AVIDIAN GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

(Expressed in US Dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avidian Gold Inc.:

We have audited the accompanying consolidated financial statements of Avidian Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Avidian Gold Inc. and its subsidiaries as at June 30, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
October 20, 2015

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US dollars)

	June 30, 2015	June 30, 2014
ASSETS		
Current assets		
Cash (Note 4)	$ 405,231	$ 186,833
Amounts receivable and prepaids	19,637	21,499
Total current assets	424,868	208,332
Non-current assets		
Equipment (Note 6)	1,975	2,469
Reclamation bond receivable (Note 11)	27,080	24,090
Mineral exploration interests (Note 5)	497,813	497,813
TOTAL ASSETS	$ 951,736	$ 732,704
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 9)	$ 89,543	$ 33,577
Subscription receipts payable (Note 7(b))	-	74,960
Total current liabilities	89,543	108,537
Non-current liabilities		
Decommissioning liability (Note 13)	28,600	24,783
Total liabilities	118,143	133,320
EQUITY		
Issued capital (Note 7(b))	3,021,636	2,126,069
Share-based payment reserve (Note 7(d))	28,433	-
Deficit	(2,216,476)	(1,526,685)
Total equity	833,593	599,384
TOTAL LIABILITIES AND EQUITY	$ 951,736	$ 732,704

NATURE OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5, 7, 11, and 14)
SUBSEQUENT EVENTS (Note 15)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed, "Victor H. Bradley" , Director

Signed, "David Anderson" , Director

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

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEAR ENDED JUNE 30

(Expressed in US dollars)

	2015	2014
OPERATING EXPENSES		
Exploration and evaluation expenditures (Note 11)	$ 363,079	$ 299,351
General and administrative (Note 10)	204,003	202,430
Foreign exchange losses (gains)	90,459	(5,595)
Decommissioning expense (Note 13)	3,817	24,783
Share based compensation (Note 7(d))	28,433	-
(Gain) on contingent consideration payable	-	(21,639)
(Gain) on warrant valuation (Note 7(c))	-	(44,351)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	$ 689,791	$ 454,979
NET LOSS PER SHARE - basic and diluted (Note 8)	$ 0.01	$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING basic and diluted (Note 8)	48,527,653	30,851,725

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

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30

(Expressed in US dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (689,791)	$ (454,979)
Add:		
Amortization (Note 6)	494	617
Share-based payments (Note 7(d))	28,433	37,101
Gain on revaluation of warrants	-	(44,351)
Decommissioning expense	3,817	24,783
Gain on contingent consideration payable	-	(21,639)
Shares issued for services	2,156	-
Changes in non-cash working capital items:		
Amounts receivable and prepaids	(1,128)	(14,907)
Trade payables and accrued liabilities	55,966	(63,189)
Cash flows (used in) operating activities	(600,053)	(536,564)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital (Note 7(b))	830,788	-
Receipts on share subscription	-	74,960
Share issue costs (Note 7(b))	(12,337)	(1,640)
Cash flows provided by financing activities	818,451	73,320
CHANGE IN CASH	218,398	(463,244)
CASH, BEGINNING OF YEAR	186,833	650,077
CASH, END OF YEAR	$ 405,231	$ 186,833

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

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in US dollars)

	Issued Capital	Share-Based Payment Reserve	Warrants	Deficit	Shareholders' Equity
Balance, June 30, 2013	$2,090,608	$ -	$ 21,251	$ (1,092,957)	$ 1,018,902
Issuance of shares for services (Note 7(b)(i))	37,101	-	-	-	37,101
Share issue costs	(1,640)	-	-	-	(1,640)
Expiration of brokers' warrants	-	-	(21,251)	21,251	-
Net loss and comprehensive loss for the year	-	-	-	(454,979)	(454,979)
Balance, June 30, 2014	2,126,069	-	-	(1,526,685)	599,384
Issuance of shares for services, (Note 7(b)(ii))	1,919	-	-	-	1,919
Share based compensation (Note 7(d))	-	28,433	-	-	28,433
Private placement, net of issue costs (Note 7(b))	893,648	-	-	-	893,648
Net loss and comprehensive loss for the year	-	-	-	(689,791)	(689,791)
Balance, June 30, 2015	$3,021,636	$ 28,433	$ -	$ (2,216,476)	$ 833,593

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

1. Nature of business and going concern

Avidian Gold Inc. (“Avidian” or the “Corporation”) was incorporated by articles of incorporation dated June 22, 2011 under the Business Corporations Act (Ontario). Avidian is a private company. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2015, the Corporation has acquired the rights to explore three gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide (“VMS”) property in Newfoundland, Canada.

The consolidated financial statements of the Corporation for the year ended June 30, 2015 were reviewed, approved and authorized for issue by the Board of Directors on October 20, 2015. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Corporation’s property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the year ended June 30, 2015 of $689,791 and has an accumulated deficit of $2,216,476. The Corporation has a working capital balance of $335,325 at June 30, 2015. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation’s planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Corporation's reporting for the year ended June 30, 2015.

Basis of presentation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities or recoverable amounts. The policies set out below have been consistently applied to all periods presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Subsidiaries consists of entities over which the Corporation is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Corporation and are deconsolidated from the date control ceases.

The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Corporation and its subsidiaries after eliminating inter-entity balances and transactions.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Avidian Gold Inc. ("Avidian")	Ontario, Canada	Parent Company
Avidian Gold US Inc.(1)(2) ("Avidian US")	Nevada, USA	Operating Company
High Tide Resources Inc. ("HTR").(1)(3)	Nova Scotia, Canada	Dormant Company

(1) 100% owned by Avidian Gold Inc.

(2) Incorporated as at June 23, 2011

(3) Incorporated as at March 27, 2007

Presentation and functional currency

These consolidated financial statements are presented in the functional currency of United States dollars ("US"), the currency of the primary economic environment in which the Corporation is currently operating.

Cash

Cash in the consolidated statement of financial position comprises cash at banks, as well as balances held in trust with legal counsel.

2. Significant accounting policies (continued)

Financial instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2015 and 2014, the Corporation's financial assets are comprised of cash and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, subscription receipt payable, warrant liability and contingent consideration payable. Trade payables, accrued liabilities and subscription receipts payable are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's warrant liability and contingent consideration payable are classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of mineral exploration interests through a business combination.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Amortization is recognized based on the cost of an item of equipment, over its estimated useful life. Amortization is calculated using the declining balance method at 20% per year.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial position reporting date.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

2. Significant accounting policies (continued)

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Corporation assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statements of loss and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

Decommissioning, restoration and similar liabilities

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

The Corporation has recorded a provision for $28,600 of restoration, rehabilitation and environmental costs as at June 30, 2015 (2014 - $24,783).

2. Significant accounting policies (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Corporation's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes

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

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

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. 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 Corporation does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments and warrant liability

Management determines costs for share-based payments and warrant liability using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrant liability are determined at the date of grant using generally accepted valuation techniques. Warrant liabilities are subsequently revalued every reporting period. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share capital note.

2. Significant accounting policies (continued)

Share-based payments and warrant liability (continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Segment reporting

The Corporation operates in a single reportable operating segment, the acquisition, exploration and development of gold projects.

Issued capital

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

Warrant liability

Under IFRS, when the currency of the exercise price of warrants is different than the functional currency of the legal entity in which they were issued, the warrants are accounted for as a derivative warrant liability. For the Corporation’s warrants that have an exercise price denominated in Canadian dollars, the issued Canadian dollar warrants are accounted for as a derivative warrant liability which is measured at fair value each reporting period using the Black-Scholes valuation model. Gains and losses from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss.

The Corporation also has warrants issued as compensation warrants that were issued to underwriters as a cost of the equity offering as disclosed in the share capital note and stock options. These broker warrants and stock options are not recorded as a derivative liability and are accounted for under IFRS 2 Share-based Payment.

Critical accounting judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

2. Significant accounting policies (continued)

Critical accounting judgements and estimation uncertainties (continued)

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments and warrant liability

Management is required to make certain estimates when determining the fair value of the warrant liability and share-based payments. These estimates affect the amount recognized as warrant liability and share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options and warrants.

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration interests.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Corporation considers whether relevant tax planning opportunities are within the Corporation's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Corporation from realizing the tax benefits from the deferred tax assets. The Corporation reassesses unrecognized income tax assets at each reporting period.

Contingencies

See Note 14.

2. Significant accounting policies (continued)

New accounting policies adopted

The Corporation adopted the following new standards, along with any consequential amendments, effective July 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity 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. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IAS 40 – Investment Property ("IAS 40") was amended to clarify that judgment is needed to determine whether an acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of IFRS 3, Business Combinations. Determining whether a specific transaction meets the definition of a business combination as defined in IFRS 3 and includes an investment property as defined in IAS 40 requires the separate application of both Standards. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Corporation's accounting periods on or after July 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Corporation and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

2. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 16 – Property, Plant and Equipment ("IAS 16") and IAS 41 – Agriculture ("IAS 41") were amended in June 2014 in order to bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 27 – Separate Financial Statements ("IAS 27") was amended in August 2014 to reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 38 - Intangible Assets ("IAS 38") and IAS 16 – Property, Plant and Equipment ("IAS 16"), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. Capital management

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises share capital, share-based payment reserve and accumulated deficit, which at June 30, 2015, totaled $833,593.

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
b. minimizing discretionary disbursements; and
c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient 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 Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the years ended June 30, 2015 and 2014. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

4. Financial risk factors

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk). Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2015 and 2014. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

4. Financial risk factors (continued)

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. As at June 30, 2015, the Corporation had cash of $405,231 to settle current liabilities of $89,543. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Corporation's financial liabilities as at June 30, 2015 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at June 30, 2015, the Corporation holds in cash the following amounts (reported in US$ currency) in CDN and US funds respectively: $390,274 and $14,957 (2014 - $87,112 and $99,721).

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Sensitivity analysis

As of June 30, 2015 and 2014, both the carrying and fair value amounts of the Corporation's financial instruments are approximately equivalent due to their short-term nature. The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" for the year ended June 30, 2015:

(i) As at June 30, 2015, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended June 30, 2015 would not have changed by a material amount as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.

(ii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation’s future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of June 30, 2015, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

4. Financial risk factors (continued)

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2015 and 2014, the Corporation did not hold any financial assets in the fair value hierarchy.

5. Mineral exploration interests

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 11,228,137 common shares valued at $1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc.

HTR holds a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR"). The Corporation may purchase 1% of the NSR for CDN$1,000,000 and another 0.5% for an additional CDN$1,000,000.

Subsequent to year end, two mining licenses were cancelled.

Participation right

The share exchange agreement includes a provision recognizing the possibility of additional share issuances by the Corporation to former shareholders of HTR (“Participation Right”) based on the number of Avidian warrants outstanding on the date of the agreement that are exercised by May 23, 2014. Avidian was required to provide notice on the earlier of May 30, 2014 and ten days after all Avidian warrants have been exercised, of the number of warrants exercised. The former shareholders of HTR have the right, but not the obligation, to purchase one additional Avidian common share for CDN $0.10 for every two Avidian warrants exercised, for a period of 30 days from the date that notice is received from the Corporation. The estimate of fair value is based on management’s best estimate of the timing and probability of having to issue additional shares. As the purchase price of additional Avidian common shares is denominated in a currency that is not the functional currency of the Corporation, the contingent consideration is classified as a liability. The amount for the contingent consideration payable was revalued at fair value at each reporting date and any difference was recorded in the consolidated statements of loss and comprehensive loss. Upon completion of the share exchange agreement, the contingent consideration payable was valued at $ 21,639 using the Black- Scholes option pricing model with the following assumptions: risk-free interest rate – 1.16%; expected life – 1.04 years; expected volatility – 100%; expected dividends – $nil with an exercise price of CDN $0.10. As of May 23, 2014 none of the warrants was exercised and the fair value of the contingent consideration payable was revalued to $nil.

(Expressed in US dollars except where otherwise indicated)

6. Equipment

Cost		Equipment
Balance, June 30, 2013	$	4,287
Additions		-
Balance, June 30, 2014		4,287
Additions		-
Balance, June 30, 2015	$	4,287

Amortization and impairment		Equipment
Balance, June 30, 2013	$	1,201
Amortization		617
Balance, June 30, 2014		1,818
Amortization		494
Balance, June 30, 2015	$	2,312

Carrying amounts		Equipment
Balance, June 30, 2014	$	2,469
Balance, June 30, 2015	$	1,975

(Expressed in US dollars except where otherwise indicated)

7. Share capital

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

50,650,781 common shares

	Number of Shares		Amount
Balance, June 30, 2013	30,586,837		2,090,608
Share issue costs – cash	-		(1,640)
Shares issued for services (i)	388,951		37,101
Balance, June 30, 2014	30,975,788	$	2,126,069
Shares issued for services (ii)	21,562		1,919
Private placement shares issued (iii)	19,653,431		905,985
Share issue costs – cash (iii)	-		(12,337)
Balance, June 30, 2015	50,650,781	$	3,021,636

(i) During the year ended June 30, 2014, the Corporation issued 388,951 shares valued at CDN$0.10 (US$0.095) each based on the price of the most recent private placement, for a total value of CDN$38,895 (US$37,101) in consideration for financial, corporate secretarial consulting, and geological fees. Of these shares, a total of 273,888 shares were issued to a former director and officer of the Corporation as settlement of debt for services rendered.

(ii) During the year ended June 30, 2015, the Corporation issued 21,562 shares valued at CDN$0.10 (US$0.089) each for a total value of CDN$2,156 (US$1,919) in consideration geological consulting services.

(iii) During the year ended June 30, 2015, the Corporation completed a private placement for 19,653,431 common shares offered at a price of CDN$0.05 (US$0.047) per share for total gross proceeds of CDN$982,672 (US$905,895), of which CDN$80,000 (US$74,960) was received during the year ended June 30, 2014. Share issue costs of $12,337 were incurred in relation to this financing. Of this private placement, a total of CDN$395,000 (US$363,401) was subscribed for by the directors and officers of the Corporation.

(iv) As at June 30, 2015, the Corporation is obligated to issue 100,000 shares pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in California. In addition, the Corporation is obligated to issue 35,625 shares pursuant to an agreement of settlement of debt for services rendered.

(c) Warrants and broker warrants

	Number of Warrants		Weighted Average Exercise Price (CDN)
Balance, June 30, 2013	2,237,000	$	0.10
Expired	(2,237,000)		-
Balance, June 30, 2014 and 2015	-	$	-

(Expressed in US dollars except where otherwise indicated)

7. Share capital (continued)

(d) Stock options

On April 30, 2015, the Corporation granted 2,500,000 stock options to an officer of the Corporation to purchase 2,500,000 common shares of the Corporation at an exercise price of CDN$0.025 (US$0.021) per share expiring on April 30, 2020. The vesting terms of these options are as follows: 500,000 on the day of grant, 1,000,000 on April 30, 2016 and 1,000,000 on April 30, 2017. The options were valued at $102,500 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. Share-based compensation expense of $25,166 was recorded in the year ended June 30, 2015 for these options.

On June 1, 2015, the Corporation granted 100,000 stock options to consultant of the Corporation to purchase 100,000 common shares of the Corporation at an exercise price of CDN$0.025 (US$0.020) per share for five years. These options vested immediately. These options were valued at $3,267 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 0.90%. Share-based compensation expense of $3,267 was recorded in the year ended June 30, 2015 for these options.

Outstanding and exercisable options as at June 30, 2015 are summarized as follows:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
CDN$0.025	2,600,000	4.77	600,000

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2015 was based on the loss attributable to common shareholders of $689,791 (2014 - $454,979) and the weighted average number of common shares outstanding of 48,527,653 (2014 - 30,851,725).

Diluted loss per share did not include the effect of the warrants disclosed in Note 7(c) and the stock options disclosed in Note 7(d) as they are anti-dilutive for the years ended June 30, 2015 and 2014.

(Expressed in US dollars except where otherwise indicated)

9. Related party transactions

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 the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

(a) The remuneration of key management personnel is comprised of

	June 30, 2015	June 30, 2014
Fees	$ 32,802	$ 31,271

(b) See Notes 7(b)(i),(iii) and (d)

(c) During the year ended June 30, 2015, the Corporation incurred $10,255 (2014 - $37,703) for legal services in connection with general matters from a former director of the Corporation. As at June 30, 2015, $Nil is included in accounts payable and accrued liabilities (2014 - $2,687).

(d) During the year ended June 30, 2015, the Corporation incurred $39,200 (2014 - $16,616) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2015, $6,798 is included in accounts payable and accrued liabilities (2014 - $Nil).

(e) During the year ended June 30, 2015, the Corporation incurred $19,625 (2014 - 4,433) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2015, $10,702 is included in accounts payable and accrued liabilities (2014 - $3,300).

(f) Accounts payable and accrued liabilities as at June 30, 2015 includes $3,917 (2014 - $Nil) owed to a director of the Corporation for travel expenses incurred on behalf of the Corporation.

(g) Accounts payable and accrued liabilities as at June 30, 2015 includes $11,673 (2014 - $3,242) owed to current and former officers of the Corporation for fees.

10. General and administrative

	June 30, 2015	June 30, 2014
Professional fees and transfer agent	$ 140,729	$ 152,359
Office supplies, bank charges and telephone	15,434	16,793
Amortization (Note 6)	494	617
Travel and promotion	29,796	16,173
Occupancy costs	17,550	16,488
	$ 204,003	$ 202,430

11. Exploration and evaluation expenditures

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of $400,000, subject to an NSR of 2%.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

(i) August 15, 2011: $20,000 (paid)
(ii) First anniversary of initial payment: $20,000 (paid)
(iii) Second anniversary of initial payment: $30,000 (paid)
(iv) Third anniversary of initial payment: $30,000 (paid)
(v) Each subsequent anniversary: $40,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor fifteen days before the deadline.

The claims are subject to a work commitment (subject to an extension of time from the effective date to the Resolution Date) of $50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and $150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled as at June 30, 2015).

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of $200,000, subject to a 2% NSR.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

(i) On execution of the agreement: $10,000 (paid)
(ii) First anniversary of initial payment: $10,000 (paid)
(iii) Second anniversary of initial payment: $15,000 (paid)
(iv) Third anniversary of initial payment: $20,000 (paid)
(v) Each subsequent anniversary: $20,000

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor not less than fifteen days before the statutory compliance deadline.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the “Altan Lease”) with Altan Rio (US) Inc., a Nevada corporation ("Altan"), a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

11. Exploration and evaluation expenditures (continued)

County Line (continued)

The term of the Altan Lease is for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation can purchase the claims at any time during the term of the Altan Lease for the price of $500,000, subject to a 3% NSR. The Corporation has the option to purchase one-half of the royalty payable under the Altan Lease for the price of $1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation is required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments are:

a. On execution of the Altan Lease: $10,000 (paid)
b. First anniversary of initial payment: $15,000 (paid)
c. Second anniversary of initial payment: $20,000 (paid)
d. Third anniversary of initial payment: $25,000
e. Each subsequent anniversary: $30,000

The Corporation has a work commitment obligation of $50,000 per year during each of the second through the fifth years of the Altan Lease, $100,000 per year during the sixth through tenth lease years, and $200,000 annually during each of the remaining lease years.

Under the Altan Lease, the Corporation must pay the federal annual mining claim maintenance fees ($145/claim) and State of Nevada mining claim fees ($12/claim) for the Rad Claims, record a notice of intent to hold the Altan Claims, and provide to the owner proof of the Corporation’s compliance not less than fifteen days before the statutory compliance deadline.

Dome Hill

On June 1, 2011, the Corporation entered into a lease agreement with Nevoro Nevada Inc. ("NNI") for claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims"). The term of the lease was for three years from the date of the agreement.

The Corporation could purchase the property before the third anniversary of the agreement for $25,000 less the amount of the minimum payments.

The Corporation was required to make minimum payments as follows, which would be credited against the purchase price.

a. June 1, 2011, $5,000 (paid)
b. First anniversary of the agreement: $5,000 (paid)
c. Second anniversary of agreement: $15,000 (no longer required to be paid)

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to NNI thirty days before the deadline.

The Corporation is subject to annual assessment work which must be completed by September 1 of each year to the extent required by law.

The property was subject to a 2% NSR. The Corporation could purchase half of the NSR for $1,000,000. The option to purchase the NSR must be exercised within nine months following commencement of production.

11. Exploration and evaluation expenditures (continued)

Dome Hill (continued)

Effective April 12, 2013, the Corporation and NNI entered into the First Amendment of Mining Lease and Option to Purchase Agreement Dome Hill Project in accordance with which the Corporation agreed to purchase all of the right, title and interest of NNI in the Nevoro Claims, including the royalty, for the sum of $7,000. The Corporation paid the purchase price and NNI executed and delivered quitclaim deeds to the Corporation which were recorded.

The Nevoro Lease has been terminated. The Corporation owns the Nevoro Claims outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevoro Claims.

On September 1, 2011, the Corporation entered into a mining lease and option to purchase agreement Sunshine Project (the “Sunshine Lease”) with Deborah A. Ostas for the Sunshine Group of unpatented mining claims located in Mono County, California (the "Sunshine Claims"). The term of the Sunshine Lease is for twenty years.

The Corporation was required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Sunshine Claims if the Corporation exercises its option to purchase the Sunshine Claims.

The minimum advance royalty payments were:

- (i) On execution of the Sunshine Lease $3,000 (paid)
- (ii) Each subsequent anniversary of the agreement $5,000 ($5,000 was paid on the first and second anniversary of the agreement)

The Corporation terminated this lease effective April 15, 2015.

On November 1, 2011, the Corporation entered into a mining lease and option to purchase agreement (the “Hermene Lease”) with Doyle Kenneth Brook, Jr., an officer and former director of the Corporation, and his spouse, Maria Brook, (collectively "Brook"), for the Hermene patented mining claim located in Mono County, California, Patent No. 285868, Mineral Survey No. 4763. The primary term of the Hermene Lease is for ten years with the right to extend the Hermene Lease for an additional ten years.

The Corporation was required to make minimum payments. The minimum payments are not credited against the purchase price for the Hermene Claim if the Corporation exercises its option to purchase the Hermene Claim. The minimum payments were:

- (i) On execution of the Hermene Lease: $1,000 (paid)
- (ii) Each subsequent anniversary of the agreement: $1,000 ($1,000 paid for the first and second anniversary payments)

The Corporation terminated this lease effective April 15, 2015.

11. Exploration and evaluation expenditures (continued)

Shawnee Creek (Formerly known as Jungo)

On August 29, 2011, the Corporation entered into a lease agreement with Dutch Gold Resources, Inc. ("DGRI"), a Nevada corporation, for claims located in Humboldt County of the State of Nevada, (the "Red Dog Claims"). The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

(i) Execution of agreement: $15,000 (paid)
(ii) First anniversary of agreement date: $15,000 (paid)
(iii) Second anniversary of agreement date: $20,000 (paid)
(iv) Each subsequent anniversary: $20,000 (paid)

The Corporation must also issue to DGRI 150,000 common shares. (Issued)

The Corporation must pay all federal ($145/claim) and state/county ($12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the deadline.

Subsequently, on January 8, 2013, DGRI, DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of $20,000 beginning on August 25, 2015. The agreement dated January 8, 2013, expressly supersedes the mining lease agreement dated August 29, 2011.

William R. Hansen, the owner of the Royalty Red Dog Claims, executed and delivered to the Corporation the Quitclaim Deed With Reservation of Royalty Red Dog Claims dated January 4, 2013, which was recorded in the Office of the Humboldt County Recorder on January 8, 2013, Document 2014-82 in return for a purchase price of $10,000. The Red Dog Claims are subject to a 2% NSR. The Corporation has no minimum royalty payment obligation to William R. Hansen.

On June 26, 2014, the Corporation purchased a 100% interest in the Red Dog Claims 101-160 and as a result there is no longer a 2% NSR.

Northern Lights

On August 31, 2011, the Corporation entered into a lease agreement with Kircher Mine Development LLC ("KMD") for claims located in Mineral County of the State of Nevada. The term of the lease was for twenty years. The Corporation could purchase the property for $250,000 any time during the term of the agreement and prior to commencing development or mining, subject to a 2.5% NSR. The Corporation could purchase 40% of the royalty representing a 1% NSR for $2,000,000.

The Corporation was required to make minimum payments as follows, cumulatively credited against the Corporation's royalty payment obligations.

a. First anniversary of agreement date: $5,000 (paid)
b. Second anniversary of agreement date: $10,000 (paid)
c. Third anniversary of agreement date: $15,000 (paid)
d. Every subsequent anniversary: $15,000

The Corporation terminated this lease effective April 15, 2015.

(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

Gray Hills
On June 1, 2014, the Corporation entered into a lease agreement with McIntosh Exploration LLC, a private Nevada company, for claims located in Lyon County of the State of Nevada, (the "Albite Claims"). The term of the lease was for ten years unless terminated or extended.

The Corporation is required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

(i) Execution of agreement: $10,000 (paid)
(ii) First anniversary of agreement date: $10,000
(iii) Second anniversary of agreement date: $15,000
(iv) Third anniversary of agreement date: $20,000
(v) Fourth anniversary of agreement date: $25,000
(vi) Fifth anniversary of agreement date: $30,000
(vii) Sixth anniversary of agreement date: $50,000
(viii) Every subsequent anniversary: $50,000

On December 27, 2014, the Board of Directors decided not to pursue any further exploration work on the property and the Corporation terminated the lease agreement.

Tramp Springs
On June 1, 2014, the Corporation entered into a lease agreement with T.J. and A.L. Percival, for claims located in Nye County of the State of Nevada, (the "Tramp Claims"). The term of the lease was for 20 years unless terminated or extended.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

(i) Execution of agreement: $5,000 (paid)
(ii) First anniversary of agreement date: $7,500
(iii) Second anniversary of agreement date: $10,000
(iv) Third anniversary of agreement date: $20,000
(v) Fourth anniversary of agreement date: $30,000
(vi) Fifth anniversary of agreement date: $40,000
(vii) Every subsequent anniversary: $40,000

The Corporation terminated this lease effective May 1, 2015

County Line	Year ended June 30, 2015	Year ended June 30, 2014
Acquisition and holding costs	$ 72,027	$ 65,289
Assays	6,201	9,195
Consulting fees	7,574	14,388
Field supplies, data and communication and other exploration costs	778	5,225
Drilling	22,492	38,051
Travel	201	496
	$ 109,273	$ 132,644

(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

Dome Hill		Year ended June 30, 2015		Year ended June 30, 2014
Acquisition and holding costs	$	10,932	$	25,412
Assays		-		1,396
Consulting fees		2,434		5,770
Field supplies, data and communication and other exploration costs		697		54
Legal and agreement costs		1,230		-
Geological		-		1,955
Travel				276
	$	15,293	$	34,863

Shawnee Creek (Formerly known as Jungo)				
Acquisition and holding costs	$	59,512	$	50,544
Assays		-		940
Consulting fees		6,396		1,450
Field supplies, data and communication and other exploration costs		6,354		680
Geophysical		-		4,332
Legal and agreement costs		1,005		484
Occupancy costs		950		507
	$	74,217	$	58,937

Northern Lights				
Acquisition and holding costs	$	31,554	$	20,054
Legal and agreement costs		300		-
	$	31,854	$	20,054

Gray Hills				
Acquisition and holding costs	$	1,769	$	10,000
Assays		1,988		-
Consulting fees		9,948		5,178
Field supplies, data and communication and other exploration costs		-		749
Legal and agreement costs		1,496		-
Travel		1,606		1,319
	$	16,807	$	17,246

Tramp Springs				
Acquisition and holding costs	$	9,714	$	20,829
Field supplies, data and communication and other exploration costs		7,463		-
Consulting		24,738		-
Travel		5,238		1,162
	$	47,153	$	21,991

Other Properties				
Evaluation expenditures	$	68,482	$	13,616
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	**$**	**363,079**	**$**	**299,351**

(Expressed in US dollars except where otherwise indicated)

12. Income taxes

The Corporation utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2015 and 2014 is $Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize deferred income tax assets.

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined statutory rate of 19% (2014 – 17%) are as follows:

	2015 $	2014 $
(Loss) before income taxes	(689,791)	(454,979)
Expected income tax recovery based on statutory rate	(133,000)	(77,000)
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	26,000	-
Other	105,000	(63,000)
Change in benefit of tax assets not recognized	2,000	140,000
Deferred income tax provision (recovery)	-	-

The 2015 statutory tax rate of 19% differs from the 2014 statutory tax rate of 17% due to the difference in allocation of the blended rate between entities in different jurisdictions.

(b) Deferred income tax

Recognized deferred tax assets and liabilities are as follows:

Canada	2015 $	2014 $
Mineral exploration property costs	(16,000)	-
Non-capital loss carry-forwards	16,000	-
Total	-	-

(Expressed in US dollars except where otherwise indicated)

12. Income taxes (continued)

(b) Deferred income tax (continued)

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
Canada	$	$
Non-capital loss carry-forwards	390,000	274,000
Share issue costs	32,000	44,000
Mineral exploration property costs	65,000	526,000
Other	-	2,000
Total	487,000	846,000
United States		
Non-capital loss carry-forwards	1,505,000	1,007,000
Decommissioning liability	29,000	25,000
Total	1,534,000	1,032,000

The Corporation has approximately $454,000 (CDN $553,000) (2014 - $274,000, CDN $292,000) of non-capital losses in Canada, $1,505,000 (2014 - $1,007,000) of non-capital losses in the United States as at June 30, 2015, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses will expire as follows:

Canada

2032	$ 31,000
2033	98,000
2034	139,000
2035	186,000
Total	$ 454,000

United States

2032	$ 129,000
2033	762,000
2034	455,000
2035	159,000
Total	$ 1,505,000

The Corporation has approximately $563,000 (CDN$701,000) of Canadian development and exploration expenditures as at June 30, 2015 (2014 - $1,015,000, CDN$1,082,000) which under certain circumstances can used to reduce taxable income in future years.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

(Expressed in US dollars except where otherwise indicated)

13. Decommissioning liability

The Corporation's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Corporation's mineral exploration interests:

	Amount
Balance, June 30, 2013	$ -
Adjustments resulting from re-measurement	24,783
Balance, June 30, 2014	24,783
Adjustments resulting from re-measurement	3,817
Balance, June 30, 2015	$ 28,600

The Corporation has assessed its total provision for closure and reclamation and estimated it to be $28,600 at June 30, 2015 (2014 - $24,783) based on a total future liability of approximately $27,000 (2014 - $24,000), an inflation rate of 1.8% (2014 - 2.1%) and a discount rate of 1.01% (2014 - 2.53%). Reclamation is expected to occur in ten years.

14. Commitments and contingencies

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. Subsequent events

Subsequent to June 30, 2015, the Corporation signed a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of $3 million. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometers northeast of Fairbanks.

The Corporation paid $5,000 at the time of signing a letter of intent and a further $20,000 on the signing of the definitive property agreement. The property agreement requires annual payments for the next 15 years. The first anniversary payment is $15,000. The payments increase by $10,000 annually. The Corporation can acquire the 3% NSR royalty for an additional $3 million.

Subsequent to June 30, 2015, the Corporation staked 20 claims at Castle Creek in Idaho.