CWN MINING ACQUISITION CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial reports of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

CWN Mining Acquisition Corporation
Statements of Financial Position
(Unaudited)

		March 31, 2015	June 30, 2014
Assets			
Current			
Cash and cash equivalents	$	30,586	16,998
Short term investments		3,900,000	130,000
Property		40,000	-
Sales tax receivable		12,859	1,780
Total Assets	$	3,983,445	148,778
Liabilities and Shareholders' Equity			
Accounts payable and accrued liabilities	$	25,312	-
Total Liabilities and accrued liabilities	$	25,312	-
Shareholders' Equity			
Share capital (Note 5)		4,260,603	213,370
Reserves		11,152	21,665
Deficit		(313,622)	(86,257)
Total shareholders' equity		3,958,133	148,778
Total liabilities and shareholders' equity	$	3,983,445	148,778

Nature of Operations and Ability to Continue As A Going Concern (Note 1)

They are signed on the Company's behalf by:

"Wen Hua Li"
CEO & Director

"Kevin Wen Lai"
Director

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

CWN Mining Acquisition Corporation

Statements of Operations and Comprehensive Loss
(Unaudited)

		Three months Ended	Nine months Ended	Three months Ended	Nine months Ended
		March 31, 2015		March 31, 2014	
Operating Expenses					
Accounting and legal fee	**$**	12,150	24,690	1,259	5,441
Audit fee		-	8,025	-	9,000
Corporate secretary		15,000	15,000	-	-
Director fee		14,644	14,644	-	-
(Interest income) and bank charges		(94)	(1,469)	6	113
Filing fee		9,130	14,194	1,053	6,613
General & administrative expenses		16,765	16,765	-	2,408
Qualifying transaction expenses (note 4)		111,335	135,516	-	-
Net loss and comprehensive loss for the period	**$**	(178,930)	(227,365)	(2,318)	(23,575)
(Loss) per share – basic and diluted	**$**	(0.02)	(0.03)	(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		11,973,043	6,872,921	4,400,000	4,400,000

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

CWN Mining Acquisition Corporation
Statements of Changes in Equity

	Number of Shares	Share Capital	Reserves	Deficit	Shareholders' Equity
		$	$	$	$
Balance, June 30, 2013	**4,400,000**	**213,370**	**21,665**	**(52,468)**	**182,567**
Net loss and comprehensive loss for the period	-	-	-	(1,536)	(1,536)
Balance, September 30, 2013	**4,400,000**	**213,370**	**21,665**	**(54,004)**	**181,031**
Net loss and comprehensive loss for the period	-	-	-	(19,721)	(19,721)
Balance, December 31, 2013	**4,400,000**	**213,370**	**21,665**	**(73,725)**	**161,310**
Net loss and comprehensive loss for the period	-	-	-	(2,318)	(2,318)
Balance, March 31, 2014	**4,400,000**	**213,370**	**21,665**	**(76,043)**	**158,992**
Net loss and comprehensive loss for the period	-	-	-	(10,214)	(10,214)
Balance, June 30, 2014	**4,400,000**	**213,370**	**21,665**	**(86,257)**	**148,778**
Net loss and comprehensive loss for the period	-	-	-	(10,833)	(10,833)
Balance, September 30, 2014	**4,400,000**	**213,370**	**21,665**	**(97,090)**	**137,945**
Exercised agent's warrants	67,200	10,252	(3,532)	-	6,720
Agent's warrants expired	-	6,981	(6,981)	-	-
Net loss and comprehensive loss for the period	-	-	-	(37,602)	(37,602)
Balance, December 31, 2014	**4,467,200**	**230,603**	**11,152**	**(134,692)**	**107,063**
Shares issued for private placement (Note 4)	8,000,000	4,000,000	-	-	4,000,000
Shares issued for private placement (Note 4)	60,000	30,000	-	-	30,000
Net loss and comprehensive loss for the period	-	-	-	(178,930)	(178,930)
Balance, March 31, 2015	**12,527,200**	**4,260,603**	**11,152**	**(313,622)**	**3,958,133**

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

CWN Mining Acquisition Corporation

Condensed Interim Statement of Cash Flows
(Unaudited)

		Three months Ended	Nine months Ended	Three months Ended	Nine months Ended
		March 31, 2015		March 31, 2014	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:					
Net loss for the period	$	(178,930)	(227,365)	(2,318)	(23,575)
Change in non-cash operating working capital:					
Increase (decrease) in accounts payable and accrued liabilities		9,580	25,312	(14,435)	-
Decrease (increase) in accounts receivable		6,720	-	-	-
Decrease (increase) in sales tax receivable		(8,067)	(11,079)	(134)	105
Net cash flows used in operating activities		(170,697)	(213,132)	(16,887)	(23,470)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Short term investments		(3,900,000)	(3,770,000)	-	-
Property		(10,000)	(10,000)	-	-
Net cash flows provided by investing activities		(3,910,000)	(3,780,000)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of shares		4,000,000	4,000,000	-	-
Agent option exercised		-	6,720	-	-
Net cash flows provided by financing activities		4,000,000	4,006,720	-	-
Increase in cash and cash equivalents		(80,697)	13,589	(16,887)	(23,470)
Cash and cash equivalents, beginning of period		111,283	16,998	174,674	181,257
Cash and cash equivalents, end of period	$	30,586	30,586	157,787	157,787

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

CWN Mining Acquisition Corporation (the "Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on May 10, 2012. The Company's financial year end is in June 30.

On December 20, 2012 the Company completed an Initial Public Offering ("IPO") and is classified as a Capital Pool Company as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture"). The principal business of the Company is the identification and evaluation of assets or business with a view of completing a Qualifying Transaction ("QT") under relevant policies of the TSXV. Given the nature of the Company's activities, no separate segment information is reported.

On October 31, 2014, the Company entered into an option agreement wherein the Company was granted, subject to several conditions precedent, an option to acquire an undivided 100% interest in and to 234 claims located at the Whitehorse Mining District, Yukon, Canada, and generally and collectively known as the "TOP Project" (the "Transaction"). As part of the option agreement, operatorship of the Top Project will remain with YES Exploration Syndicate Inc ("YES Exploration"). YES Exploration is responsible for the planning and execution of the exploration work for the TOP Project in accordance with the recommendations of the National Instrument 43-101 – Standards of Disclosure for Mineral Project compliant technical report dated October 31, 2014. The grant of the option constituted the Company's QT (see Note 4 ''Property Acquisition Cost''). The Company was listed on the TSX-V as a Tier 2 mining issuer under the symbol "CWN" effective January 8, 2015.

The Company has not yet determined whether its mineral property interest contains mineral reserves that are economically recoverable. As at March 31, 2015, the Company has no source of revenue, has an accumulated deficit of $313,622 and expects to incur further losses in the exploration and development of its mineral property. The Company has historically relied upon equity markets to provide funding for future operations. Current equity markets continue to be extremely "risk averse" making raising additional capital even more difficult.

The Company's ability to continue as a going concern is dependent upon the existence of economically recoverable mineral reserves, collection of receivables, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, or upon proceeds from the disposition of its mineral property interests. There is no assurance that the Company will be able to obtain adequate financing in the future. However, the Company has adequate working capital to continue operations for at least the next 12 months.

The head office, principal address and registered and records office of the Company are located at Suite 368 – 1199 West Pender St., Vancouver, BC.

These unaudited financial reports of the Company for the three months and nine months ended March 31, 2015 were authorized for issue in accordance with a resolution of the directors on May 12, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements for the three months and six months ended December 31, 2014 are unaudited and have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all of the information required for full annual financial statements. These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in and should be read in conjunction with the Company's June 30, 2014 audited financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of preparation

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars which is the functional currency of the Company and all values are rounded to the nearest dollar.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Share-based payments
The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of the shares, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes option pricing model.

Deferred tax liabilities and assets
Deferred tax liabilities and assets are measured at tax rates expected to apply in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at March 31, 2015 and 2014 the cash and cash equivalents consist of cash only.

Short term investments

Short term investment, which is fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, is recorded at fair value. As at June 30, 2014, the Company has short term investments of $130,000 due on July 24, 2014 with an annual yield of prime – 1.15%. (2013 – Nil). As of March 31, 2015, the Company has short term investments of $3,900,000 with an annual yield of prime – 1.80%.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets

The Company's financial instruments consist of cash and cash equivalents and short term investments. Cash and cash equivalents and short term investments are classified as fair value through profit or loss and recorded at fair value. The fair value of cash and short term investments are approximate their carrying value due to their short-term nature.

Financial assets are classified into one of four categories:

i. Fair value through profit or loss;
ii. Held-to-maturity;
iii. Available-for-sale; and
iv. Loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. The Company has classified cash and cash equivalents and short term investments as fair value through profit or loss.

i. Fair value through profit or loss ("FVTPL")
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL, if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

ii. Held-to-maturity
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. Subsequent to initial recognition, these assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of operations and comprehensive loss.

iii. Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for-sale ("AFS"). They are carried at fair value with changes therein, other than impairment losses, interest calculated using the effective interest method and foreign currency differences on AFS monetary items, recognized in other comprehensive income or loss. When an investment is derecognized or is determined to be impaired, the cumulative gain or loss previously recognized in equity is transferred to profit or loss for the period.

iv. Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

v. Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

vi. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as an objective evidence of impairment could include the following:

- Significant financial difficulty of the issue or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganization.

For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is 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.

With the exception of AFS equity instruments, 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 not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

vii. Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i *Other financial liabilities*
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii *Derecognition of financial liabilities*
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Income Taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the deferred tax asset is not recorded.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share is equal to the basic loss per share as the outstanding options and warrants are anti-dilutive.

Comprehensive Income (Loss)

Comprehensive income (loss) is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which IFRS requires be recognizing in a period, but excluding from net income for that period. The Company has no other comprehensive income during the period ended March 31, 2015 and 2014.

Share-based payment transactions

The stock option plan allows Company directors, officers and technical consultants to acquire shares of the Company. The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is measured at grant date and the share based compensation is expensed based on graded vesting. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the share purchase options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. Forfeiture rates are estimated in advance and are used in the estimate of the share-based expense for the financial statement period. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Changes in accounting policies

The following new or amended standards, and their resulting consequential amendments, were applied for the first time in the current year:

IFRS 7, Financial Instruments: Disclosures
IFRS 7 was amended in December 2011 to require more extensive disclosure about the offsetting of financial instruments and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The standard does not have a material impact on the financial statement

IFRS 10, Consolidated Financial Statements
IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements" and Standing Interpretation Committee ("SIC") -12 "Consolidation – Special Purpose Entities," and is effective for annual periods beginning on or after January 1, 2013. Adoption of the standard had no material impact on these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IFRS 13, Fair Value Measurements
IFRS 13 defines fair value, sets out a single IFRS framework for measuring value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Adoption of the standard had no material impact on these financial statements.

Amendments to IAS 1, Presentation of Financial Statements
The amendments introduce changes to presentation of items of other comprehensive income. The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit and loss in the future if certain conditions are met from those that would never be reclassified to profit and loss. The amendments are to be applied effective July 1, 2012 and may be early adopted. The amendments are to be applied retroactively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Adoption of the standard had no material impact on these financial statements.

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

IFRS 2 Share-based payment
The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 Business combinations
The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

IFRS 7 Financial instruments: disclosures and IAS 32 Financial instruments: presentation
Financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The amendments to IAS 32, issued in December 2011, clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014.

IFRS 9 Financial instruments
IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS (cont'd)

liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets
The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014.

IAS 24 Related party disclosures
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

IAS 36 Impairment of assets
The amendments to IAS 36, issued in May 2013, require:
Disclosure of the recoverable amount of impaired assets; and Additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014.

The Company anticipates that the application of these standards, amendments and interpretations will have no material impact on the results and financial position of the Company.

4. PROPERTY ACQUISITION COSTS

On October 31, 2014, the Company entered into an option agreement (the "Option Agreement") with YES Exploration, granting the Company an option (the "Option") to acquire a 100% undivided interest, net of a 2% royalty reserved for YES Exploration, in certain mining claims (the "Property") situated in the Whitehorse Mining District, Yukon, Canada, and generally and collectively known as the "TOP Project".

The grant of the Option constituted the Company's QT and the Company was listed on the TSXV as a Tier 2 mining issuer effective January 8, 2015.

The Property comprises 234 claims, 4,886 hectare epithermal gold-silver target on the northern edge of the Carmacks Caldera area, Yukon. The Property is situated approximately 200 km northwest of Whitehorse, Yukon and 60 km west-northwest of Carmacks, Yukon, and is less than 15 km from the now decommissioned Mt. Nansen gold mine, possibly the highest grade mine in the Yukon.

The multiple vein-type porphyry- and breccia-related deposits at Mt Nansen are linked to northwest-trending faults associated with strong magnetic anomalies in the immediate vicinity of northeast-striking cross faults. Located along a northwest-trending fault structure that appears to pass through the Mt. Nansen mine area

4. PROPERTY ACQUISITION COSTS

to the southeast, the Property is cut by northeast-trending structures that intersect the main northwest-trending structure in several locations.

Terms of the Option Agreement

The Option Agreement provides that the Company will have the right, but not the obligation, to acquire a 100% undivided interest in the Property, net of a 2% royalty reserved for YES Exploration, for consideration of $160,000 in cash and $180,000 in common shares to be paid to YES Exploration over a four-year period. An initial cash payment of $10,000 (paid) and an initial payment of 60,000 common shares (issued at a fair value of $30,000) will be made on the tenth business day after January 8, 2015 which the Company receives TSXV acceptance of the Transaction (the "Effective Date").

The Company is also required to incur financing exploration expenditures totaling a minimum of $300,000 by the one-year anniversary of the Effective Date. YES Exploration will retain a 2% net smelter return royalty on the Property. Under the terms of the Option Agreement, the Company may elect to purchase one-half of this royalty interest by paying $250,000 to YES Exploration over a six-year period.

The Company has incurred expenditures on the property as follows:

Acquisition Costs	**Amount**
Balance, December, 2014	$ -
Cash payment	10,000
Fair value of 60,000 shares issued	30,000
Balance, March 31, 2015	$ 40,000

5. SHARE CAPITAL

Authorized Share Capital

The authorized share capital of the Company consisted of an unlimited number of common shares without par value.

As of March 31, 2015, the Company had 12,527,200 common shares issued and outstanding.

(a) On January 23, 2015, the Company has issued a $30,000 worth of the common shares at $0.50 per common share to YES Exploration as part of the Option agreement's terms (see Note 4).

(b) On January 7, 2015, the Company has completed an 8,000,000 common shares non-brokered private placement at $0.50 per common share for gross proceeds of $4,000,000. The shares were issued in connection with the closing of the Company's QT (see Note 4).

(c) On December 20, 2012, the Company completed the IPO and issued 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000. As part of the IPO, the Company incurred share issuance costs of $106,630, which included the fair value of the 10,513 agent's warrants. The Company granted 200,000 agent's options to acquire common shares of the Company at an exercise price of $0.10 per common share. The agent's options are exercisable for a period of 24 months from December 20, 2012, the date the Company was listed on the TSX Venture. The agent's options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk- free interest rate of 1.12%, expected volatility of 107.21% and expected life of two years. Volatility was estimated based on the historical volatility of similar companies over a period equal to the expected life of the options. As of December 20, 2014, 67,200 agent's warrants have been exercised at the price of $0.10 per share for a gross processed of $6,720 and the remaining 132,800 agent's warrants have expired.

5. SHARE CAPITAL (cont'd)

(d) On May 15, 2012, the Company issued its initial seed shares of 1,300,000 common shares for gross proceeds of $65,000. On May 29, 2012, the Company issued additional seed shares of 1,100,000 common shares for gross proceeds of $55,000.

Stock option

Upon closing of the Company's IPO on December 20, 2012, the Company granted 125,000 incentive stock options to the directors and officers of the Company. The options were granted with an exercise price of $0.10 per common share where the exercise price is equal to the market price at the date of grant and are exercisable for a period of ten years from the date of the grant.

The Company recorded the fair value of the options granted of $11,152 using the Black-Scholes option pricing model. The share-based payment expense was calculated using the following assumptions:

Expected life of options in years	10
Expected volatility	100.92%
Expected dividend yield	Nil
Risk free interest rate	1.82%
Expected forfeiture rate	Nil

The following table reflects the outstanding and exercisable of stock options for the quarter ended December 31, 2014 and 2013:

Number of outstanding	Weighted Average Exercise Price ($)	Expiry Date
125,000	$0.10	December 20, 2022
125,000	$0.10	

As at March 31, 2015, stock options of 125,000 were outstanding and exercisable with a remaining life of 7.75 years, and no options were exercised during the year.

Escrow Shares

Subject to an Escrow Agreement pursuant to the requirements of the TSX Venture, the 2,400,000 common shares prior to the closing of the Company's IPO are held in escrow. Under the Escrow Agreement, 10% of the escrowed shares will be released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the QT) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. 240,000 were released on January 8, 2015 and 360,000 will be released every six months thereafter. As at March 31, 2015, 2,160,000 common shares are held in escrow (2013: 2,400,000).

6. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

6. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high credit quality financial institutions.

(c) 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 ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. As at March 31, 2015, the Company had a cash and cash equivalent balance of $3,930,586 (June 30, 2014 – $146,998), and need to settle liabilities of $25,312 (June 30, 2014 – $Nil).

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash mature impact interest income earned.

(e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. There were no changes in the Company's approach to capital management during the period. The Company does not have any externally imposed capital requirements or external covenants to which it is subject to except as defined in note 5.

(f) Fair Value

The fair value of the Company's cash and cash equivalents approximate their carrying value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

6. FINANCIAL RISK MANAGEMENT (cont'd)

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The fair value of cash and cash equivalents and short term investments is based on level 1 inputs of the fair value hierarchy.

7. INCOME TAXES

The following table reconciles the expected income taxes expenses (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the six months ended March 31, 2015 and 2014:

	Nine months ended March 31, 2015	**Nine months ended March 31, 2014**
Loss before income taxes	$ (227,365)	$ (23,575)
Statutory rate	25.25%	25.25%
Income tax at statutory rate	(57,410)	(5,953)
Total income tax (recovery) expense	$ -	$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at March 31, 2015 and 2014 are comprised of the following:

	March 31, 2015	**March 31, 2014**
Non-capital loss carry forwards	$ 57,410	$ 5,953
Financing cost	-	-
Deferred tax asset not recognized	(57,410)	(5,953)
Net deferred tax assets (liabilities)	$ -	$ -

The Company has non-capital losses carried forward of approximately $133,689 (2014 - $66,492) that may be carried forward to apply against a future year's income taxes for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2032	$ 3,230
2033	57,309
2034	15,740
2035	57,410
Total	$ 133,689

Further information about the Proposed Transaction is available on SEDAR at www.sedar.com.