FLINDERS RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
APRIL 30, 2015

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

FLINDERS RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	Note	April 30, 2015 $	October 31, 2014 $
ASSETS			
Current assets			
Cash		4,385,385	6,506,217
GST/VAT receivables		130,527	153,283
Amounts receivable		202	254
Prepaid expenses		18,667	33,053
Inventories		72,712	-
Plant stores and supplies		142,681	155,656
Total current assets		4,750,174	6,848,463
Non-current assets			
Exploration and evaluation assets	3	17,382	-
Property, plant and equipment	4	15,278,361	14,248,310
Reclamation deposit	5	76,782	80,925
Total non-current assets		15,372,525	14,329,235
TOTAL ASSETS		20,122,699	21,177,698
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		413,646	583,817
Non-current liabilities			
Provision for site restoration	5	5,346,092	4,766,580
Property acquisition obligation	3	446,814	433,314
Total non-current liabilities		5,792,906	5,199,894
TOTAL LIABILITIES		6,206,552	5,783,711
SHAREHOLDERS' EQUITY			
Share capital	6	25,763,144	25,763,144
Share-based payments reserve		3,152,810	3,135,810
Deficit		(14,999,807)	(13,504,967)
TOTAL SHAREHOLDERS' EQUITY		13,916,147	15,393,987
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		20,122,699	21,177,698

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on June 29, 2015 and are signed on its behalf by:

/s/ ***Blair Way***	/s/ ***Nick DeMare***
Blair Way	Nick DeMare
Director	Director

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

FLINDERS RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended April 30, 2015 $	Three Months Ended April 30, 2014 $	Six Months Ended April 30, 2015 $	Six Months Ended April 30, 2014 $
Expenses					
Accounting and administration		26,182	24,511	55,895	59,316
Accretion of property acquisition obligation	3	19,309	18,098	37,725	34,532
Accretion of provision for site restoration	5	14,001	22,851	28,233	45,702
Audit		16,454	11,071	41,018	43,187
Bank charges		1,073	1,292	2,241	2,226
Consulting		81,894	44,646	158,103	74,708
Corporate development		23,803	6,157	37,238	13,220
Depreciation		19,224	8,766	35,840	17,533
Equipment rentals and related		5,469	19,329	27,715	35,524
Fuel, electricity and utilities		47,711	23,717	99,120	48,250
Insurance		5,758	8,282	13,858	17,890
Investor relations		8,100	18,000	22,500	36,000
Legal		12,350	9,165	25,783	14,995
Management fees		49,998	49,998	99,996	99,996
Office		9,219	21,064	21,912	38,655
Plant maintenance		17,033	15,919	30,610	17,489
Plant supplies and consumables		61,985	29,617	88,091	43,523
Regulatory		3,454	3,929	5,963	6,912
Relocation costs	7(a)	-	-	64,111	-
Rent		1,005	1,005	2,010	2,010
Repairs and maintenance		1,321	-	2,337	-
Salaries, compensation and benefits		268,478	95,405	523,479	169,813
Share-based compensation	6(d)	-	293,744	17,000	322,725
Shareholder costs		2,204	1,796	4,204	4,646
Transfer agent		1,258	1,350	2,692	2,737
Travel		43,456	38,042	82,590	75,324
		740,739	767,754	1,530,264	1,226,913
Loss before other items		(740,739)	(767,754)	(1,530,264)	(1,226,913)
Other items					
Interest and other income		13,957	33,601	33,390	72,705
Foreign exchange		12,786	(12,777)	17,245	(39,855)
Due diligence expenses		-	-	(15,211)	-
		26,743	20,824	35,424	32,850
Net loss and comprehensive loss		(713,996)	(746,930)	(1,494,840)	(1,194,063)
Loss per share - basic and diluted		$(0.02)	$(0.02)	$(0.03)	$(0.03)
Weighted average number of common shares outstanding - basic and diluted		46,820,730	46,198,230	46,820,730	46,198,230

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

FLINDERS RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended April 30, 2015				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at October 31, 2014	46,820,730	25,763,144	3,135,810	(13,504,967)	15,393,987
Share-based compensation	-	-	17,000	-	17,000
Net loss for the period	-	-	-	(1,494,840)	(1,494,840)
Balance at April 30, 2015	46,820,730	25,763,144	3,152,810	(14,999,807)	13,916,147

	Six Months Ended April 30, 2014				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at October 31, 2013	46,198,230	25,228,188	2,995,583	(10,768,593)	17,455,178
Share-based compensation	-	-	322,725	-	322,725
Net loss for the period	-	-	-	(1,194,063)	(1,194,063)
Balance at April 30, 2014	46,198,230	25,228,188	3,318,208	(11,962,656)	16,583,840

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

FLINDERS RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended April 30,	
	2015 $	2014 $
Operating activities		
Net loss for the period	(1,494,840)	(1,194,063)
Adjustments for:		
Accretion of property acquisition obligation	37,725	34,532
Accretion of provision for site restoration	28,233	45,702
Depreciation	35,840	17,533
Foreign exchange	(20,082)	15,016
Share-based compensation	17,000	322,725
	(1,396,124)	(758,555)
Changes in non-cash working capital items:		
Decrease in amounts receivable	52	23,528
Decrease (increase) in GST/VAT receivables	22,756	(133,446)
Decrease in prepaid expenses and deposit	14,386	129
Increase in inventories	(72,712)	-
Decrease in plant stores and supplies	12,975	-
Increase (decrease) in accounts payable and accrued liabilities	13,878	(332,414)
	(8,665)	(442,203)
Net cash used in operating activities	(1,404,789)	(1,200,758)
Investing activities		
Additions to property, plant and equipment	(698,661)	(1,169,656)
Expenditures on exploration and evaluation assets	(17,382)	(58,005)
Net cash used in investing activities	(716,043)	(1,227,661)
Net change in cash	(2,120,832)	(2,428,419)
Cash at beginning of period	6,506,217	11,438,553
Cash at end of period	4,385,385	9,010,134

Supplemental cash flow information - See Note 9

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

1. Nature of Operations

The Company is a junior exploration company currently engaged in the development of its 100% owned Woxna Graphite Mine located in central Sweden. During fiscal 2014 technical feasibility and commercial viability of the extraction of mineral resources at the Woxna Graphite Mine was demonstrated, transitioning the Company to the development stage of mining. Upon the transition, an impairment test was performed on the exploration and evaluation assets attributed to the mine prior to reclassification to property, plant and equipment and no impairment was assessed. As at April 30, 2015 the Company has not achieved commercial production, as determined in accordance with accepted accounting practice.

The Company has completed its current plan for the refurbishment and reactivation of the Woxna Graphite Mine and has developed a staged implementation plan for the commencement of operations. The staged plan spreads the capital costs over several years as sales contracts are established and permits lower production levels and costs until sales warrant capacity expansion. The Company has sufficient funding to implement the staged plan and meet anticipated levels of corporate administration and overheads for the ensuing twelve months. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain any additional funding that may be necessary to complete development and upon future profitable production. The Company's ability to continue as a going concern may be dependent upon the ability of the Company to obtain necessary financing to further develop its properties and to establish future profitable production. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "FDR". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended October 31, 2014.

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Presentation

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(Unaudited - Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	As at April 30, 2015			As at October 31, 2014		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Sweden						
Other Projects	17,382	-	17,382	-	-	-

	$
Balance at October 31, 2013	5,177,338
Exploration costs:	
Consulting	11,636
Depreciation	893
Exploration site costs	3,910
Salaries and benefits	68,170
	84,609
Acquisition costs:	
Adjustment to provision for site restoration	629,387
Balance at August 31, 2014	5,891,334
Reclassification to property, plant and equipment (Note 4)	(5,891,334)
Balance at October 31, 2014	-
Acquisition costs:	
Mining rights	17,382
Balance at April 30, 2015	17,382

In February 2012 the Company completed the acquisition of Flinders Holdings Limited, which owns Woxna Graphite AB ("Woxna"). Woxna holds a 100% interest in the Woxna Graphite Mine, comprising four exploitation concessions, known as Kringelgruven, Mattsmyra, Gropabo and Mansberg. The Woxna Graphite Mine is located in Ovanaker Municipality, Gavleborg County, central Sweden.

In 1993 Woxna entered into agreements under which it acquired:

(i) the Kringelgruven concession for an initial payment of SEK 150,000 and a further amount of SEK 4,000,000 (the "property acquisition obligation") is to be paid upon the commencement of production from the Kringelgruven concession; and

(ii) the Mattsmyra, Gropabo and Mansberg concessions for an initial payment of SEK 32,500 and a further payment of SEK 1,000,000 on each of the three concessions is to be paid upon commencement of production from these concessions.

Payments of the additional considerations are to be made to a Swedish governmental agency and will be based on annual production, at a rate of SEK 20 per metric ton processed, and is payable only if profits are generated from the individual concessions.

(Unaudited - Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets (continued)

The Company has recognized the SEK 4,000,000 additional consideration associated with the Kringelgruven concession. An obligation is recognized when a legal obligation is established, a reasonable estimate can be made of the obligation, and is measured at the discounted value for expected future payments. The discounted value is then accreted to the estimated future value over the period of the payment obligation. As at April 30, 2015 the Company applied a discount rate of 17% to expected future payments and has made the assumption that the obligation will be discharged in 2016 through 2017.
A continuity of the property acquisition obligation for the Kringelgruven concession is as follows:

	$
Balance at October 31, 2013	386,692
Accretion of discounted cash flows	71,543
Foreign exchange adjustment	(24,921)
Balance at October 31, 2014	433,314
Accretion of discounted cash flows	37,725
Foreign exchange adjustment	(24,225)
Balance at April 30, 2015	446,814

As at April 30, 2015 no exploration costs have been attributed to the Mattsmyra, Gropabo and Mansberg concessions.

No production has commenced on the Mattsmyra, Gropabo and Mansberg concessions and the additional payments are considered to be contingent amounts and will only be recognized as obligations when production commences on these concessions.

4. Property, Plant and Equipment

Cost:	Vehicles $	Equipment and Tools $	Building $	Manufacturing and Processing Facility $	Mineral Property Acquisition and Development Costs $	Total $
Balance at October 31, 2013	122,251	250,117	294,861	4,830,637	-	5,497,866
Additions	-	-	45,439	2,569,254	-	2,614,693
Reclassification from exploration and evaluation assets	-	-	-	-	5,891,334	5,891,334
Pre-production costs, net of sales recoveries	-	-	-	-	238,940	238,940
Adjustment to site restoration	-	-	-	-	174,283	174,283
Balance at October 31, 2014	122,251	250,117	340,300	7,399,891	6,304,557	14,417,116
Additions	40,882	6,999	3,839	167,987	183,576	403,283
Pre-production costs, net of sales recoveries	-	-	-	-	111,329	111,329
Adjustment to site restoration	-	-	-	-	551,279	551,279
Balance at April 30, 2015	163,133	257,116	344,139	7,567,878	7,150,741	15,483,007

(Unaudited - Expressed in Canadian Dollars)

4. Property, Plant and Equipment (continued)

Accumulated Depreciation:	**Vehicles $**	**Equipment and Tools $**	**Building $**	**Manufacturing and Processing Facility $**	**Mineral Property Acquisition and Development Costs $**	**Total $**
Balance at October 31, 2013	(33,050)	(24,331)	-	(35,527)	-	(92,908)
Depreciation	(24,814)	(26,672)	-	(24,412)	-	(75,898)
Balance at October 31, 2014	(57,864)	(51,003)	-	(59,939)	-	(168,806)
Depreciation	(14,592)	(11,273)	-	(9,975)	-	(35,840)
Balance at April 30, 2015	(72,456)	(62,276)	-	(69,914)	-	(204,646)
Carrying Value:						
Balance at October 31, 2014	64,387	199,114	340,300	7,339,952	6,304,557	14,248,310
Balance at April 30, 2015	90,677	194,840	344,139	7,497,964	7,150,741	15,278,361

During fiscal 2014 technical feasibility and commercial viability of the extraction of mineral resources at the Woxna Graphite Mine was demonstrated, transitioning the Company to the development stage of mining. Upon the transition, costs on the exploration and evaluation assets attributed to the mine were reclassificated to property, plant and equipment.

5. Provision for Site Restoration

Although the ultimate amount of the decommissioning obligation for the Kringelgruven concession is uncertain, the fair value of this obligation is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. The provision for site restoration may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations. The total undiscounted amount of estimated cash flows to settle the Company's risk adjusted estimated obligation is SEK 41,500,000 to be incurred over the next 22 years with the majority of the costs to be incurred between 2036 and 2037.

The fair value of the decommissioning obligation was calculated using a discounted cash flow approach based on a risk free rate of 0.34% (October 31, 2014 - 1.20%) and an inflation factor of negative 0.20% (October 31, 2014 - 0.10%). Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

	$
Balance at October 31, 2013	3,873,138
Accretion	89,772
Revision of estimates	1,074,334
Foreign exchange adjustment	(270,664)
Balance at October 31, 2014	4,766,580
Accretion	28,233
Revision of estimates	795,300
Foreign exchange adjustment	(244,021)
Balance at April 30, 2015	5,346,092

As at April 30, 2015 a reclamation deposit of $76,782 (October 31, 2014 - $80,925) has been paid to the Gavleborg County Administration Board and has been accounted for as a non-current deposit. The reclamation deposit was placed as security for site restoration on the Kringelgruven concession.

(Unaudited - Expressed in Canadian Dollars)

5. Provision for Site Restoration (continued)

As at April 30, 2015 the Mattsmyra, Gropabo and Mansberg concessions remain undeveloped and there are no property restoration obligations relating to these concessions.

6. Share Capital

(a) *Authorized Share Capital*

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

(b) *Reconciliation of Changes in Share Capital*

No equity financing were conducted by the Company during the six months ended April 30, 2015 or fiscal 2014.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2015 and 2014 and the changes for the six months ended on those dates is as follows:

	2015		2014	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance beginning of period	9,570,000	0.75	14,574,287	1.22
Expired	-	-	(4,924,287)	2.15
Balance end of period	9,570,000	0.75	9,650,000	0.75

During the six months ended April 30, 2015 the Company extended the expiry date of the 9,570,000 warrants from February 22, 2015 to February 22, 2016.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of up to five years.

During the six months ended April 30, 2015 the Company did not grant any share options. During the six months ended April 30, 2014 the Company granted 805,000 share options and recorded compensation expense of $313,942.

During the six months ended April 30, 2015 the Company recorded compensation expense of $17,000 (2014 - $8,783) on the vesting of share options previously granted.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

The fair value of share options granted and vested during the six months ended April 30, 2015 and 2014 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2015	2014
Risk-free interest rate	1.28%	1.01% - 1.28%
Estimated volatility	121%	72% - 121%
Expected life	2 years	2 years - 3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average fair value of all share options granted during the six months ended April 30, 2014 was $0.46 per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at April 30, 2015 and 2014 and the changes for the the six months ended on those dates is as follows:

	2015		2014	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance beginning of period	2,390,000	0.59	2,927,500	0.62
Granted	-	-	805,000	0.51
Expired	(290,000)	0.50	(800,000)	0.58
Balance end of period	2,100,000	0.60	2,932,500	0.57

The following table summarizes information about the share options outstanding and exercisable at April 30, 2015:

Number	Exercise Price $	Expiry Date
250,000	1.25	October 11, 2015
100,000	0.60	March 15, 2016
145,000	0.10	June 8, 2016
800,000	0.57	September 17, 2016
200,000	0.45	January 6, 2017
555,000	0.52	March 28, 2017
50,000	0.65	March 28, 2017
2,100,000		

(Unaudited - Expressed in Canadian Dollars)

7. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the six months ended April 30, 2015 and 2014 the following amounts were incurred with respect to the Company's President and the Chief Financial Officer ("CFO"):

	2015 $	2014 $
Management fees - President	99,996	99,996
Relocation reimbursement costs - President	64,111	-
Consulting fees - CFO	25,000	-
	189,107	99,996

The Company has a management agreement with the President of the Company which provides that in the event the President's services are terminated without cause or upon a change of control of the Company, a termination payment of one year of compensation, at $16,666 per month, is payable. If the termination had occurred on April 30, 2015 the amount payable under the agreement would be $199,992.

(b) *Transactions with other Related Parties*

(i) During six months ended April 30, 2015 and 2014 the following amounts were incurred with respect to non-management directors of the Company:

	2015 $	2014 $
Consulting fees	36,000	-

As at April 30, 2015, $12,000 (2014 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) Chase Management Ltd. ("Chase"), a private corporation owned by the Chief Financial Officer ("CFO") of the Company, provides accounting and administrative services. During the six months ended April 30, 2015 the Company incurred $21,000 (2014 - $17,300) for services provided by Chase personnel, exclusive of the CFO, and $2,010 (2014 - $2,010) for rent. As at April 30, 2015, $1,170 (2014 - $6,970) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) During six months ended April 30, 2015 the Company incurred $6,915 (2014 - $3,923) for shared administration costs with public companies with common directors and officers. As at April 30, 2015, $3,006 (2014 - $345) remained unpaid and has been included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following four categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; and available-for-sale. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	April 30, 2015 $	October 31, 2014 $
Cash	FVTPL	4,385,385	6,506,217
Amounts receivable	Loans and receivables	202	254
Reclamation deposit	Loans and receivables	76,782	80,925
Accounts payable and accrued liabilities	Other liabilities	(413,646)	(583,817)
Property acquisition obligation	Other liabilities	(446,814)	(433,314)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amount for the property acquisition obligation approximates its fair value. The fair value is determined using a discounted cash flow approach based on the use of directly and indirectly observable inputs on reporting dates. A market rate of interest of 17% and payment dates of 2016 and 2017 were the assumptions. The Company's fair value of cash under the fair value hierarchy is measured using Level 1.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, reclamation deposit and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and reclamation deposit is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and liabilities and the earliest date on which the Company can be required to settle financial liabilities.

8. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at April 30, 2015				
	Carrying Amount $	Contractual Cash Flows $	Less than 3 Months $	1 - 5 Years $	Over 5 Years $
Cash	4,385,385	4,385,385	4,385,385	-	-
Amounts receivable	202	202	202	-	-
Reclamation deposit	76,782	76,782	-	-	76,782
Accounts payable and accrued liabilities	(413,646)	(413,646)	(413,646)	-	-
Property acquisition obligation	(446,814)	(579,072)	-	(579,072)	-

	Contractual Maturity Analysis at October 31, 2014				
	Carrying Amount $	Contractual Cash Flows $	Less than 3 Months $	1 - 5 Years $	Over 5 Years $
Cash	6,506,217	6,506,217	6,506,217	-	-
Amounts receivable	254	254	254	-	-
Reclamation deposit	80,925	80,925	-	-	80,925
Accounts payable and accrued liabilities	(583,817)	(583,817)	(583,817)	-	-
Property acquisition obligation	(433,314)	(610,324)	-	(610,324)	-

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Foreign Currency Risk

The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars and SEK. The Company maintains SEK bank accounts in Sweden to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2015, 1 Canadian Dollar was equal to SEK 6.91.

Balances are as follows:

	SEK	CDN $ Equivalent
Cash	2,701,270	390,922
VAT receivable	627,792	90,853
Amounts receivable	1,395	202
Inventories	502,266	72,712
Plant stores and supplies	985,585	142,681
Reclamation deposit	530,381	76,782
Accounts payable and accrued liabilities	(2,676,163)	(387,288)
Property acquisition obligation	(3,086,419)	(446,814)
	(413,893)	(59,950)

(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

Based on the net exposures as of April 30, 2015 and assuming that all other variables remain constant, a 10% fluctuation the Canadian Dollar against the SEK would result in the Company's net loss being approximately $5,500 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. Supplemental Cash Flow Information

During the six months ended April 30, 2015 and 2014 non-cash activities were conducted by the Company as follows:

	2015 $	2014 $
Operating activities		
Depreciation	-	19,619
Provision for site restoration	551,279	522,896
(Decrease) increase in accounts payable and accrued liabilities	(184,049)	342,778
	367,230	885,293
Investing activities		
Revisions of estimates on property, plant and equipment	(551,279)	-
Revisions of estimates on exploration and evaluation assets	-	(522,896)
Decrease (increase) to property, plant and equipment	184,049	(342,778)
Expenditures on exploration and evaluation assets	-	(19,619)
	367,230	(885,293)

10. Segmented Information

As at April 30, 2015 the Company was involved in the exploration and development of resource properties in Sweden, with corporate operations in Canada. The Company is in the exploration and development stage and accordingly, has no reportable segment revenues or operating results.

(Unaudited - Expressed in Canadian Dollars)

10. Segmented Information (continued)

The Company's total assets are segmented geographically as follows:

	As a April 30, 2015		
	Corporate Canada $	Mineral Operations Sweden $	Total $
Current assets	4,044,004	706,170	4,750,174
Exploration and evaluation assets	-	17,382	17,382
Property, plant and equipment	-	15,278,361	15,278,361
Reclamation deposit	-	76,782	76,782
	4,044,004	16,078,695	20,122,699

	As at October 31, 2014		
	Corporate Canada $	Mineral Operations Sweden $	Total $
Current assets	6,274,950	573,513	6,848,463
Property, plant and equipment	-	14,248,310	14,248,310
Reclamation deposit	-	80,925	80,925
	6,274,950	14,902,748	21,177,698