

NSS RESOURCES INC.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the quarter ended March 31, 2015

NSS Resources Inc.

(an exploration stage company)

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March 31, 2015

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

NSS Resources Inc.
(an exploration stage company)

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	March 31	June 30
	2015	2014
	(Unaudited)	
ASSETS		
CURRENT		
Cash	\$ 131,433	\$ 143,278
Interest receivable	815	0
	132,248	143,278
EXPLORATION AND EVALUATION ASSETS (Note 5)	35,507	9,478
	\$ 167,755	\$ 152,756
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,800	\$ 3,800
Due to a related party (Note 9)	1,198	73
	4,998	3,873
EQUITY		
SHARE CAPITAL (Note 6)	236,361	155,001
ACCUMULATED DEFICIT	(73,604)	(6,118)
	162,737	148,883
	\$167,755	\$ 152,756

Going concern of operations (Note 2c)

Approved on behalf of the Board of Directors:

“Jag Sandhu”

“Douglas MacQuarrie”

Director

Director

NSS Resources Inc.
(an exploration stage company)

STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Nine months ended March 31 2015	Three months ended March 31 2015	Nine months ended March 31 2014	Three months ended March 31 2014
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Expenses				
Advertising and promotion	\$ 474	\$ 0	\$ 0	\$ 0
Consulting fees	15,750	15,750	0	0
Fees and filings	32,758	800	0	0
Interest and bank charges	235	126	0	0
Meals and entertainment	830	706	0	0
Office	87		0	0
Professional fees	15,418	11,280	0	0
Supplies	319	269	0	0
Travel	2,463	1,710	0	0
	<u>\$ 68,334</u>	<u>\$ 30,641</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other income: interest	<u>848</u>	<u>663</u>	<u>0</u>	<u>0</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>67,486</u>	<u>29,978</u>		
LOSS PER SHARE - basic and diluted	<u>\$ (0.005)</u>	<u>\$ (0.001)</u>	<u>\$ 0</u>	<u>\$ 0</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - basic and diluted	<u>\$ 10,925,001</u>	<u>\$ 10,925,001</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

NOTES TO THE FINANCIAL STATEMENTS
 Expressed in Canadian Dollars
 For the quarter ended March 31, 2015

STATEMENTS OF CHANGES IN EQUITY

	Share Capital		Accumulated	Total
	Shares	Amount	Deficit	
Balance - March 28, 2012	\$ -	\$ -	\$ -	\$ -
Share issued on incorporation	1	1	-	1
Balance - June 30, 2012 and 2013	1	1	-	1
Shares issued for cash	2,500,000	25,000	-	25,000
Shares issued for cash	6,500,000	130,000	-	130,000
Net loss for the year	-	-	(6,118)	(6,118)
Balance - June 30, 2014	9,000,001	\$ 155,001	\$ (6,118)	\$ 148,883
Shares issued for cash	1,225,000	81,360	-	81,360
Net loss for the period	-	-	(51,736)	(51,736)
Balance - March 31, 2015	10,225,001	236,361	(57,854)	178,507

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the quarter ended March 31, 2015

STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	Nine months ended March 31 2015	Nine months ended March 31 2014
OPERATING ACTIVITIES		
Net loss	\$ (67,486)	0
Change in non-cash working capital:		
Interest receivable	(815)	0
Accounts payable and accrued liabilities	0	0
Cash flow used by operating activities	(68,301)	0
INVESTING ACTIVITY		
Exploration and evaluation expenditures	(26,029)	0
FINANCING ACTIVITIES		
Due to (from) related parties	1,125	0
Issuance of share capital	81,360	0
Cash flow from financing activities	82,485	0
INCREASE (DECREASE) IN CASH	(11,845)	0
CASH - BEGINNING OF PERIOD	143,278	0
CASH - END OF PERIOD	\$ 131,433	\$ 0
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 0	\$ 0
Interest paid	\$ 0	\$ 0
Income taxes paid	\$ 0	\$ 0

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the quarter ended March 31, 2015

1. CORPORATE INFORMATION

NSS Resources Inc.'s business activity is the exploration and evaluation of mineral properties in British Columbia, Canada. NSS Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on March 28, 2012.

The address of the Company's registered and records office is located at 400 - 570 Granville Street, Vancouver, BC V6C 3P1 and the principal place of business is Suite 206 - 595 Howe Street, Vancouver, British Columbia, V6C 2T5 Canada.

2. BASIS OF PREPARATION

a) Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 condensed interim consolidated financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2014, which were prepared in accordance with International financial reporting Standards ("IFRS") as issued by the International accounting Standards Board ("IASB").

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial assets or liabilities at fair value through profit or loss and available-for-sale financial assets which are presented at their fair value. 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 also the Company's functional currency. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a comprehensive loss of \$29,978 during the quarter ended March 31, 2015 (June 30 2014 loss: \$6,118 and 2013: Nil) and as of that date, the Company's accumulated deficit was \$73,604. The Company intends to raise further financing through private placements.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. These material uncertainties raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the quarter ended March 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. At March 31, 2015, the Company held only cash.

b) **Mineral Exploration and Evaluation Expenditures**

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

c) **Impairment of Non-Financial Assets**

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at least annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent the impairment loss reverses gains previously recognized in other comprehensive loss/income.

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the quarter ended March 31, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) **Financial Instruments**

Financial Assets

Financial assets are classified and subsequently measured, based on the purpose for which the asset was acquired, as presented below. All transactions related to financial instruments are recorded on a trade date basis.

Financial assets at fair value through profit or loss (“FVTPL”)

FVTPL assets are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held-to-Maturity Investments

Held-to-maturity investments are measured at amortized cost.

Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment of Financial Assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) **Financial Instruments (continued)**

Financial Liabilities

Financial liabilities are classified as other financial liabilities or financial liabilities at FVTPL, based on the purpose for which the liability was incurred.

Other Financial Liabilities

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial Liabilities at FVTPL

FVTPL liabilities are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

Classification

Financial Instruments	Classification	Subsequent Measurement
Cash	Loans and receivables	Amortized cost
Due from a related party	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to a related party	Other financial liabilities	Amortized cost

e) **Provisions**

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by its exploration and evaluation activities. The Company records the present value of the estimated costs of legal or constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Income Taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

g) **Share Capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h) **Earnings / Loss per Share**

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

i) **Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

NOTES TO THE FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) **Share-based Payments (continued)**

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in reserve for share-based payments, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve for share-based payments is credited to share capital, adjusted for any consideration paid. Amounts for unexercised options remain in reserve for share-based payments upon their expiry.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

j) **Standards, Amendments and Interpretations Not Yet Effective**

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IAS 32 - 'Financial Instruments: Presentation'

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

IAS 36 - 'Impairment of Assets'

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

IFRS 10 - 'Consolidated Financial Statements' and IFRS 12 - 'Disclosures of Interests in Other Entities' and IAS 27 - 'Separate Financial Statements'

NOTES TO THE FINANCIAL STATEMENTS
Expressed in Canadian Dollars
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) **Standards, Amendments and Interpretations Not Yet Effective (continued)**

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also, deals with the disclosures required and preparation of separate financial statements of an investment entity.

IFRS 9 – ‘Financial Instruments’

The effective date of this standard is for annual periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates have been applied in the following areas:

a) Rehabilitation Provisions

No rehabilitation provisions have been created based on the Company's activity to date. Based upon the prevailing economic environment, assumptions will be made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to the profit or loss in the period the new information becomes available.

b) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

NOTES TO THE FINANCIAL STATEMENTS
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5. EXPLORATION AND EVALUATION ASSETS

Balance at December 31, 2014	\$	23,329
Engineering report		4,290
Field expenses		7,888
Staking costs		-
Balance at March 31, 2015	\$	35,507

In April 2014, the Company acquired a 100% interest by staking the Seneca mineral claims located near Harrison Hot Springs, British Columbia, Canada.

Pursuant to a finder's fee agreement, the Company granted a 2% net smelter return royalty to Asante Gold Corporation, a company related by common directors, on production from the current Seneca claims, and from any additional interests in minerals or land acquired by the Company located within 5 km of these claims.

To date, assessment of exploration and evaluation assets has not resulted in any impairment of the Company's properties.

6. SHARE CAPITAL

a) Common Shares

The Company is authorised to issue an unlimited number of common shares.

The holders of common shares will be entitled to receive dividends which will be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common share capital from incorporation to March 31, 2015:

	Number of Shares		Issue Price		Amount
Balance at March 2012					
Shares issued via private placement	1	\$	1	\$	1
Shares issued via private placement	2,500,000	\$	0.01	\$	25,000
Shares issued via private placement	6,500,000	\$	0.02	\$	130,000
Shares issued via private placement	500,000	\$	0.02	\$	10,000
Shares issued via private placement	725,000	\$	0.10		72,5000
Balance at March 31, 2015	10,225,001			\$	\$237,501

NOTES TO THE FINANCIAL STATEMENTS
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b) Share Purchase Warrants

The following is a summary of warrants issued to March 31, 2015 together with exercise conditions:

	Total Number of Warrants	Number of warrants	Exercise price	Expiry
Balance at		725,000	\$.15	27/11/2016
Issue of warrants	736,250	11,250	\$.15	25/11/2015
Exercised warrants	0			
Balance	736,250			
Issue of warrants	-			
Exercised warrants	-			
Balance March 31, 2015	736,250	736,250		

c) Option Plan Details

The Company has an incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant less any discount allowable under TSX rules, at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria. In accordance with the Plan, options vest immediately upon grant; with the exception of personnel working in Investor Relations whose options vest at 25% upon grant and 25% every three months thereafter until all options are fully vested.

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the Period			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Forfeited			
01/01/2015	02/01/2020	\$ 0.10	0	100,000	0	0	800,000	0	0
Weighted Average Exercise Price			0	0	0	0	0	0	0
			\$ 0.10	\$ 0.10	\$ 0	\$ 0	\$ 0.10	\$ 0.10	\$ 0

During the nine months ended March 31, 2015, 100,000 options were granted with a fair value of \$0.10 per option. The fair value of each option granted is estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

Number of options	100,000
Estimated life	5 years
Share price at date of grant	\$0.10
Option exercise price	\$0.10
Risk free interest rate	1%
Estimated annual volatility	100%
Option fair value	0
Fair value of compensation granted during period	0

NOTES TO THE FINANCIAL STATEMENTS
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b) Fair Value Options Issues to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

7. FINANCIAL INSTRUMENTS

a) Disclosures

The Company's financial instruments consist of cash, due from a related party, accounts payable and accrued liabilities, and due to a related party.

The carrying values of the above approximate their respective fair values due to the short-term nature of these instruments. There were no financial instruments carried at fair value at March 31, 2015, June 30, 2014 and 2013.

b) Financial instrument risk exposure and risk management

(i) Credit risk:

Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. With cash on deposit with sound financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2015, the Company had current liabilities totaling \$4,998 (June 30 2014: 3,873 and 2013: Nil) and cash of \$131,433 (June 30, 2014: 143,278 and 2013: Nil) and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

(iii) Market risk:

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

c) Capital management

The Company includes cash and equity, comprising of issued common shares and accumulated deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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 of mineral properties. The Board of Directors does not

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establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management from incorporation to the year ended June 30, 2014. The Company is not subject to any external covenants.

8. INCOME TAXES

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the year.

	<u>2014</u>
Statutory tax rates	<u>26%</u>
Expected income tax expense at statutory rates	\$ (1,600)
Tax benefits not realized	<u>1,600</u>
	<u>\$ -</u>
	<u>2014</u>
Nature of temporary differences	
Unused tax losses carried forward	<u>\$ 1,600</u>

At June 30, 2014, subject to confirmation by Canadian income tax authorities, the Company has approximately \$6,000 (2013 and 2012: Nil) in Canadian non-capital tax losses of available for carry-forward to reduce future years' taxable income, which expires in 2034.

The potential benefits of these carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

9. RELATED PARTY TRANSACTIONS

As at March 31, 2015, included in due to a related party was \$1,198 (June 30, 2014: \$73 and 2013: Nil) in expense reimbursements owing to a director and officer of the Company.

During the period, \$15,000 in consulting fees were paid to JNS Capital Corp (A Corporation owned by a director and officer of the company).

During the period \$2,500 in consulting fees were paid to MIA Investment Ltd (A Corporation owned by a Director of the company)

During the period from incorporation to March 31, 2015, there were no short-term, post-employment, other long-term, or termination benefits incurred with key management personnel.

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10. EVENTS AFTER THE REPORTING DATE

None.