxes. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity. In this case the tax is also recognized directly in equity.

Current income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted on the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) **Income taxes (continued)**

Changes in deferred tax assets or liabilities are recognized as a component of tax income or tax expense in the statement of equity in which case the related deferred tax is also recognized in equity in which case the related deferred tax is also recognized in equity, respectively.

(k) **Provision for environmental rehabilitation**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(l) **Provisions**

Provisions are recognized when present legal or constructive obligations exist as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

(m) **Financial instruments**

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(m) **Financial instruments (continued)**

Financial assets are classified into the following categories at their initial recognition:

- Financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables;
- or available-for-sale investments.

Financial liabilities are classified into the following categories at their initial recognition:

- Financial liabilities at fair value through profit or loss;
- or other financial liabilities measured at amortized cost.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transactions costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently measured after recognition at fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company;
- or when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled or expire.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or likelihood that the borrower will enter bankruptcy or financial reorganization.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

The carrying amount of financial assets is reduced by impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment loss been recognized.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss.

The Company has made the following classifications:

- Cash, GST/HST recoverable, and due from related parties are classified as loans and receivables.
- Marketable securities are classified as available-for-sale investments.
- Accounts payable and accrued liabilities, short-term loan, advances payable and due to related parties are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements, and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 15 - Revenue from Contracts and Customers ("IFRS 15"), was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2017. The Company is currently evaluating the impact of IFRS 15 on its financial statements.

IFRS 9 - Financial Instruments, addresses classification, measurement and recognition of financial assets and financial liabilities. The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit and loss. IFRS 9 is effective for annual years beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit risk changes can be early adopted in isolation without otherwise changing the accounting for the financial instruments. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

IFRS 16 Leases, Effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. Management believes that IFRS 16 will not have any impact on these financial statements as all current are low value leases.

(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES

	September 30, 2015		June 30, 2015	
	Number of Shares	**Amount**	Number of Shares	Amount
Highbank Resources Ltd.	**-**	**$ -**	-	$ -

During the year ended June 30, 2011, the Company received 20,000,000 common shares of Highbank Resources Ltd., a company related by a common director at the time, pursuant to the terms of the Highland Valley property option agreement (Note 6) of which, 14,000,000 were held in escrow. The Company has classified these investments as “available for sale”.

During the year ended June 30, 2013, 14 million shares of Highbank Resources Ltd were written off to reflect the cancellation of those shares by Highbank Resources Ltd. Pursuant to the terms of the Highland Valley property option agreement (Note 6), Highbank Resources Ltd earned its 50% interest in the Highland Valley Property on July 19, 2012. Subsequent to earning the aforementioned 50% interest, Highbank Resources Ltd advised the Company that it was terminating the agreement between the parties and had requested approval from the TSX Venture to cancel the remaining 14 million shares in escrow which the transfer agent did on January 14, 2013. It is the Company`s position that once Highbank Resources Ltd had earned its 50% interest terminating the Property Option Agreement was valid. However as the issuance of the original 20 million shares was a requirement of earning said interest there was no justification to the cancellation of the remaining 14 million shares. The Company will take all steps necessary including litigation to have the shares reissued to it.

Under IAS 37, the Company cannot recognize a contingent asset on the statement of financial position.

Subsequent to the 2015 year end, the Company sold its rights to the potential proceeds from this litigation to a third party for cash and the short-term note payable (note 6).

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

	Highland Valley Property Canada	Area #934 Ireland	Area #930 Ireland	Total
Acquisition costs:				
Balance, June 30, 2015	$ -	$ 263,317	$ 140,047	$ 403,364
Exploration costs:				
Balance, June 30, 2015	$ -	$ 689,807	$ 16,000	$ 705,807
Geological consulting	-	634,741	-	634,741
Insurance	-	13,750	-	13,750
	$ -	$ 1,338,298	$ 16,000	$ 1,354,298
Balance, September 30, 2015	**$ -**	**$ 1,601,615**	**$ 156,047**	**$ 1,757,662**

During the three month period ended September 30, 2015, there were exploration expenditures for Area#934 and Area#930 of $648,491 (June 30, 2015: $684,297).

Highland Valley Property, British Columbia

On July 5, 2009, the Company purchased the Highland Valley Claim Group, located in southwest British Columbia, from a company owned by a related party for $250,000 and 8,000,000 common shares of the Company with a fair value of $240,000.

On December 8, 2009 (as amended on December 15, 2010 and July 19, 2012), the Company entered into an option agreement with Highbank Resources Ltd. ("Highbank") whereby Highbank could earn a 50% interest in the Highland Valley property. The option agreement has received the approval from TSX Venture Exchange on February 8, 2011 ("effective date").

To earn this 50% interest, Highbank was required to pay a total of $250,000, issue 20,000,000 of its shares, and incur mineral exploration expenditures aggregating $1,000,000 as follows:

Cash consideration to be paid by Highbank:

- $50,000 to be paid upon execution of the agreement (received);
- a further $50,000 to be paid within one year following the effective date (February 8, 2012) (acknowledged by both parties as completed per amended agreement dated July 19, 2013);
- a further $75,000 to be paid within two years following the effective date (February 8, 2013) (acknowledged by both parties as completed per amended agreement dated July 19, 2013); and
- a further $75,000 to be paid within three years following the effective date (February 8, 2014) (acknowledged by both parties as completed per amended agreement dated July 19, 2013).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Highland Valley Property, British Columbia (continued)

Shares of Highbank to be issued to the Company (issued and received):

- 20,000,000 common shares to be issued within five days following the effective date (February 13, 2011) (received). Of which, 14,000,000 were held in escrow and 6,000,000 common shares were released and sold during the year ended June 30, 2013 and 2014.

Exploration expenditures to be incurred by Highbank:

- $350,000 within one year of the effective date (February 8, 2012) (acknowledged by both parties as completed per amended agreement dated July 19, 2013);

- an additional $350,000 within two years of the effective date (February 8, 2014) (acknowledged by both parties as completed per amended agreement dated July 19, 2013); and

- an additional $300,000 within three years of the effective date (February 8, 2014) (acknowledged by both parties as completed per amended agreement dated July 19, 2013).

As of June 30, 2011, the Company incurred exploration and evaluation expenditures of $571,752 on the property. The amount was fully offset by 20,000,000 shares with a fair value of $1,800,000 received from Highbank (Note 5), resulting in a gain of $1,228,248 during the year ended June 30, 2011.

On July 19, 2013, the Company and Highbank Resources Limited ("HBK") approved the following changes to certain property agreements and or arrangements between the parties:

- The Company and HBK are parties to a Property Option Agreement ("the agreement") dated December 8, 2009, amended December 15, 2010 and further amended February 2, 2011 in respect of the Company's Highland Valley property. The agreement required HBK to pay amounts aggregating $250,000, issue 20 million shares and incur exploration expenditures of $1,000,000 over a three (3) year period in order to secure a fifty (50) percent interest in the property.

- Agreement was reached that the aforementioned fifty (50) percent interest would be considered "earned" based on cash payments made, exploration expenditures made or incurred to date. And the issuance of the 20 million shares was completed in February 2011.

- Subsequent to earning the aforementioned 50% interest, HBK advised the Company that it was terminating the agreement between the parties and had requested approval from the TSX Venture to cancel the remaining 14 million shares in escrow.

- Whereas HBK was the legal and beneficial owner of all right, title and interest in and to prospecting licence over prospecting area #930 (Murvey Property) and #934 (Mace Property) in the Country of Galway located in Ireland.

- HBK agreed to transfer its 100% interest in the licenses to the Company and will retain a 1% NSR which the Company have the option to purchase ½% for $500,000.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Area #930, County of Galway, Ireland – Murvey Property and Area #934, County of Galway, Ireland – Mace Property

As a result of aforementioned second amendment of option agreement with Highbank on Highland Valley Property dated July 19, 2013, HBK agreed to transfer its 100% interest in the licenses of Area #930 and Area #934 to the Company, and will retain a 1% NSR which the Company have the option to purchase ½% for $500,000.

By exchanging the interest in mineral properties between Highland Valley property, and Murvey & Mace properties, the Company experienced a gain of $353,364 on the non-monetary transaction, which was included in the $423,586 balance in “gain on Highland Valley property option agreement” on the income statement.

$140,047 acquisition cost is allocated to Area #930, County of Galway, Ireland – Murvey Property.

$213,317 acquisition cost is allocated to Area #934, County of Galway, Ireland – Mace Property. Along with $50,000 cash paid to Highbank in the past, the total acquisition cost for the Mace property is $263,317.

6. SHORT-TERM LOAN

As at September 30, 2015, the Company had a $295,000 (June 30, 2015: $295,000) short-term loan. The loan is non-interest bearing, unsecured and has no specific repayment terms.

Subsequent to the period end, the loan was repaid as part of the sale of Company’s rights under litigation to proceeds on the sale of marketable securities (note 4).

7. CONVERTIBLE DEBENTURES

The Debentures have a face value of $6,061,847 (June 30, 2015: $5,108,507), of which $1,599,745 matures on January 3, 2016 (the “Maturity Date”). The Debentures accrue interest at a rate of 10% per annum, calculated and paid semi-annually. At the option of the Debenture holder the Debentures shall be convertible at any time prior to the Maturity Date in whole into common shares of the Company at a price of $0.20 per common share.

On issuance, $1,135,196 (June 30, 2015: $746,890), net of issuance cost, attributed to the equity conversion features of the Debenture was classified as an equity component of the convertible debenture. The debt component will be accreted systematically to its face value over the term of the note by the recording of additional interest expense. $206,207 (September 30, 2014: $31,894) accretion was recorded as expense for the three months ended September 30, 2015.

The $6,152,897 (June 30, 2015: $4,360,277), debt component of the Debentures is divided into the current portion of $1,595,355 (June 30, 2015: $2,394,575) and long term portion of $4,557,542 (June 30, 2015: $1,965,702). The debt portion of the Debentures are is calculated as the present value of the debt and required interest payments are discounted at a rate approximating the interest rate that would have been applicable to convertible debentures issued by similar size competitors in the same industry at the time the Debentures were issued.

8. RELATED PARTY TRANSACTIONS

(a) Related party transactions

The Company entered into the following related party transactions for the three month period ended September 30, 2015 and 2014:

(Expressed in Canadian dollars)

September 30, 2015	**Management Fees**	**Rent**	**Total**
Gary Brown (1)	**$ 30,000**	**$ -**	**$ 30,000**
Bradley L. Jones (2)	**30,000**	**9,000**	**39,000**
	$ 60,000	**$ 9,000**	**$ 69,000**

September 30, 2014	Management Fees	Rent	Total
Gary Brown (1)	$ 30,000	$ -	$ 30,000
Bradley L. Jones (2)	30,000	9,000	36,000
	$ 60,000	$ 9,000	$ 69,000

(b) Related party receivables

Amounts receivable from related parties is comprised of the following:

	September 30, 2015	June 30, 2015
Gary Brown (1)	**$ 519.147**	$ 519,147
Bradley L. Jones (2)	**434,358**	434,358
Advances for travel expense – Bradley Jones	**32,447**	-
Allowance for doubtful accounts	**(519,147)**	(519,147)
Net receivables from related parties	**$ 466,805**	$ 434,358

(1) Gary Brown was the President and a director of the Company during the year ended June 30, 2015. As a result of a dispute on the amount of his loan which may go to litigation between Gary Brown and the Company, Management decided to provide a provision for doubtful accounts for the a portion of the amount receivable from him.
(2) Bradley L. Jones is the COO, CFO and a director of the Company. Subsequent to the June 2015 year end, the loan receivable from him was secured by a promissory note dated February 18, 2016 bearing interest at 2.7% per annum.

(d) Key management personnel compensation

Key management personnel were paid management fees for the three month period ended September 30, 2015 and 2014 as disclosed in Note 8(a).

9. SHARE CAPITAL

(a) Authorized:

Unlimited common shares and preferred shares without par value

(b) Issued common shares:

During the period ended September 30, 2015:

(i) The Company issued $4,128,830 convertible debenture, of which $1,248,186 can be converted into common shares at $0.20 per share before December 1, 2016, $640,810 can be converted into common shares at $0.20 per share before July 1, 2017 and $2,239,834 can be converted into common shares at $0.20 per share before August 1, 2017. $1,099,205, net of issuance cost, attributed to the equity conversion features of the Debenture was classified as an equity component of the convertible debenture (see Note 7).

(Expressed in Canadian dollars)

During the year ended June 30, 2015:

(i) The Company issued $3,832,740 convertible debenture, of which $1,385,904 can be converted into common shares at $0.20 per share before January 3, 2016 and $2,446,836 can be converted into common shares at $0.20 per share before December 1, 2016. $565,696, net of issuance cost, attributed to the equity conversion features of the Debenture was classified as an equity component of the convertible debenture (see Note 7).

(ii) The company issued 1,518,480 common shares in settlement of debt. Each common share has a deemed value of $0.10 per share, for gross proceeds of $151,848.

(c) Share options:

The following table summarizes the continuity of share purchase options:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2015	7,125,000	$0.10
Issued	-	-
Balance, September 30, 2015	**7,125,000**	$0.10

As at September 30, 2015, the following share purchase options were outstanding:

Number of Warrants Outstanding	Exercise price	Expiry Date
7,125,000	$0.10	December 20, 2018

During the period ended September 30, 2015, the Company granted nil (2014 – $nil) stock options. The weighted average fair value of the options granted of $nil (2014 – $nil) was determined by the Black-Scholes pricing model using the following assumptions: risk-free interest rate of 0% (2014 – 0%); expected life – nil (2014 – nil); expected volatility – 100% (2014 – 100%); expected dividends – nil (2014 – nil); and provision for forfeiture of 0% (2014 – 0%). The options granted vested on the grant date. Cost of issuing these options amounted to $249,109.

(d) Share purchase warrants:

The following table summarizes the continuity of share purchase warrants:

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30 and September 30, 2015	2,000,000	$0.10

As at September 30, 2015, the following share purchase warrants were outstanding:

Number of Warrants Outstanding	Exercise price	Expiry Date
2,000,000	$0.10	June 30, 2017***

*** The expiry date of the warrants was extended to June 30, 2017.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, HST recoverable, accounts payable and accrued liabilities, advances payable and due from (to) related parties. Cash and marketable securities are carried at fair value using a level 1 fair value measurement. GST recoverable, accounts payable and accrued liabilities, advances payable and due from (to) related parties approximated their carrying values due to the short-term nature of these instruments.

(a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. HST recoverable is due from the Government of Canada, and therefore, the credit risk exposure is low.

10. FINANCIAL INSTRUMENTS (continued)

(b) Foreign exchange risk

The Company operates in Canada and Ireland, but has all of its cash held in Canada in Canadian dollars. Future exploration programs and option payments may be denominated in foreign currency. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes that there is no significant exposure to foreign currency fluctuations.

(c) Interest rate risk

Advances payable and the amounts due to related parties are non-interest bearing. The Company does not have other financial liabilities. Therefore, interest rate is minimal.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company, from time to time, needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on reasonable terms.

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. The Company's investments are accounted for as available-for-sale and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, accumulated other comprehensive loss and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period ended September 30, 2015.

(Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

The Company operates in one industry, which is the mineral resource industry, with properties in Canada and Ireland.

September 30, 2015	Canada	Ireland	Total
Exploration and evaluation assets	**$ -**	**$ 1,757,662**	**$ 1,757,662**

June 30, 2015	Canada	Ireland	Total
Exploration and evaluation assets	$ -	$ 1,109,171	$ 1,109,171

13. SUBSEQUENT EVENTS

a) Subsequent to the June 2015 year end, the Company's shares were cease traded at the request of the then CEO, Gary Brown, over concerns about the funds allegedly borrowed by him. This became a permanent Cease Trade order which remains in effect at the Audit Report date.

b) Subsequent to the June 2015 year end, from the period from October 13, 2015 to December 18, 2015, the CEO, Gary Brown, with sole signing authority on the Company's bank accounts, directed a further $593,230 to bank accounts in his name or accounts under his control. This is in addition to the balance at June 30, 2015 of $519,147 and $100,000 paid to him subsequent to year end but prior to controlling the Company's bank accounts.

c) Subsequent to the June 2015 year end the loan receivable from Bradley Jones, one of the Directors of the Company was collateralized by a Promissory Note for the full amount of the funds owed, bearing interest at 2.70% per annum, payable in full on or before February 11, 2020 or, thereafter, on demand.

d) Subsequent to the June 2015 year end, on December 18, 2015, Gary Brown, then CEO and Director, was paid $500,000 pursuant to an agreement on his resignation as CEO and a Director of the Company. The agreement also provided for payments to Greg Thomson in the amount of $10,000 and $50,000 (subsequently reduced to $30,000) to Rob Charlton for services as Directors to the Company.

e) Subsequent to the June 2015 year end, pursuant to an Assignment Agreement, the Company assigned all of its right, title and interest in the action including a claim for damages arising from Highbank Resources Ltd. failing to deliver 14,000,000 shares to the Company. The consideration received for the assignment was $250,000 U.S. and the extinguishment of the loan payable (note 6).

f) Subsequent to the period, the $1,610,000 US dollar debenture maturing on January 3, 2016 was replaced with a $1,140,000 US dollar debenture and the balance was paid out.