ALCHEMIST MINING INC.

Consolidated Financial Statements

Years Ended April 30, 2015 and 2014

Expressed in Canadian Dollars

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALCHEMIST MINING INC.

We have audited the accompanying consolidated financial statements of Alchemist Mining Inc., which comprise the consolidated statements of financial position as at April 30, 2015 and 2014, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows 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, the consolidated financial statements present fairly, in all material respects, the financial position of Alchemist Mining Inc. as at April 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 27, 2015

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ALCHEMIST MINING INC.
Consolidated Statements of Financial Position
April 30, 2015 and 2014
(Expressed in Canadian Dollars)

		2015		2014
Assets				
Current				
Cash	$	**39,731**	$	263
Marketable securities (note 6)		**-**		35,286
Amounts receivable		**483**		6,307
Share subscriptions receivable (note 16)		**25,000**		-
Cash advanced for plan of arrangement (note 16)		**45,000**		-
		110,214		41,856
Equipment (note 7)		**1,232**		1,929
Exploration and Evaluation Assets (note 8)		**11,000**		105,000
	$	**122,446**	$	148,785
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**39,584**	$	93,278
Notes payable (note 9)		**41,300**		-
		80,884		93,278
Shareholders' Equity				
Share Capital (note 10)		**1,493,873**		1,100,307
Reserves		**125,097**		152,178
Accumulated Other Comprehensive Income		**-**		8,822
Deficit		**(1,577,408)**		(1,205,800)
		41,562		55,507
	$	**122,446**	$	148,785

Approved on behalf of the Board:

"Keith Anderson"
.... Director
Keith Anderson

"Dal Brynelsen"
.... Director
Dal Brynelsen

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

ALCHEMIST MINING INC.
Consolidated Statements of Operations and Comprehensive Loss
Years Ended April 30, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
Expenses		
Accounting, legal and audit (note 11)	$ **57,266**	$ 21,720
Amortization	**697**	1,875
Consulting fees	**69,500**	42,050
Filing fees and shareholder information	**36,489**	22,668
Management fees (note 11)	**126,000**	126,000
Office and general	**372**	8,509
Rent	**-**	1,050
Share-based payments (note 10)	**-**	10,923
Travel and promotion	**-**	256
	290,324	235,051
Impairment of Exploration and Evaluation Assets (note 8)	**105,000**	198,327
Realized Loss on Sale of Marketable Securities	**14,509**	-
Loss on Settlement of Debt	**11,775**	9,800
Bad Debt Expense	**-**	17,643
Part XII.6 Tax and Penalties (note 8)	**-**	4,855
Loss on Disposal of Equipment (note 7)	**-**	1,864
Net Loss for the Year	**(421,608)**	(467,540)
Item Reclassified to Profit or Loss		
Unrealized gain (loss) on available-for-sale investments (note 6)	**(8,822)**	8,822
Comprehensive Loss for the Year	$ **(430,430)**	$ (458,718)
Basic and Diluted Loss Per Share	$ **(0.04)**	$ (0.13)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	**9,414,059**	3,683,612

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

ALCHEMIST MINING INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves: Share-based Payments	Reserves: Warrants	Accumulated Other Comprehensive Income	Deficit	Total
Balance, April 30, 2013	**2,690,000**	**$ 859,356**	**$ 113,266**	**$ 62,000**	**$ -**	**$ (767,760)**	**$ 266,862**
Private placement	600,000	75,000	-	-	-	-	75,000
Share issuance costs	-	(3,597)	-	1,097	-	-	(2,500)
Shares issued for exploration and evaluation assets	300,000	90,000	-	-	-	-	90,000
Shares issued for debt settlement	980,000	58,800	-	-	-	-	58,800
Share options exercised	151,400	15,140	-	-	-	-	15,140
Fair value of share options exercised	-	5,608	(5,608)	-	-	-	-
Share-based payments	-	-	5,608	-	-	-	5,608
Re-pricing of share options	-	-	5,315	-	-	-	5,315
Expiry of share options	-	-	(17,500)	-	-	17,500	-
Expiry of warrants	-	-	-	(12,000)	-	12,000	-
Net loss and comprehensive loss for the year	-	-	-	-	8,822	(467,540)	(458,718)
Balance, April 30, 2014	**4,721,400**	**1,100,307**	**101,081**	**51,097**	**8,822**	**(1,205,800)**	**55,507**
Private placements	7,730,000	414,000	-	-	-	-	414,000
Share issuance costs	-	(45,519)	-	22,919	-	-	(22,600)
Shares issued for exploration and evaluation assets	100,000	5,500	-	-	-	-	5,500
Shares issued for debt settlement	1,837,700	107,585	-	-	-	-	107,585
Expiry of warrants	-	-	-	(50,000)	-	50,000	-
Plan of arrangement (note 9)	-	(88,000)	-	-	-	-	(88,000)
Net loss and comprehensive loss for the year	-	-	-	-	(8,822)	(421,608)	(430,430)
Balance, April 30, 2015	**14,389,100**	**$ 1,493,873**	**$ 101,081**	**$ 24,016**	**$ -**	**$ (1,577,408)**	**$ 41,562**

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

ALCHEMIST MINING INC.
Consolidated Statements of Cash Flows
Years Ended April 30, 2015 and 2014
(Expressed in Canadian Dollars)

		2015		2014
Operating Activities				
Net loss	$	**(421,608)**	$	(467,540)
Items not involving cash				
Amortization		**697**		1,875
Impairment of exploration and evaluation assets		**105,000**		198,327
Realized loss on sale of marketable securities		**14,509**		-
Loss on settlement of debts		**11,775**		9,800
Loss on disposal of equipment		**-**		1,864
Bad debt expense		**-**		17,643
Share-based payments		**-**		10,923
		(289,627)		(227,108)
Changes in non-cash working capital				
Amounts receivable		**5,824**		748
Prepaid expenses		**-**		13,927
Accounts payable and accrued liabilities		**42,116**		112,855
Cash Used in Operating Activities		**(241,687)**		(99,578)
Investing Activities				
Exploration and evaluation expenditures		**(5,500)**		(25,136)
Proceeds from sale of marketable securities		**11,955**		-
Disposition of equipment		**-**		250
Repayments from related parties		**-**		12,312
Cash Provided by (Used in) Investing Activities		**6,455**		(12,574)
Financing Activities				
Issuance of common shares, net of share issue costs		**366,400**		87,640
Cash paid in plans of arrangement (notes 9 and 16)		**(89,000)**		-
Repayment of notes payable		**(2,700)**		-
Obligation to issue shares		**-**		(10,000)
Cash Provided by Financing Activities		**274,700**		77,640
Increase (Decrease) in Cash		**39,468**		(34,512)
Cash, Beginning of Year		**263**		34,775
Cash, End of Year	$	**39,731**	$	263
SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS				
Income tax paid	$	**-**	$	-
Interest paid	$	**-**	$	-
Shares issued for accounts payable	$	**95,810**	$	49,000
Shares issued for exploration and evaluation assets	$	**5,500**	$	90,000
Fair value of warrants expired	$	**50,000**	$	-
Fair value of warrants granted	$	**22,919**	$	-
Subscriptions receivable	$	**25,000**	$	-
Settlement of related party receivable through share issuance	$	**-**	$	44,107

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

1. NATURE OF OPERATIONS

Alchemist Mining Inc. (the "Company") was incorporated as NY85 Capital Inc. under the *Business Corporations Act* on October 22, 2010 in the province of British Columbia. On October 1, 2012 the shareholders of the Company approved the name change from NY85 Capital Inc. to Alchemist Mining Inc. at the Annual General and Special Meeting of the Company. On August 20, 2014, the Company de-listed from the TSX-V and commenced trading on the Canadian Securities Exchange ("CSE"). The common shares of the Company are listed for trading on the CSE under the symbol AMS. The Company operates in a single business segment focusing on mineral exploration in Canada.

The principal business office of the Company is located at 1288 Steeple Drive, Coquitlam, British Columbia, V3E 1K2.

2. GOING CONCERN UNCERTAINTY

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that 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.

Several adverse conditions cast significant doubt on the validity of this assumption. For the year ended April 30, 2015, the Company incurred a net loss of $421,608 (2014 - $467,540), and as at April 30, 2015, has an accumulated deficit of $1,577,408 (2014 - $1,205,800), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

Approval of the consolidated financial statements

The consolidated financial statements of the Company for the year ended April 30, 2015 were reviewed by the Audit Committee and approved and authorized for issue on August 27, 2015 by the Board of Directors of the Company.

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

3. BASIS OF PRESENTATION (Continued)

Basis of preparation and consolidation

The consolidated financial statements include the accounts of the Company and its integrated wholly-owned subsidiaries, Alexis Financial Inc., Chichi Financial Inc. and SYD Financial Inc, and are presented in Canadian dollars, which is also the Company's functional currency. The consolidated financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

<u>The carrying value of the exploration and evaluation assets and the recoverability of the carrying value</u>

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU") or group of CGUs level in the year the new information becomes available.

Significant accounting estimates and assumptions

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The recoverability of deferred tax assets;
- Useful lives of depreciable assets;
- Provision for reclamation costs, among others; and
- Assumptions used to calculate share-based payments.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the consolidated financial statements, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Amortization

The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Amortization rate
Computer equipment	55% declining-balance
Furniture and fixtures	20% declining-balance

One-half the normal amortization is taken in the year of acquisition.

Exploration and evaluation assets

Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration, and classified as a component of mineral properties. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable to general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to "mines under construction". No amortization is taken during the exploration and evaluation phase.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date the Company does not have any decommissioning liabilities.

Impairment of long-lived assets

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to amortization to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets (continued)

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU 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 had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss (“FVTPL”), held-to-maturity investments (“HTM”), loans and receivables, and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of assets at recognition.

- Financial assets at fair value through profit or loss
  Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income.

- Held-to-maturity investments
  HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost, less any impairment.

- Available-for-sale financial assets
  AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

  Management assesses the carrying value of AFS financial assets at least annually and any impairment charges are also recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities in the following categories: Borrowings and other financial liabilities and derivative financial liabilities.

- Borrowings and other financial liabilities
  Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

- Derivative financial liabilities
  Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss. Derivative financial liabilities include warrants issued by the Company denominated in a currency other than the Company's functional currency.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Inputs for assets or liabilities that are not based on observable market data.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of operations and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in option reserves is transferred to share capital.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Existing share options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share is the same.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of options or warrants is recorded in share capital and the related residual value is transferred to share capital. For those warrants that expire, the recorded value is transferred to deficit.

Flow-through shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. A liability is recognized for the premium on the flow-through shares and is subsequently reversed as the Company incurs qualifying Canadian exploration expenditures.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve first based on the fair value of the warrant component using the Black-Scholes option pricing model on grant date. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

New accounting standard issued but not yet effective

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company’s annual periods beginning on May 1, 2018.

5. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; share subscriptions receivable and cash advanced for plan of arrangement, as loans and receivables; marketable securities, as AFS; and accounts payable and accrued liabilities and notes payable, as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. The contractual financial liabilities of the Company as of April 30, 2015 equal $80,884 (2014 - $93,278). All of the liabilities presented as accounts payable are due within 90 days of April 30, 2015.

Market risk

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

As at April 30, 2015, the Company is not exposed to significant market risk.

6. MARKETABLE SECURITIES

The Company received 882,140 common shares of Weststar Resources Corp. (“WER”) on March 3, 2014, a company related through common officers and directors. The common shares received were in settlement of amounts due to the Company of $44,107. The fair value of the common shares of WER based on their trading price was $26,464. Accordingly, the Company realized a bad debt expense of $17,643. The common shares of WER are subject to a four-month hold period.

On June 9, 2014, WER consolidated its shares on a one new share for two old shares basis. The Company's holdings were adjusted to 441,070 common shares of WER.

During the year ended April 30, 2015, the Company sold 441,070 common shares of WER for proceeds of $11,955, resulting in a realized loss of $14,509.

(Expressed in Canadian Dollars, unless otherwise stated)

6. MARKETABLE SECURITIES (Continued)

At April 30, 2014, the fair value of the common shares of WER held was $35,286. Accordingly, an unrealized gain of $8,822 was recorded in other comprehensive income for the year ended April 30, 2014.

7. EQUIPMENT

	Computer Equipment	Furniture and Fixtures	Total
Cost			
Balance, April 30, 2013	$ 2,724	$ 4,381	$ 7,105
Disposal	-	(2,349)	(2,349)
Balance, April 30, 2014 and 2015	$ 2,724	$ 2,032	$ 4,756
Amortization			
Balance, April 30, 2013	$ 749	$ 438	$ 1,187
Amortization	1,086	789	1,875
Disposal	-	(235)	(235)
Balance, April 30, 2014	1,835	992	2,827
Amortization	489	208	697
Balance, April 30, 2015	$ 2,324	$ 1,200	$ 3,524
Net Book Value			
April 30, 2014	$ 889	$ 1,040	$ 1,929
April 30, 2015	$ 400	$ 832	$ 1,232

During the year ended April 30, 2014, the Company sold furniture and fixtures for proceeds of $250 and recognized a loss on sale of $1,864.

8. EXPLORATION AND EVALUATION ASSETS

Tchentlo Lake Property

On June 24, 2014, the Company entered into an option agreement to acquire up to an 80% interest in the Tchentlo Lake Property ("Tchentlo"), consisting of six mineral claims in British Columbia. Payment terms of the agreement were amended on August 6, 2015 and again on August 25, 2015.

In consideration for earning a 51% interest in Tchentlo, the Company must make payments and issue common shares as follows:

- $5,500 in cash (paid) and 100,000 common shares of the Company (issued and valued at $5,500);
- $10,000 in cash on or before September 8, 2015;
- $20,000 in cash and 250,000 common shares of the Company on or before August 20, 2016; and
- $25,000 in cash on or before August 20, 2017.

The Company must also incur $255,000 in exploration expenditures on Tchentlo by August 20, 2017.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

Tchentlo Lake Property (continued)

The vendor will retain a 2% net smelter royalty on Tchentlo of which the Company can buy back 1% on or before August 20, 2021 for $500,000.

The Company can earn an additional 29% interest in Tchentlo (total of 80%) by making the following payments and issuing common shares as follows:

- $25,000 in cash and 250,000 common shares of the Company on or before August 20, 2018; and
- $50,000 in cash and 250,000 common shares of the Company on or before August 20, 2019.

Mondatta Property

On July 30, 2013, the Company acquired a 100% interest in the Mondatta Property ("Mondatta"), comprising 16 mineral claim units in the Porcupine Mining Division of Ontario. In consideration, the Company paid $15,000 in cash and issued 300,000 common shares of the Company (with a fair value of $90,000).

During the year ended April 30, 2015, management identified indicators of impairment under IFRS 6 *Exploration for and Evaluation of Mineral Resources* with respect to the Mondatta Property. Given the stage of exploration activities at Mondatta, management was unable to determine a reliable recoverable amount in line with either the fair value less costs to sell or value in use methods, as defined in and which would satisfy the requirements of IAS 36. As no acceptable recoverable amount could be calculated, and the Company plans that they would no longer focus exploration efforts on Mondatta, the property was impaired to $nil, in line with Level 3 of the fair value hierarchy.

Shakespeare Property

On July 23, 2012, the Company entered into an option agreement to earn a 100% interest in the Shakespeare Property ("Shakespeare"), comprising 18 mining claims in the Sudbury Mining Division of Ontario.

In order to earn a 100% interest, the Company was required to issue common shares of the Company according to the following schedule:

- 300,000 common shares on or before August 24, 2012 (issued and valued at $120,000);
- 300,000 additional common shares on or before August 24, 2013; and
- 400,000 additional common shares on or before August 24, 2014.

Additionally, the Company was required to incur exploration expenditures of $630,000 over three years and complete a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* technical report on or before August 24, 2014.

The vendor retained a 3% net smelter royalty on Shakespeare, of which the Company could buy back 1% on or before August 24, 2019 for $1,000,000.

During the year ended April 30, 2014, the Company decided to discontinue exploration of Shakespeare. Accordingly, Shakespeare was impaired to $nil.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

Flow-through expenditures

On May 31, 2012, the Company raised $200,000 through the issuance of flow-through units. The Company was required to spend the proceeds on Qualifying Canadian exploration expenditures by December 31, 2013. The Company spent $154,300 on Qualifying Canadian exploration expenditures and had $45,700 remaining to be spent at December 31, 2013. Accordingly, the Company paid $4,855 of Part XII.6 tax and penalties. The Company has since amended the previously renounced flow-through shares and no longer has additional proceeds left to spend.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Title to exploration and evaluation interests

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

(Expressed in Canadian Dollars, unless otherwise stated)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Tchentlo	Mondatta	Shakespeare	Total
Balance, April 30, 2013	**$ -**	**$ -**	**$ 188,191**	**$ 188,191**
Acquisition Costs				
Cash	-	15,000	-	15,000
Shares	-	90,000	-	90,000
Total Acquisition Costs	-	105,000	-	105,000
Deferred Exploration Costs				
Field work	-	-	8,800	8,800
Geological consulting	-	-	1,336	1,336
Total Deferred Exploration Costs	-	-	10,136	10,136
Impairment	-	-	(198,327)	(198,327)
Balance, April 30, 2014	**-**	**105,000**	**-**	**105,000**
Acquisition Costs				
Cash	5,500	-	-	5,500
Shares	5,500	-	-	5,500
Total Acquisition Costs	11,000	-	-	11,000
Impairment	-	(105,000)	-	(105,000)
Balance, April 30, 2015	**$ 11,000**	**$ -**	**$ -**	**$ 11,000**

9. PLAN OF ARRANGEMENT

Effective December 30, 2014, the Company entered into a Plan of Arrangement (the "Arrangement"). Pursuant to the Arrangement, the Company exchanged all of its issued and outstanding common shares for one New Common Share, one Class 1 Reorganization Share and one Class 2 Reorganization Share of the Company.

All of the Class 1 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, Boomer Financial Inc. (“Spinco1”), a private British Columbia company, in exchange for 2,200,000 common shares of Spinco1 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 1 Reorganization Shares by the transfer to Spinco1 of $22,000 of working capital and a promissory note in the principal amount of $22,000.

Further, all of the Class 2 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, Vanrocco Financial Inc. (“Spinco2”), in exchange for 2,200,000 shares of Spinco2 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 2 Reorganization Shares by the transfer to Spinco2 of $22,000 of working capital and a promissory note in the principal amount of $22,000.

The promissory notes are without interest or stated terms of repayment. During the year ended April 30, 2015, $2,700 (2014 - $nil) was repaid on the notes payable.

Subsequent to the closing of the Arrangement, the shareholders of the Company owned shares of both Spinco1 and Spinco2 directly.

10. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued

For the year ended April 30, 2015

On August 20, 2014, the Company closed a non-brokered private placement and raised $302,500 through the issuance of 5,500,000 units at a price of $0.055 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.10 in the first year and $0.20 in the second year. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company's shares is $0.20 or higher in the first year for ten consecutive days and $0.30 or higher in the second year for ten consecutive days. The Company paid a finder's fee of $18,700 in cash and 340,000 finder's warrants valued at $19,585. Each finder's warrant has the same terms as the warrants issued in the private placement. Other share issue costs of $750 were incurred.

On August 20, 2014, the Company issued 785,000 common shares as settlement of $43,175 in accounts payable. The fair value of the common shares issued according to the trading price was $54,950. Accordingly, the Company realized a loss on settlement of debts of $11,775.

On August 20, 2014, the Company issued 100,000 common shares valued at $5,500 for mineral property acquisitions (note 8).

On April 2, 2015, the Company closed a non-brokered private placement and raised $111,500 through the issuance of 2,230,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.10 per share. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company's shares is $0.20 or higher in the first year for ten consecutive days and $0.30 or higher in the second year for ten consecutive days. The Company paid a finder's fee of $3,150 in cash and 63,000 finder's warrants valued at $3,334. Each finder's warrant has the same terms as the warrants issued in the private placement.

On April 2, 2015, the Company issued 1,052,700 common shares as settlement of $52,635 in accounts payable.

For the year ended April 30, 2014

On June 7, 2013 (first tranche) and July 29, 2013 (second tranche), the Company closed a non-brokered private placement and raised $75,000 through the issuance of 600,000 units at a price of $0.125 per unit; $10,000 of the proceeds were received prior to April 30, 2013. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.35 in the first year and $0.50 in the second year. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company's shares is $0.50 or higher in the first year for ten consecutive days and $0.75 or higher in the second year for ten consecutive days. The Company paid a finder's fee of $2,500 in cash and 20,000 finders' warrants valued at $1,097. Each finder's warrant has the same terms as the warrants issued in the private placement.

10. SHARE CAPITAL (Continued)

Issued (continued)

For the year ended April 30, 2014 (continued)

On July 30, 2013, the Company issued 300,000 common shares valued at $90,000 for mineral property acquisitions (note 8).

On February 19, 2014, the Company issued 680,000 common shares to officers and a consultant as settlement of $34,000 in unpaid management and consulting fees. The Company also issued 300,000 common shares as settlement of the $15,000 note payable with an arm's length party. The fair value of the common shares issued according to the trading price was $58,500. Accordingly, the Company realized a loss on settlement of debts of $9,800.

On March 17, 2014, the Company received $15,140 on the exercise of 151,400 share options at a price of $0.10 per share. The Black-Scholes fair value of the options of $5,608 was transferred from reserves to share capital upon exercise.

Escrow shares

On October 22, 2010, the Company issued 400,000 common shares at $0.25 per share for total proceeds of $100,000. These common shares are to be held in escrow. Upon issuance of the Final Exchange Bulletin pursuant to the completion of the qualifying transaction ("QT"), 10% of the common shares were released from escrow and an additional 15% is to be released every six months thereafter. While in escrow, the escrow shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities.

During the year ended April 30, 2013, the QT was completed and the first 10% and an additional 15% of the common shares were released from escrow. During the year ended April 30, 2014, an additional 30% of the common shares were released from escrow. During the year ended April 30, 2015, an additional 30% of the common shares were released from escrow. As at April 30, 2015, the balance of escrow shares was 60,000 (2014 - 180,000).

Share options

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and exercisable for a period of up to ten years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

(Expressed in Canadian Dollars, unless otherwise stated)

10. SHARE CAPITAL (Continued)

Share options (continued)

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

The changes in share options during the years ended April 30, 2015 and 2014 are summarized as follows:

	2015		**2014**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	188,000	$ 0.10	220,000	$ 0.75
Granted	-	-	151,400	$ 0.10
Exercised	-	-	(151,400)	$ 0.10
Expired/cancelled	-	-	(32,000)	$ 0.75
Outstanding, end of year	188,000	$ 0.10	188,000	$ 0.10*

* All outstanding options re-priced on April 22, 2014

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

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Outstanding	Options Exercisable
July 9, 2017	2.19	$ 0.10	168,000	168,000
February 13, 2018	2.79	$ 0.10	20,000	20,000
	2.26	$ 0.10	188,000	188,000

The following table summarizes information about share options outstanding at April 30, 2014:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Outstanding	Options Exercisable
July 9, 2017	3.19	$ 0.10	168,000	168,000
February 13, 2018	3.79	$ 0.10	20,000	20,000
	3.26	$ 0.10	188,000	188,000

(Expressed in Canadian Dollars, unless otherwise stated)

10. SHARE CAPITAL (Continued)

Share options (continued)

The fair value of share options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2015	2014
Expected life (years)	N/A	1.00
Risk-free interest rate	N/A	1.09%
Volatility	N/A	206%
Dividend yield	N/A	N/A
Weighted average grant date fair value	N/A	$ 0.04

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility of a comparable company to estimate the volatility of the share price for share options with expected lives greater than one year.

For the year ended April 30, 2015

There were no share option transactions during the year ended April 30, 2015.

For the year ended April 30, 2014

On March 12, 2014, the Company granted 151,400 share options to consultants of the Company at a price of $0.10 per share. The share options are fully vested and exercisable upon grant and expire on March 12, 2015. The fair value of the options granted calculated using the Black-Scholes option-pricing model was $5,608.

On March 17, 2014 the 151,400 share options granted were exercised. Accordingly, the $5,608 fair value was transferred from share-based payments reserve to share capital.

On April 22, 2014, the Company amended the exercise price of 188,000 share options previously granted to directors and consultants from $0.75 per share to $0.10 per share. To calculate the incremental value of the amendment, the Company used the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.18%; expected dividend yield of zero; expected share price volatility of 139%; expected life of 3.27 years. The Company used the historical volatility of comparable companies to estimate the volatility of the share price. The incremental value of $5,315 was recorded as share-based compensation expense.

During the year ended April 30, 2014, the Company transferred $17,500 to deficit from share-based payments reserve on the expiry of 32,000 share options that were unexercised following the resignations of directors, officers and consultants of the Company.

(Expressed in Canadian Dollars, unless otherwise stated)

10. SHARE CAPITAL (Continued)

Warrants

The changes in warrants during the years ended April 30, 2015 and 2014 are summarized as follows:

	2015		**2014**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	1,800,000	$ 0.20	1,520,000	$ 0.54
Issued	8,133,000	$ 0.10	320,000	$ 0.35
Expired	(1,480,000)	$ 0.17	(40,000)	$ 0.50
Outstanding, end of year	8,453,000	$ 0.12	1,800,000	$ 0.20

A summary of warrants outstanding at April 30, 2015 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
June 7, 2015*	0.10	$ 0.50	280,000
July 29, 2015*	0.25	$ 0.50	40,000
August 20, 2016	1.31	$ 0.10/$0.20	5,840,000
April 2, 2017	1.93	$ 0.10	2,293,000
	1.43	$ 0.12	8,453,000

* Expired unexercised subsequent to year-end

A summary of warrants outstanding at April 30, 2014 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
May 31, 2014	0.08	$ 0.165	1,480,000
June 7, 2015	1.10	$ 0.35/$0.50	280,000
July 29, 2015	1.25	$ 0.35/$0.50	40,000
	0.51	$ 0.20	1,800,000

For the year ended April 30, 2015

On August 20, 2014, the Company closed a non-brokered private placement and raised $302,500 through the issuance of 5,500,000 units at a price of $0.055 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.10 in the first year and $0.20 in the second year. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company's shares is $0.20 or higher in the first year for ten consecutive days and $0.30 or higher in the second year for ten

10. SHARE CAPITAL (Continued)

Warrants (continued)

For the year ended April 30, 2015 (continued)

consecutive days. The Company paid a finder's fee of $18,700 in cash and 340,000 finder's warrants valued at $19,585. Each finder’s warrant has the same terms as the warrants issued in the private placement. Other share issue costs of $750 were incurred.

On April 2, 2015, the Company closed a non-brokered private placement and raised $111,500 through the issuance of 2,230,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.10 per share. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company’s shares is $0.20 or higher in the first year for ten consecutive days and $0.30 or higher in the second year for ten consecutive days. The Company paid a finder's fee of $3,150 in cash and 63,000 finder's warrants valued at $3,334. Each finder’s warrant has the same terms as the warrants issued in the private placement.

During the year ended April 30, 2015, the Company transferred $50,000 to deficit from warrants reserve on the expiry of 1,480,000 share purchase warrants.

For the year ended April 30, 2014

On June 7, 2013 (first tranche) and July 29, 2013 (second tranche), the Company closed a non-brokered private placement and raised $75,000 through the issuance of 600,000 units at a price of $0.125 per unit; $10,000 of the proceeds were received prior to April 30, 2013. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.35 in the first year and $0.50 in the second year. The warrants are subject to a 30-day forced exercise provision if the closing price of the Company’s shares is $0.50 or higher in the first year for ten consecutive days and $0.75 or higher in the second year for ten consecutive days. The Company paid a finder’s fee of $2,500 in cash and 20,000 finders’ warrants valued at $1,097. Each finder’s warrant has the same terms as the warrants issued in the private placement.

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its finders’ warrants granted with the following assumptions: risk-free interest rate of 1.25%; expected dividend yield of zero; expected stock price volatility of 128%; expected life of two years. The Company used the historical volatilities of comparable companies to estimate the volatility of the share price. The grant date fair value of each finder’s warrant was $0.05. Accordingly, $1,097 was recognized as share issue costs and recorded as a reduction in the share capital amount for the year ended April 30, 2014.

On April 3, 2014, the Company amended the exercise price of 500,000 warrants with an exercise price of $0.60 and 980,000 warrants with an exercise price of $0.50 to a new exercise price of $0.165 per share.

During the year ended April 30, 2014, the Company transferred $12,000 to deficit from warrants reserve on the expiry of 40,000 finder’s warrants.

(Expressed in Canadian Dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation for years ended April 30, 2015 and 2014 is as follows:

	2015	2014
Short-term compensation	$ 132,500	$ 133,336

Of the $132,500 recorded as short-term compensation for the year ended April 30, 2015 (2014 - $133,336), $6,500 (2014 - $6,000) was recorded as accounting, legal and audit fees, $126,000 was recorded as management fees (2014 - $126,000) and $nil (2014 - $1,336) was recorded as deferred exploration expenditures.

At April 30, 2015, $nil of unpaid management fees was included in accounts payable and accrued liabilities (2014 - $52,050).

At April 30, 2015, notes payable of $41,300 (2014 - $nil) from the plan of arrangement are held by companies with common directors.

During the year ended April 30, 2014, the Company recovered shared administrative expenses of $1,287 from the related company and received common shares of the related party to settle the advances and the shared administrative expenses (note 6).

12. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2014 - 26%) to income before income taxes.

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

	2015	2014
Net loss for the year	$ (421,608)	$ (467,540)
Statutory income tax rate	26%	26%
Income tax benefit computed at statutory tax rate	(109,618)	(121,560)
Items not deductible for income tax purposes	3,062	11,722
Change in timing differences	(3,251)	619
Effect of change in tax rate	-	(4,831)
Unrecognized benefit of deferred income tax assets	109,807	114,050
Income tax expense	$ -	$ -

(Expressed in Canadian Dollars, unless otherwise stated)

12. INCOME TAXES (Continued)

The tax effected items that give rise to significant portions of the deferred income tax asset and deferred income tax liability at April 30, 2015 and 2014 are as follows:

	2015	2014
Deferred income tax asset		
Non-capital losses	$ -	$ 1,147
Deferred income tax liability		
AFS investment	-	$ (1,147)
Net deferred income tax liabilities	$ -	$ -

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of April 30 are as follows:

	2015	2014
Non-capital losses carried forward	$ 1,090,425	$ 775,438
Excess of tax value over carrying value of equipment	5,873	5,176
Excess of tax value over carrying value of exploration and evaluation assets	209,802	104,802
Share issue costs	36,357	34,706
Unrecognized deductible temporary differences	$ 1,342,457	$ 920,122

The Company has non-capital losses of $1,090,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2031	$ 9,000
2032	157,000
2033	375,000
2034	239,000
2035	310,000
	$ 1,090,000

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, mineral exploration and development, and all of its operations are in Canada.

14. COMMITMENTS

On June 1, 2014, the Company entered into management services and consulting agreements expiring June 1, 2015 with total monthly commitments of $12,500 to pay its officers and consultants. On July 9, 2014, the Company entered into an additional management services agreement expiring July 9, 2015 with a monthly commitment of $1,500. All the management services agreements can be terminated with 90 days’ notice.

15. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended April 30, 2015. The Company is not subject to external restrictions on its capital.

16. EVENTS AFTER THE REPORTING DATE

a) On June 7, 2015, 280,000 share purchase warrants expired unexercised and on July 29, 2015 a further 40,000 warrants expired unexercised.

b) Effective July 16, 2015, the Company entered into a second Plan of Arrangement (the "Second Arrangement"). Pursuant to the Second Arrangement, the Company exchanged all of its issued and outstanding common shares for one New Common Share, one Class 1 Reorganization Share, one Class 2 Reorganization Share and one Class 3 Reorganization Share of the Company.

   All of the Class 1 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, Alexis Financial Inc. ("Spinco3"), a private British Columbia company, in exchange for 2,200,000 common shares of Spinco3 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 1 Reorganization Shares by the transfer to Spinco3 of $15,000 of cash and a promissory note in the principal amount of $29,000.

   Further, all of the Class 2 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, ChiChi Financial Inc. ("Spinco4"), in exchange for 2,200,000 shares of Spinco4 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 2 Reorganization Shares by the transfer to Spinco4 of $15,000 of cash and a promissory note in the principal amount of $29,000.

   Further, all of the Class 3 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, SYD Financial Inc. ("Spinco5"), in exchange for 2,200,000 shares of Spinco5 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 3 Reorganization Shares by the transfer to Spinco5 of $15,000 of cash and a promissory note in the principal amount of $29,000.

   $45,000 was advanced to the Spincos prior to April 30, 2015. Upon court approval received May 19, 2015, the $45,000 was transferred from a cash advance to equity.

   Subsequent to the closing of the second plan of arrangement, the shareholders of the Company owned shares of Spinco3, Spinco4 and Spinco5.

16. EVENTS AFTER THE REPORTING DATE (Continued)

c) On July 24, 2015, the Company amended the terms of 7,730,000 share purchase warrants by reducing the exercise price to $0.065. The share purchase warrants amended were the 5,500,000 share purchase warrants granted on August 20, 2014 to subscribers and the 2,230,000 share purchase warrants granted on April 2, 2015 to subscribers. The terms of the agents warrants granted on the same dates were not amended.

d) Subsequent to April 30, 2015, share subscriptions receivable of $25,000 were collected.