MAMMOTH RESOURCES CORP.

Consolidated Financial Statements of

Mammoth Resources Corp.

For the years ended
January 31, 2015 and 2014
(Expressed in Canadian Dollars)

Management's Responsibility for Financial Statements

The accompanying financial statements of Mammoth Resources Corp. (the "Company" or "Mammoth") are the responsibility of management and the Board of Directors.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions, which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Management has established processes which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders. The financial statements have been audited by Davidson & Company LLP. Their report outlines the scope of their examination and opinion on the financial statements.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

DATED this 31st day of July 2015.

MAMMOTH RESOURCES CORP.

Per:	*(signed) “Tom Atkins”*	Per:	*(signed) “Errol Farr”*
	Name: Tom Atkins		Name: Errol Farr
	Title: President & Chief Executive Officer		Title: Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Mammoth Resources Corp.

We have audited the accompanying consolidated financial statements of Mammoth Resources Corp., which comprise the consolidated statements of financial position as at January 31, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, cash flows and 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.

Auditors' 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 auditors' 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Mammoth Resources Corp. as at January 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

NEXIA INTERNATIONAL

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Mammoth Resources Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 31, 2015

Mammoth Resources Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	January 31 2015 $	January 31 2014 $
ASSETS		
Current		
Cash	**23,988**	2,760
Government taxes recoverable (note 5)	**33,073**	49,651
Prepaid expenses	**2,881**	38,858
	59,942	91,269
Non-current		
Equipment (note 6)	**17,906**	30,528
Exploration and evaluation assets (note 7)	**951,722**	672,050
	1,029,570	793,847
LIABILITIES		
Current		
Trade payables and accrued liabilities	**300,215**	208,816
Loan from officer (note 10)	**-**	20,000
Due to related parties (note 10)	**86,419**	19,012
	386,634	247,828
Deferred income tax liability (note 15)	**50,000**	50,000
	436,634	297,828
SHAREHOLDERS' EQUITY		
Share capital, warrants and share-based payment reserves (note 8)	**3,120,835**	2,751,639
Share subscriptions receivable	**-**	(35,740)
Accumulated deficit	**(2,527,899)**	(2,219,880)
	592,936	496,019
	1,029,570	793,847

The accompanying notes are an integral part of these consolidated financial statements.
Nature of operations and going concern (notes 1 and 2)
Subsequent events (note 16)

Approved on behalf of the board on July 31, 2015

(signed) "Tom Atkins"
Director

(signed) "Wanda Cutler"
Director

Mammoth Resources Corp.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended January 31 2015 $	January 31 2014 $
Expenses		
General and administrative (note 11)	**84,992**	153,835
Consulting fees	**107,405**	199,421
Professional fees	**66,469**	90,009
Share-based payments (note 8)	**24,646**	95,843
Depreciation	**-**	1,445
Foreign exchange	**(493)**	7,036
Total operating expenses	**283,019**	547,589
Write-off of exploration and evaluation assets (note 7)		
Write-off of share subscriptions receivable	**25,000**	627,056
Loss before income taxes	**308,019**	1,174,645
Deferred income tax expense (note 15)	**-**	50,000
Net loss and comprehensive loss for the year	**308,019**	1,224,645
Loss per share - basic and diluted (note 9)	**0.01**	0.06
Weighted average number of shares outstanding – basic and diluted	**32,535,724**	21,419,408

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

Mammoth Resources Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the year ended January 31 2015 $	January 31 2014 $
Operating activities		
Loss for the year	**(308,019)**	(1,224,645)
Adjustments for non-cash items:		
Depreciation	**-**	1,445
Write-off of exploration and evaluation assets	**-**	627,056
Write-off of share subscriptions receivable	**25,000**	-
Share-based payments	**24,646**	95,843
Deferred income taxes	**-**	50,000
Net change in non-cash working capital balances:		
Government taxes recoverable	**16,578**	(27,286)
Prepaid expenses	**35,977**	(2,406)
Trade payables and accrued liabilities	**108,113**	24,011
Related party account payables	**67,407**	9,028
Net cash used in operating activities	**(30,298)**	(446,954)
Investing activities		
Exploration and evaluation assets	**(281,056)**	(381,714)
Disposal (purchase) of equipment	**2,292**	(20,246)
Net cash used in investing activities	**(278,764)**	(401,960)
Financing activities		
(Repayment)/advance of loan from officer	**(20,000)**	20,000
Common shares issued for cash	**326,210**	584,370
Share issuance costs	**(4,860)**	(13,600)
Exercise of stock options	**28,940**	-
Exercise of warrants	**-**	8,000
Net cash provided by financing activities	**330,290**	598,770
Net change in cash	**21,228**	(250,144)
Cash, beginning of the year	**2,760**	252,904
Cash, end of the year	**23,988**	2,760

Supplemental cash flow information:		
Common shares issued for property acquisition	**5,000**	-
Transfer to share capital from reserves on exercise of options	**12,679**	7,482
Share issuance costs	**2,883**	-
Depreciation capitalized to exploration and evaluation assets	**10,330**	8,285
Trade payables and accrued liabilities balances in exploration and evaluation costs	**132,583**	144,297

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

Mammoth Resources Corp.

Consolidated Statements of Changes in Shareholders’ Equity

(Expressed in Canadian dollars)

	Share capital		Warrants	Share-based payments reserves	Sub-total	Share subscriptions receivable	Accumulated deficit	Total
	#	$	$	$	$	$	$	$
Balance, January 31,2013	**16,135,000**	**1,533,284**	**-**	**494,502**	**2,027,786**	**-**	**(995,235)**	**1,032,551**
Issuance of common shares	12,187,400	609,370	-	-	609,370	(25,000)	-	584,370
Share issuance costs	-	(19,036)	5,436	-	(13,600)	-	-	(13,600)
Exercise of warrants	100,000	8,000	-	-	8,000	-	-	8,000
Shares issued for property acquisition	225,000	13,500	-	-	13,500	-	-	13,500
Share-based payments	-	-	-	95,843	95,843	-	-	95,843
Exercise of stock options	179,000	18,222	-	(7,482)	10,740	(10,740)	-	-
Net loss for the year	-	-	-	-	-	-	(1,224,645)	(1,224,645)
Balance, January 31, 2014	**28,826,400**	**2,163,340**	**5,436**	**582,863**	**2,751,639**	**(35,740)**	**(2,219,880)**	**496,019**
Issuance of common shares	9,320,285	326,210			326,210	-	-	326,210
Share issuance costs	-	(7,743)	2,883	-	(4,860)	-	-	(4,860)
Shares issued for property acquisition	125,000	5,000	-	-	5,000		-	5,000
Write-off of share subscriptions receivable	-	-	-	-	-	25,000	-	25,000
Exercise of stock options	303,333	30,879	-	(12,679)	18,200	10,740	-	28,940
Share-based payments	-	-	-	24,646	24,646	-	-	24,646
Net loss for the year	-	-	-	-	-	-	(308,019)	(308,019)
Balance, January 31, 2015	**38,575,018**	**2,517,686**	**8,319**	**594,830**	**3,120,835**	**-**	**(2,527,899)**	**592,936**

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

1. Nature of operations

Mammoth Resources Corp. ("Mammoth" or the "Company") was incorporated on January 7, 2011 under the *Canada Business Corporations Act*, and is involved in the acquisition, exploration and evaluation of mining properties in Mexico. Its stock is listed on the TSX Venture Exchange under the symbol MTH. The head office of the Company is located at 410-150 York Street, Toronto, Ontario, Canada M5H 3S5. The registered and records office of the Company is located at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada V6E 3X1.

Mammoth is an exploration stage company and currently has interests in mineral exploration properties in Mexico. Substantially all of the Company's efforts are devoted to financing and developing these properties and/or acquiring new ones. There has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable.

2. Going concern

These consolidated financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the year ended January 31, 2015, the Company incurred a net loss of $308,019 (2014 – $1,224,645), and used cash from operations of $30,298 (2014 - used cash from operations of $446,954). As at January 31, 2015, the Company had an accumulated deficit of $2,527,899 (January 31, 2014 - $2,219,880) and a working capital deficit of $326,692 (January 31, 2014 – $156,559). The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations. The Company also is dependent upon its ability to continue to raise adequate financing and there can be no assurances that the Company will be successful. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values. The Company is actively targeting sources of additional financing which may assure continuation of the Company's operations and exploration programs.

3. Basis of preparation

Statement of compliance
These consolidated financial statements 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 reporting period ended January 31, 2015.

(Expressed in Canadian dollars)

3. Basis of preparation (continued)

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest January 31 2015	Ownership Interest January 31 2014
Mammoth Resources Canada Corp.	Holding company	Canada	100%	100%
Mammoth Resources International Corp.	Holding company	Canada	100%	100%
Recursos Mineros Mamut S.A. de C.V.	Mineral exploration	Mexico	100%	100%

All inter-company balances and transactions, income and expenses have been eliminated upon consolidation.

4. Significant accounting policies

Equipment
Equipment is recorded at cost and amortized over its estimated useful life using to the straight-line method less its estimated residual value. The estimated useful life of the Company's equipment is as follows;

Vehicle	4 years
Equipment	1-2 years

Exploration and evaluation assets
Costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets following an impairment review and amortized using the unit of production method. If it is determined, that capitalized acquisition and exploration costs are not recoverable, or the project is abandoned, these costs are charged to operations in the current period. The Company's management reviews the carrying amounts of assets for impairment on a regular basis, at least annually. Government assistance is applied against deferred exploration expenses.

Where the Company enters into arrangements with a third party to option a working interest in a mineral property held by the Company, in exchange for cash and/or share consideration and/or certain exploration expenditures on the property, the exploration incurred by the third party is not recognized as part of the Company's interest and any cash/share consideration received is offset against the carrying value of the property and property option income is recognized if and when an excess arises.

4. Significant accounting policies (continued)

Impairment of non-financial assets
The Company reviews its exploration and evaluation assets on an annual basis to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the exploration and evaluation assets is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write down.

Impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of loss and comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Provision for closure and reclamation
The Company recognizes statutory, contractual or other legal obligations related to the retirement of its mineral properties and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at January 31, 2015 and 2014.

Basic and diluted loss per share
Basic income or loss per share is calculated using the weighted average number of shares outstanding during the period. In order to determine diluted loss per share, any proceeds from the exercise of dilutive stock options or warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The dilutive effect of convertible securities is reflected in diluted loss per share assuming such conversion occurred at the beginning of the period. The diluted loss per share calculation excludes any potential conversion of stock options or warrants that would decrease loss per share.

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at period end.

Deferred tax is recognized in respect of 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 statement of financial position 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.

4. Significant accounting policies (continued)

Share-based payment transactions
The fair value of stock options granted to employees is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee), or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Fair value of the warrants issued with common shares
Proceeds from unit placements are allocated between shares and warrants issued using the residual value method to determine the fair value of warrants issued. The proceeds are first attributed to the shares according to the fair market value at the time of issuance and any residual amount is allocated to the warrants.

Fair value of the warrants issued to brokers
The Company uses the fair value method based on the Black-Scholes pricing model to determine the fair value of the warrants issued to brokers and to record a debit in share issue costs with a corresponding credit to warrants.

Share issuance costs
Share issuance costs incurred on the issue of the Company's shares are charged directly to share capital.

Foreign exchange
Items included in the financial statements of each of the Company’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company and each of its subsidiaries is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Financial instruments
<u>Financial assets</u>
Financial assets are classified into one of four categories:

- Fair value through profit or loss (“FVTPL”);
- Held-to-Maturity (“HTM”);
- Loans and receivables; and
- Available-for-sale (“AFS”).

4. Significant accounting policies (continued)

Financial assets at fair value through profit or loss ("FVTPL")
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held to maturity ("HTM")
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of the estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

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

Available for sale ("AFS")
Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

The Company classifies its cash as FVTPL.

<u>Financial liabilities</u>
Financial liabilities are classified into one of two categories:

- Fair value through profit or loss; and
- Other financial liabilities

Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities
This category includes trade and other payables, all of which are recognized at amortized cost.

Trade payables, loan from officer and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

4. Significant accounting policies (continued)

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

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

Financial instruments recorded at fair value:
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Level 1	valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
• Level 2	valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3	valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of January 31, 2015, except for cash, none of the Company's financial instruments are recorded at fair value in the statement of financial position. The fair value of cash is based on Level 1 of the fair value hierarchy.

Critical accounting estimates and judgments
The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Significant accounting policies (continued)

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. whether or not an impairment has occurred in its exploration and evaluation assets;
2. the inputs used in the accounting for share-based payments expense in the consolidated statements of loss and comprehensive loss; and
3. the inputs used in the accounting for compensation options and brokers warrants in share capital and equity reserves.

Critical accounting judgments
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. going concern of operations;
2. the accounting policy for exploration and evaluation assets;
3. determining the provisions for income taxes and the recognition of deferred income taxes; and
4. the determination of categories of financial assets and financial liabilities.

Changes in Accounting policies
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after February 1, 2014. These include IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities, IAS 36 (Amendment) Recoverable Amount Disclosures for Non-Financial Assets, and IFRIC 21 Levies. The Company has adopted these policies and they did not have a significant effect on the financial statements. As required by IAS 34, the nature and the effect of these changes are disclosed below.

The nature and the impact of each new standard are described below:

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies
IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

(Expressed in Canadian dollars)

4. Significant accounting policies (continued)

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or IFRS Interpretations Committee that are not mandatory for accounting periods beginning on or after January 1, 2014 or later periods. They have not been early adopted in these financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 9, Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet made an assessment of the impact of the amendments.

IFRS 15, Revenue from Contracts with Customers, establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The change in accounting standard is unlikely to have a significant impact on the Company's consolidated financial statements.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

These Financial Statements were approved by the Board of Directors for issue on July 30, 2015.

5. Government taxes recoverable

The Company's receivables arise from two main sources: harmonized sales tax ("GST"/"HST") receivable due from Canadian government taxation authorities and value added tax ("VAT") due from Mexican government taxation authorities. The receivables balance is broken down as follows:

	January 31 2015 $	January 31 2014 $
GST/HST Recoverable	**2,430**	25,554
Mexican Sales Tax (VAT)	**30,643**	24,097
	33,073	49,651

The Company exercises judgment in presenting the Mexican Sales Tax (VAT) recoverable as current or non-current. It is management's judgment that the VAT recoverable is due and owing, and as such, the receivable is a current asset.

(Expressed in Canadian dollars)

6. Equipment

For the year ended January 31, 2015	Cost beginning of year	Additions/ Disposals	Impairment	Cost end of year
	$	$	$	$
Equipment	10,300	-	-	10,300
Vehicles	36,035	(2,292)	-	33,743
	46,335	**(2,292)**	**-**	**44,043**

For the year ending January 31, 2015	Accumulated depreciation beginning of year	Depreciation	Accumulated depreciation end of year	Net book value
	$	$	$	$
Equipment	8,405	1,895	10,300	-
Vehicles	7,402	8,435	15,837	17,906
	15,807	**10,330**	**26,137**	**17,906**

For the year ended January 31, 2014	Cost beginning of year	Additions	Impairment	Cost end of year
	$	$	$	$
Equipment	10,300	-	-	10,300
Vehicles	15,789	20,246	-	36,035
	26,089	**20,246**	**-**	**46,335**

For the year ending January 31, 2014	Accumulated depreciation beginning of year	Depreciation	Accumulated depreciation end of year	Net book value
	$	$	$	$
Equipment	2,348	6,057	8,405	1,895
Vehicles	3,729	3,673	7,402	28,633
	6,077	**9,730**	**15,807**	**30,528**

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

The Company has incurred the following acquisition costs and deferred exploration costs on its exploration and evaluation assets:

For the year ended January 31, 2015	**Urique Project** $	**Tenoriba Project** $	**Total** **$**
Acquisition costs, January 31, 2014	-	18,398	**18,398**
Additions	-	32,082	**32,082**
Acquisition costs, January 31, 2015	-	50,480	**50,480**
Deferred exploration costs, January 31, 2014	-	653,652	**653,652**
Additions for the year ended January 31, 2015			
Depreciation	-	10,330	**10,330**
Geophysics	-	1,777	**1,777**
Geology	-	174,398	**174,398**
Supplies	-	6,369	**6,369**
Taxes and permitting	-	32,522	**32,522**
Travel and accommodation	-	22,194	**22,194**
	-	247,590	**247,590**
Deferred exploration costs, January 31, 2015	-	901,242	**901,242**
Total exploration and evaluation assets, January 31, 2015	-	951,722	**951,722**

For the year ended January 31, 2014	**Urique Project** $	**Tenoriba Project** $	**Total** **$**
Acquisition costs, January 31, 2013	75,000	-	**75,000**
Additions	-	18,398	**18,398**
Write-off of acquisition costs	(75,000)		**(75,000)**
Acquisition costs, January 31, 2014	-	18,398	**18,398**
Deferred exploration costs, January 31, 2013	548,714	197,075	**745,789**
Additions for the year ended January 31, 2014			
Depreciation	-	8,285	**8,285**
Geophysics	-	74,915	**74,915**
Geology	-	206,629	**206,629**
Supplies	3,342	24,478	**27,820**
Taxes and permitting	-	64,485	**64,485**
Travel & accommodation	-	77,785	**77,785**
	3,342	456,577	**459,919**
Write-off of deferred exploration costs	(552,056)	-	**(552,056)**
Deferred exploration costs, January 31, 2014	-	653,652	**653,652**
Total exploration and evaluation assets, January 31, 2014	-	672,050	**672,050**

7. Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing. However, there can be no guarantee of title and the exploration and evaluation assets may otherwise be subject to prior claims, agreements, or transfers and rights of ownership may be affected by undetected defects. The properties in which the Company has earned or committed to earn an interest are located in Mexico.

Tenoriba Project
On July 3, 2012 the Company signed a definitive agreement with two private Mexican citizens to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). The Tenoriba project is comprised of three concessions, Mapy 1, Mapy 2 and Fernanda.

The terms of the Agreement permit the Company to acquire a 100% interest in the Tenoriba property by issuing a total of 900,000 common shares and making total cash payments of US$160,000 to the vendors over the four year option period and spending US$1,000,000 in exploration expenditures on or before June 30, 2016. The Agreement also allows for a 2% NSR royalty payable to the vendors upon commercial production. The royalty can be purchased by the Company at any time within a three year period from commencement of commercial production for US$1,500,000.

On March 12, 2015, the agreement was amended (the “Amended Agreement”) to provide for the following payments:

<u>‘Fernanda’ Concession Option Details</u>
Pursuant to the Agreement, the Company has issued 200,000 common shares and made cash payments of US$23,750 as follows:

1. 50,000 common shares and USD$12,500 on or before December 30, 2012 (issued and paid);
2. 50,000 common shares and USD$5,000 on or before June 30, 2013 (issued and paid);
3. 50,000 common shares and USD$12,500 on or before December 30, 2013 (issued and paid); and
4. 50,000 common shares and USD$12,500 on or before June 30, 2014 (issued and paid).

Pursuant to the Amended Agreement, the Company will issue 365,575 common shares and make cash payments of US$62,500 as follows:

1. 140,575 common shares on or before December 31, 2015;
2. 50,000 common shares and USD$12,500 on or before June 30, 2016;
3. 50,000 common shares and USD$12,500 on or before December 30, 2016;
4. 62,500 common shares and USD$18,750 on or before June 30, 2017; and
5. 62,500 common shares and USD$18,750 on or before December 30, 2017.

<u>‘Mapy’ Concession Option Details</u>
Pursuant to the Agreement, the Company issued 150,000 common shares as follows:

1. 75,000 common shares on or before December 30, 2013 (issued); and
2. 75,000 common shares on or before June 30, 2014 (issued).

7. Exploration and evaluation assets (continued)

Pursuant to the Amended Agreement, the Company will issue 465,575 common shares and make cash payments of US$62,500 as follows:

1. 140,575 common shares December 31, 2015;
2. 75,000 common shares and USD$12,500 on or before June 30, 2016;
3. 75,000 common shares and USD$12,500 on or before December 30, 2016;
4. 87,500 common shares and USD$18,750 on or before June 30, 2017; and
5. 87,500 common shares and USD$18,750 on or before December 30, 2017.

Urique Project
On September 8, 2011, the Company entered into an option agreement with Yale Resources Ltd. (“Yale”), subsequently amended by an amending agreement dated October 7, 2011 (the “Amending Agreement”), pursuant to which the Company can earn up to a 100% interest in 11 mining concessions, known as the Urique Project, owned by Yale (the “Option Agreement”).

On May 24, 2013, the Company decided to terminate the Option Agreement and return the property to Yale; as a result of the termination, all of the acquisition costs and deferred exploration costs were written-off.

8. Shareholders’ equity

Share capital
The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

<u>Fiscal year ended January 31, 2015</u>

- 303,333 stock options were exercised for proceeds of $28,940.

- On September 18 and 23, 2014, the Company completed a non-brokered private placement of 9,320,285 units at $0.035 per unit for gross proceeds of $326,210. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.10 per share until either September 18, 2016 or September 23, 2016. The Company issued 176,857 compensation options valued at $2,883. These options are exercisable at $0.10 until either September 18, 2016 or September 23, 2016.

- Pursuant to the Tenoriba Option Agreement, the Company issued 125,000 common shares to the optionor valued at $5,000.

<u>Fiscal year ended January 31, 2014</u>

- On July 23, 2013, the Company completed the first tranche of a non-brokered private placement of 2,142,400 units at $0.05 per unit for gross proceeds of $107,120. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until July 22, 2014 and at $0.10 from July 23, 2014 until July 23, 2015. The Company issued 80,000 compensation options valued at $2,472. These options are exercisable at $0.08 per share for the first year and $0.10 for the second.

8. Shareholders' equity (continued)

- On August 6, 2013, the Company completed the second tranche of a non-brokered private placement of 3,270,000 units at $0.05 per unit for gross proceeds of $163,500. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until August 6, 2014 and at $0.10 from August 7, 2014 until August 6, 2015.

- On September 13, 2013, the Company completed the third tranche of a non-brokered private placement of 5,870,000 units at $0.05 per unit for gross proceeds of $293,500. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until September 13, 2014 and at $0.10 from September 14, 2014 until September 13, 2015. The Company issued 104,000 compensation options valued at $2,964. These options are exercisable at $0.08 per share for the first year and $0.10 for the second. Subsequent to closing of this tranche of the private placement the Company realized that a cash subscription for $25,000 was not received on closing and a certificate for 500,000 shares was issued and delivered in error. Legally, the shares are not issued and the share certificate is not valid. However, attempts to recover the money and retrieve the share certificate have been unsuccessful to date. Accordingly, the receivable has been written off, the transfer agent has been advised to refuse transfer of the share certificate and the warrants have been cancelled.

- On November 27, 2013, the Company completed the fourth tranche of a non-brokered private placement of 905,000 units at $0.05 per unit for gross proceeds of $45,250. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.08 per share until November 27, 2014 and at $0.10 from November 28, 2014 until November 27, 2015.

- Pursuant to the Tenoriba Option Agreement, the Company issued 225,000 common shares to the optionor valued at $13,500.

Stock options
On September 30, 2014 the shareholders of the Company approved the conversion of the Company's stock option plan (the "Plan") from a 20% fixed Plan to a 10% rolling Plan, where by the maximum number of common shares that may be reserved for issuance under it shall not exceed 10% of the then outstanding common shares at the time of grant. The terms upon which any options are issued under the plan are subject to vesting provisions determined by the board of directors. The term of any options granted may not exceed 10 years and their exercise price and vesting conditions will be determined by the board of directors pursuant to the policies of the TSX Venture Exchange.

(Expressed in Canadian dollars)

8. Shareholders' equity (continued)

A summary of the Company's stock options and compensation stock options at January 31, 2015 is presented below:

	Number of options	Weighted average exercise price $
Outstanding, January 31, 2013	**2,633,000**	**0.20**
Granted	1,704,000	0.07
Exercised	(179,000)	0.06
Expired	(618,000)	0.17
Forfeited	(370,000)	0.10
Outstanding, January 31, 2014	**3,170,000**	**0.09**
Granted	666,333	0.05
Exercised	(303,333)	0.06
Options outstanding and exercisable at January 31, 2015	**3,533,000**	**0.08**

The following table sets out the details of the stock options granted and outstanding:

Date of grant	Remaining life years	Number of options	Exercise price $
May 12, 2011	1.28	605,000	0.10
December 22, 2011	1.89	100,000	0.10
January 13, 2012	1,95	300,000	0.10
April 12, 2012	2.20	450,000	0.10
June 30, 2012	2.41	190,000	0.10
February 12, 2013	0.03	200,000	0.12
August 3, 2013	0.50	300,000	0.06
September 19, 2013	3.64	537,667	0.06
April 9, 2014	4.19	379,000	0.05
April 16, 2014	4.21	287,333	0.05
		3,349,000	

The following table sets out the details of the compensation stock options granted and outstanding:

Date of grant	Remaining life years	Number of options	Exercise price $
July 31, 2013	0.50	80,000	0.10
September 13, 2013	0.62	104,000	0.10
		184,000	

(Expressed in Canadian dollars)

8. Shareholders' equity (continued)

Share-based payments
The fair value of the stock options granted for the year ended January 31, 2015 was $24,646 or $0.04 per option (2014 – $56,083 or $0.04 per option). The share-based payments expense for the year ended January 31, 2015 was $24,646 (2014 - $95,843).

The following table sets out the details of the valuation of stock option grants during the year ended January 31, 2015 and 2014:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
August 3, 2013	300,000	1.75%	Nil	116.20%	2 years
September 19, 2013	1,020,000	2.12%	Nil	104.50%	5 years
April 9, 2014	379,000	1.71%	Nil	111.69%	5 years
April 16, 2014	287,333	1.65%	Nil	112.76%	5 years

The following table set out the details for the re-pricing of stock options during the year ended January 31, 2014:

Date of original grant	Number re-priced	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
December 22, 2011	100,000	1.13%	Nil	100.00%	3.61 years
January 13, 2012	300,000	1.13%	Nil	100.00%	3.67 years
April 12, 2012	450,000	1.13%	Nil	100.00%	3.92 years
June 30, 2012	560,000	1.13%	Nil	100.00%	4.13 years

The following table sets out the details of the valuation of compensation options granted during the year ended January 31, 2014:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
July 23, 2013	80,000	1.15%	Nil	99.90%	2 years
September 13, 2013	104,000	1.28%	Nil	103.55%	3 years

Warrants and brokers warrants
The following table summarizes information on outstanding warrants and brokers warrants as at January 31, 2015:

	Number of warrants	**Weighted average exercise price $**
Outstanding, January 31, 2013	3,000,000	0.40
Granted	11,987,400	0.10
Exercised	(100,000)	0.08
Expired	(3,000,000)	0.40
Outstanding, January 31, 2014	**11,887,400**	**0.08**
Granted	9,497,142	0.08
Cancelled	(500,000)	0.08
Outstanding, January 31, 2015	**20,884,542**	**0.09**

(Expressed in Canadian dollars)

8. Shareholders' equity (continued)

The composition of the outstanding warrants as at January 31, 2015 consists of the following:

	Expiry range	Number of warrants	Price range $
Warrants	July 23, 2015	2,042,400	0.10
Warrants	August 6, 2015	3,270,000	0.10
Warrants	September 13, 2015	5,370,000	0.10
Warrants	November 27, 2015	905,000	0.10
Warrants and broker warrants	September 18, 2016	2,741,714	0.10
Warrants and broker warrants	September 23, 2016	6,755,428	0.10
		21,084,542	

The following table sets out the details of the valuation of compensation warrants granted during the year ended January 31, 2015:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
September 30, 2014	176,857	1.63%	Nil	117.44%	2 years

9. Loss Per Share

The calculation of basic loss per share for the year ended January 31, 2015 was based on the loss attributable to common shareholders of $308,019 (2014 - $1,224,645) and a weighted average number of common shares outstanding of 32,535,724 (2014 - 21,419,408).

10. Related party transactions and key management compensation

The Company defines its key management as the directors, Chief Executive Officer and Chief Financial Officer. For the year ended January 31, 2015, key management compensation was $213,392 (2014 - $244,775) including share-based payments of $20,829 (2014 - $42,149).

The following table summarizes information on related party transactions:

	Year ended January 31	
	2015	2014
	$	$
Professional fees	**30,000**	30,500
Consulting fees	**150,404**	158,746
Rent	**12,159**	13,380
Geologic consulting costs included in exploration and evaluation assets	**74,499**	10,000
Share-based payments	**20,829**	42,149

During the year ended January 31, 2014, the Company entered into a loan agreement with an officer of the Company in the amount of $20,000, which was repaid during the year thus reducing the balance owing at January 31, 2015 to $nil. The loan incurred interest at the Canadian prime rate (3%) plus 2% and was due on demand.

(Expressed in Canadian dollars)

10. Related party transactions and key management compensation (continued)

At January 31, 2015 related party accounts payable was $86,419 (2014 - $19,012) in connection with various services provided to the Company, including professional fees, corporate and geological consulting fees and office rent.

Commitment

The Company has entered into a consulting agreement with a director and officer of the Company for the provision of consulting services at a current cost of $130,000 per annum plus a bonus ranging from 0% to 100% per annum as recommended by the Compensation Committee and approval by the Board of Directors.

The agreement will continue indefinitely, subject to the termination notice given by either party. The Company must provide twelve month's written notice for termination but reserves the right to waive such notice upon paying the fees which would have accrued during the twelve month period. Should the Company be subject to a change in control and terminate the agreement, the engagement will terminate immediately and the Company will be required to pay an amount equal to 18 months of fees plus any bonus amount payable.

11. General and administrative expenses

The following table illustrates spending activity related to general and administrative expenses for the years ended January 31, 2015 and 2014:

	Year ended January 31	
	2015	2014
	$	$
Shareholder and investor relations	**27,622**	24,883
Office costs	**7,065**	52,264
Communications	**6,168**	11,143
Office rent	**13,484**	32,805
Regulatory and filing fees	**8,810**	12,345
Insurance	**20,184**	19,611
Travel and accommodations	**1,659**	784
	84,992	153,835

12. Financial instrument risk management

a) Fair value of financial instruments

The carrying values of cash, government taxes receivable and trade and accrued liabilities, loan from officer and due to related parties approximates fair values due to the short-term nature of these financial instruments.

12. Financial instrument risk management (continued)

b) Risk management

Credit risk
The Company's credit risk is primarily attributable to its cash and government taxes recoverable. The risk exposure is limited to their carrying values at the statement of financial position date. Cash is held as cash deposits with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Government taxes recoverable consist of input tax credits reimbursable to the Company.

Interest rate risk
The Company is not exposed to interest rate risk since it has no interest-bearing debt and its cash balances are not invested in interest-bearing instruments.

Liquidity risk
The Company's objective is to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As of January 31, 2015, the Company has $23,988 in cash to settle current liabilities of $386,634. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk
The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk or credit risk.

13. Capital risk management

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan and to meet its ongoing administrative costs. At January 31, 2015, the Company's capital consists of items in shareholders' equity, in the amount of $592,936 (January 31, 2014 - $496,019).

(Expressed in Canadian dollars)

13. Capital risk management (continued)

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements or covenants.

14. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Mexico. All of the Company's equipment and exploration and evaluation assets are located in Mexico.

15. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		Year ended January 31
	2015	2014
	$	$
Loss for the year	**(308,019)**	(1,174,645)
Expected income tax expense (recovery)	**(80,000)**	(303,000)
Effect of reduction in statutory and foreign tax rates and other	**161,000**	(33,000)
Permanent differences	**7,000**	26,000
Share issue costs	**(1,000)**	(4,000)
Impact on initial recognition of mining royalty tax	**-**	50,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**5,000**	-
Change in unrecognized deductible temporary differences and other	**(92,000)**	314,000
Total income tax expense	**-**	50,000

The Company's deferred income tax liability relates to the new Mexican mining royalty at the rate of 7.5%, which was enacted in Mexico from January 1, 2014 on a prospective basis and applies to earnings before the deduction of interest, taxes, depreciation and amortization as follows:

		Year ended January 31
	2015	2014
	$	$
Deferred tax liabilities:		
Exploration and evaluation assets	**50,000**	50,000

(Expressed in Canadian dollars)

15. Income taxes (continued)

The significant components of the Company's temporary differences and unused tax losses are as follows:

				Year ended January 31
	2015 $	**Expiry date range**	2014 $	Expiry date range
Share issue costs	49,000	**2017 - 2019**	84,000	2017 - 2019
Non-capital losses	1,392,000	**2031 - 2035**	1,072,000	2031 - 2034
Equipment	33,000	**No expiry**	23,000	No expiry
Exploration and evaluation assets	62,000	**No expiry**	627,000	No expiry
	1,536,000		1,806,000	

16. Subsequent events

On July 16, 2015, the Company completed the first tranche of a non-brokered private placement, issuing 7.9 million units at $0.01 per unit for gross proceeds of $79,000. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.05 per share until July 16, 2017. The Company issued 240,000 compensation units under the same terms as the private placement.

Subsequent to year end, 570,000 stock options granted to previous directors and officer of the Company expired unexercised pursuant to the stock option plan. The stock options have exercise price ranging from $0.05 to $0.10 and expires in December 2016 to April 2019.