Consolidated Financial Statements of

AURION RESOURCES LTD.

December 31, 2014 and 2013

AURION RESOURCES LTD.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Aurion Resources Ltd.

We have audited the accompanying consolidated financial statements of Aurion Resources Ltd., which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We believe that the audit evidence we have obtained in our audit 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 Aurion Resources Ltd. as at December 31, 2014 and December 31, 2013, and its results of 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 indicates that Aurion Resources Ltd. incurred a net loss of $1,072,916 during the year ended December 31, 2014 and has an accumulate deficit of $8,612,915. These conditions, along with other matters as set forth in Note 2 indicate the existence of a material uncertainty that may cast significant doubt about Aurion Resources Ltd.'s ability to continue as a going concern.

Deloitte LLP

Chartered Professional Accountants
St. John's, Newfoundland and Labrador
April 27, 2015

AURION RESOURCES LTD.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at December 31, 2014	As at December 31, 2013
	$	$
ASSETS		
CURRENT		
Cash and cash equivalents	**522,997**	1,692,979
Short-term investment	**25,000**	25,000
Receivables (Note 7)	**36,203**	37,030
Prepaid expenses	**24,293**	14,471
Marketable securities	**12,420**	65,000
	620,913	1,834,480
EXPLORATION AND EVALUATION ASSETS (Note 8)	**1,845,555**	1,471,398
PROPERTY AND EQUIPMENT (Note 9)	**9,970**	14,136
	2,476,438	3,320,014
LIABILITIES		
CURRENT		
Trade payable and accrued liabilities	**134,753**	55,413
SHAREHOLDERS' EQUITY (Note 11)	**2,341,685**	3,264,601
	2,476,438	3,320,014

BASIS OF CONSOLIDATION AND PRESENTATION (Note 2)
SUBSEQUENT EVENTS (Note 15)

AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON APRIL 27, 2015:

"Richard Graham" Director *"Michael Basha"* Director

See accompanying notes to the consolidated financial statements

AURION RESOURCES LTD.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
INCOME		
Interest Income	**11,490**	28,532
Investment and other income	**-**	169,334
Gain on disposal of property and equipment	**-**	200
	11,490	198,066
EXPENSES		
Write-down of exploration and evaluation assets (Note 8)	**468,156**	725,155
Wages and benefits	**226,112**	306,693
General and administrative	**140,870**	197,282
Professional fees	**123,686**	54,479
Accounting	**54,727**	40,318
Unrealized loss on marketable securities	**28,980**	149,729
Consulting fees	**25,500**	35,050
Depreciation	**6,625**	21,887
Foreign exchange loss (gain)	**6,614**	(5,096)
Interest and bank charges	**4,526**	3,534
(Gain) loss on sale of marketable securities	**(1,390)**	6,625
	1,084,406	1,535,656
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**(1,072,916)**	(1,337,590)
LOSS PER SHARE - BASIC AND DILUTED	**(0.03)**	(0.03)
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	**40,672,148**	38,262,285

See accompanying notes to the consolidated financial statements

AURION RESOURCES LTD.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital		Warrants	Share-based Payment Reserve	Expired stock options and warrants	Deficit	Total Equity
	Number of shares	Amount					
Balance, January 1, 2013	38,140,641	7,387,346	2,160,586	838,064	355,492	(6,169,297)	4,572,191
Total comprehensive loss for December 31, 2013						(1,337,590)	(1,337,590)
Shares issued for property acquisition	400,000	30,000	-	-	-	-	30,000
Expiry of stock options	-	-	-	(50,375)	50,375		-
Expiry of warrants	-	-	(55,357)	-	55,357	-	-
Change in price and expiry date of 2011 warrants	-	-	33,112	-	-	(33,112)	-
Balance, December 31, 2013	38,540,641	7,417,346	2,138,341	787,689	461,224	(7,539,999)	3,264,601
Total comprehensive loss to December 31, 2014						(1,072,916)	(1,072,916)
Shares issued for private placements	-	-	-	-	-	-	-
Shares issued for property acquisition	3,000,000	150,000	-	-	-	-	150,000
Exercise of warrants	-	-	-	-	-	-	-
Expiry of stock options	-	-	-	(250,837)	250,837	-	-
Balance, December 31, 2014	41,540,641	7,567,346	2,138,341	536,852	712,061	(8,612,915)	2,341,685

See accompanying notes to the consolidated financial statements

AURION RESOURCES LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
OPERATING ACTIVITIES		
Net loss	**(1,072,916)**	(1,337,590)
Items not affecting cash:		
Depreciation	**6,625**	21,887
Interest and bank charges recognized in net loss	**4,526**	3,534
Interest income recognized in net loss	**(11,490)**	(28,532)
Unrealized loss on marketable securities	**28,980**	149,729
(Gain) loss on sale of marketable securities	**(1,390)**	6,625
Write-down of exploration and evaluation assets	**468,156**	725,155
Gain on disposal of property and equipment	**-**	(200)
Interest income received	**18,945**	27,203
Interest and bank charges paid	**(4,526)**	(3,534)
Changes in non-cash operating working capital (Note 12)	**62,890**	(27,500)
	(500,200)	(463,223)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	**24,990**	28,125
Exploration and evaluation expenditures, net	**(692,313)**	(939,094)
Purchase of property and equipment	**(2,459)**	(12,132)
Proceeds on disposal of property and equipment	**-**	16,272
Change in short-term investment	**-**	(25,000)
	(669,783)	(931,829)
DECREASE IN CASH AND CASH EQUIVALENTS	**(1,169,982)**	(1,395,052)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**1,692,979**	3,088,031
CASH AND CASH EQUIVALENTS, END OF YEAR	**522,997**	1,692,979

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 12)

See accompanying notes to the consolidated financial statements

1. DESCRIPTION OF BUSINESS

Aurion Resources Ltd. ("Aurion") was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and listed on the TSX Venture Exchange ("Exchange") on October 3, 2008. The Company has its registered head office in Alberta, Canada, but its principal office is in Newfoundland and Labrador, Canada. Aurion and its wholly-owned subsidiaries, Minera Aurion de Mexico S.A. de C.V., Aurion Resources (US) LLC, and Aurion Resources Oy (together the "Company") are engaged in the evaluation, acquisition and exploration of mineral properties in Canada, Mexico, the United States and Finland, of which substantially all of the exploration activities of the Company are carried out with partners. The Company plans to ultimately develop the properties, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage.

These financial statements for the years ended December 31, 2014 and 2013, were authorized for issuance by the Board of Directors of the Company on April 27, 2015.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, (the "financial statements"), have been prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of consolidation and presentation

These financial statements reflect the financial position, results of operations and cash flows of the Company and its wholly owned subsidiaries Aurion Resources Ltd., Minera Aurion de Mexico S.A. de C.V., Aurion Resources (US) LLC and Aurion Resources Oy. All inter-company transactions and balances have been eliminated upon consolidation.

The financial statements of the Company have been prepared in accordance with IFRS on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company does not have any proven economically recoverable reserves, has continuous losses, and at December 31, 2014, the Company had an accumulated deficit of $8,612,915 (December 31, 2013 - $7,539,999). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The success of the Company and the recoverability of exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to fund and complete the development of such reserves, the ability of the Company to satisfy obligations as they come due and upon future profitable production from the properties or proceeds from disposition. The amounts shown as exploration and evaluation assets represent net costs to date less write-offs and do not necessarily represent present or future values.

2. BASIS OF PREPARATION (Continued)

Although the Company has taken steps to verify title to mineral properties 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. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the balance sheet classifications used.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial assets classified as at fair value through profit or loss, or available-for-sale which are measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Currency of presentation

All amounts are expressed in Canadian dollars, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements reflect the financial position, results of operations and cash flows of Aurion Resources Ltd. and its wholly owned subsidiaries. All inter-company transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit and short-term investments in term deposits with financial institutions that are readily convertible to cash.

Exploration and evaluation assets

The Company is in the exploration stage and defers all expenditures related to its exploration and evaluation assets until such time as the properties are put into commercial production, sold or abandoned. Under this method, all amounts shown as exploration and evaluation assets represent costs incurred to date less amounts from exploration partners and/or written off, and do not necessarily represent present or future values. Costs are only capitalized subsequent to gaining the legal rights to the property. If the properties are put into commercial production, the expenditures will be depleted following the unit of production method. If the properties are sold or abandoned, or considered to be impaired in value, the expenditures will be charged to operations. The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. These events may include the following:

-the period for which the Company has exploration rights has expired or will shortly
-there is no further exploration planned for a property
-continued unfavourable exploration results

If a property's recoverable amount is less than the assets carrying amount, an impairment loss is recognized. The ultimate recoverability of the amounts capitalized for the exploration and evaluation assets is dependent upon the delineation of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete their development and realize profitable production or proceeds from the disposition thereof.

Management's estimates of recoverability of the Company's investment in its various projects have been based on current conditions. However, it is reasonably possible that changes could occur in the near term which could adversely affect management's estimates and may result in future write-downs of carrying values.

Property and equipment

Property and equipment are recorded at cost. Amortization is calculated on a declining balance basis at rates which will reduce original cost to estimated residual value over the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the period of the lease. Property and equipment is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the carrying amount, an impairment loss is recognized.

The rates applicable to each category of property, plant and equipment are as follows:

Class of property, plant and equipment	Depreciation rate
Equipment	20%
Computers	45%
Leaseholds	5 Years (Term of lease)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

Share-based payments

The Company uses the fair value method to measure compensation expense at the date of grant of stock options. The fair value of options is determined using the Black-Scholes option pricing model and is amortized to earnings over the vesting period with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Company are credited to share capital. Forfeitures are estimated at the time of the grant.

Income taxes

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

Current tax expense comprises the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

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. Deferred tax is measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable entities, which intend to settle current tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses, unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted-average number of shares outstanding during the period. Diluted loss per share is equivalent to basic loss per share as the inclusion of outstanding options and warrants is anti-dilutive, since the Company is in a loss position.

Foreign currency translation

The functional currency of the Company and its subsidiaries is the Canadian dollar. Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. Revenue and expenses are translated at the average exchange rates prevailing during the period except for amortization, which is translated at historical exchange rates. Gains and losses on translation are included in the determination of net loss for the period.

Decommissioning and restoration provision

The Company recognizes the fair value of the liability for asset decommissioning and restoration in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's risk-free interest rate. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the consolidated statement of loss and deficit. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. The increase in the carrying value of the asset is amortized on the same basis as mineral properties. In Management's estimation, there is no liability at this time.

Financial instruments

Marketable securities are classified as "fair value through profit or loss" ("FVTPL"). These assets are marked-to-market through net earnings (loss) at each period end.

Receivables are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost, due to the short term nature of financial assets.

Trade payables and accrued liabilities are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost, due to the short-term nature of financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transaction costs are included in the initial carrying amount of financial instruments, except for "fair value through profit or loss" items which are expensed as incurred.

The Company has determined that it does not have derivatives or embedded derivatives.

Significant accounting judgments, estimates and assumptions

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

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods:

Exploration and evaluation assets
The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicates that the carrying value may be impaired, at which time an impairment loss is recorded.

Receivables
The Company reviews its receivables on a regular basis and makes estimates of any amounts which are not expected to be collected. If such doubt exists, an allowance for doubtful accounts will be recorded.

Property and equipment
The Company reviews the estimated useful lives of property and equipment at the end of each reporting period to ensure assumptions are still valid.

Share-based payments
The Company makes certain estimates and assumptions when calculating the fair values of stock options and warrants granted. The significant assumptions used include estimate of expected volatility, expected life and expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

Functional currency
The Company has determined the functional currency of each entity is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern
The Company must assess its ability to continue as a going concern. Factors that affect this determination include current cash and investments, budgeted expenditures for future periods and the conditions of the market for exploration companies.

New Accounting Policies
The following accounting standards have been adopted by the Company and the adoption of these pronouncements had no material impact on the Company's financial statements:

IFRIC 21 *Levies*

The Company has applied IFRIC 21 *Levies* for the first time in the current year. IFRIC 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognized in the Company's consolidated financial statements.

4. FUTURE ACCOUNTING CHANGES

The following standards are effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

All recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and measurement* are required to be subsequently measured at amortized cost or fair

4. FUTURE ACCOUNTING CHANGES (Continued)

value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in their value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit and loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same

4. FUTURE ACCOUNTING CHANGES (Continued)

requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016.

5. CAPITAL MANAGEMENT

The capital structure of the Company consists of capital and equity comprising share capital, warrants, reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 properties in which the Company has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

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) observed in active markets for identical assets or liabilities
Level 2 – valuation techniques based on inputs that are quoted prices or similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means
Level 3 – valuation techniques with significant unobservable market inputs

The Company does not have any level 2 or 3 fair value measurements, and there have been no transfers between levels.

As at December 31, 2014	Level 1	Level 2	Level 3	Total financial assets/financial liabilities at fair value
Financial assets	$	$	$	$
Marketable securities	12,420	-	-	12,420
Financial liabilities	-	-	-	-

As at December 31, 2013	Level 1	Level 2	Level 3	Total financial assets/financial liabilities at fair value
Financial assets	$	$	$	$
Marketable securities	65,000	-	-	65,000
Financial liabilities	-	-	-	-

6. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed, which are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables, which is mainly government tax refunds. Management believes that the credit risk concentration with respect to financial instruments included in the receivables is immaterial. The Company holds cash and invests it in interest bearing deposit accounts at its financial institution. Management believes that the associated credit risk for its invested cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at December 31, 2014, the Company had cash of $522,997 to settle current liabilities of $134,753. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity or partnering transactions. All of the Company's financial liabilities are short-term in nature and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances subject to interest rate risk. The Company's current policy is to invest excess cash in either interest bearing deposit accounts or short-term deposit certificates issued by its financial institutions. As of December 31, 2014, the Company's excess cash was deposited in short-term savings accounts at variable interest rates. A 1/2% change in interest rates would change the Company's net loss by approximately $2,615. Management believes it has minimal exposure to interest rate risk.

6. FINANCIAL INSTRUMENTS (Continued)

(b) Foreign exchange risk - The Company transacts certain business in Euro, U.S. Dollars and Mexican Pesos, and therefore is subject to foreign exchange risk on Euro, U.S. dollar and Mexican Peso receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its foreign exchange inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal. The following table shows the net exposures in US dollars and Euro.

	December 31, 2014 $US	December 31, 2013 $US	**December 31, 2014 Euro**	December 31 2013 Euro
Cash	**13,787**	102,332	**47,433**	-
Trade payables	**-**	(1,870)	**(52,612)**	-
Net currency exposure	**13,787**	100,462	**(5,179)**	-

The Company's Mexican Peso exposure is not material as there are minimal amounts of Peso cash, receivables or trade payables. Based upon the above net exposures to the Euro and US dollar, as at December 31, 2014, a 10% change in the value of the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately $1,379 and a 10% change in the value of the Euro to the Canadian dollar exchange rate would impact the Company's net loss by approximately $518.

Sensitivity analysis

The Company has a share investment in Asher Resources Corporation ("Asher"). Marketable securities are classified by the Company as "F.V.T.P.L." and are measured at fair value.

The Company's investment in Asher is denominated in Canadian dollars. The Company acquired this investment on February 29, 2012 pursuant to the terms of an option agreement and Asher began trading on the Toronto Venture Stock Exchange on March 3, 2012. Management estimates that a 20% change in the December 31, 2014 value of this investment would result in an increase or decrease in net loss and the carrying value of the marketable securities of $2,484.

The carrying amount of cash, receivables, trade payables and accrued liabilities approximate fair value due to their short-term nature.

(Expressed in Canadian Dollars)

7. RECEIVABLES

	December 31, 2014	December 31, 2013
Harmonized sales tax receivable	**35,505**	29,575
Interest receivable	**-**	7,455
Other	**698**	-
	36,203	37,030

8. EXLORATION AND EVALUATION ASSETS

As a December 31, 2014

Geographical Area	**Number of Claims**	**Balance, Beginning of Year**	**Additions**	**Receipts From Partners**	**Properties written down**	**Property Income**	**Balance, End of Year**
		$	**$**	**$**	**$**	**$**	**$**
Canada	**-**	**-**	**19,902**	**-**	**(19,902)**	**-**	**-**
Finland	**46**	**-**	**679,728**	**-**	**(3,386)**	**-**	**676,342**
United States	**505**	**1,471,398**	**110,051**	**-**	**(412,236)**	**-**	**1,169,213**
Mexico	**2**	**-**	**32,632**	**-**	**(32,632)**	**-**	**-**
	553	**1,471,398**	**842,313**	**-**	**(468,156)**	**-**	**1,845,555**

Pursuant to an agreement, 40 of the 46 Finland claims are registered in the name of Dragon Mining Limited ("Dragon") until all shares are issued to Dragon, at which time the claims will be re-registered in the Company's name.

As at December 31, 2013

Geographical Area	Number of Claims	Balance, Beginning of Year	Additions	Receipts From Partners	Properties written down	Property Income	Balance, End of Year
		$	$	$	$	$	$
Canada	4	90,166	6,681	(259,500)	(6,681)	169,334	-
United States	775	1,372,084	785,194	-	(685,880)	-	1,471,398
Mexico	2	-	32,594	-	(32,594)	-	-
	781	1,462,250	824,469	(259,500)	(725,155)	169,334	1,471,398

(Expressed in Canadian Dollars)

8. EXLORATION AND EVALUATION ASSETS (Continued)

On November 9, 2010, the Company acquired a new gold property, called Logan Pass, in Lincoln County, Nevada. The Company signed an agreement with a private company, Genesis Gold Corp. ("Genesis"), whereby the Company has a 15 year lease with an option to purchase a 100% interest in 8 unpatented claims, subject to a 2% Net Smelter Royalty ("NSR"). The Company also acquired a 100% interest in one individual claim from a private individual and additional claims by direct staking. The property was reduced in 2013 to 252 claims in total and a corresponding write-down is reflected in the financial statements. The property was further reduced in 2014 to 147 claims in total with a corresponding write-down reflected in the financial statements at December 31, 2014.

Pursuant to the agreement, the consideration payable by the Company for the lease to purchase option are by making annual cash payments starting at US$25,000 increasing to a maximum US$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US$3 million cash payment less any payments already made. Genesis shall retain a 2% NSR on the Logan Pass Property. The underlying agreement payment schedule was amended during October 2013, such that payments are reduced as per the following table. The company also issued 200,000 shares in respect of this amendment.

Date	**Cash Payment**	**Revised Cash Payment**
Upon signing Letter Agreement (paid)	US$25,000	Paid
On or before Oct 12, 2011	US$30,000	Paid
On or before Oct 12, 2012	US$40,000	Paid
On or before Oct 12, 2013	US$65,000	US$40,000 (Paid)
On or before Oct 12, 2014	US$80,000	US$40,000 (Paid)
On or before Oct 12, 2015	US$125,000	US$65,000
On or before Oct 12, 2016	US$125,000	US$125,000
After 2016	US$125,000	US$125,000

As at December 31, 2014, the Company was in compliance with the terms of the agreement.

The agreement for the purchase of the "Rosey" claim from a private individual calls for the Company to make annual cash payments over 5 years starting at US$5,000 totaling $82,500. The Rosey agreement was terminated in October 2013.

On February 13, 2012 Aurion reported it had signed a definitive option agreement with Terra Rossa Gold Ltd. ("Terra Rossa"), a private exploration company, on the southern portion (174 claims) of the project. Terra Rossa had the right to earn an initial 60% interest by spending $3.75 million over 5 years in staged work commitments, with a firm commitment to spend a minimum of $450,000 before July 1, 2013, and by issuing 500,000 Terra Rossa shares to Aurion. Terra Rossa expended approximately $400,000 in exploration related work including mapping, geochemical sampling, and ground geophysics. On April 4, 2013, Terra Rossa notified the Company that it was terminating the option agreement on the

8. EXLORATION AND EVALUATION ASSETS (Continued)

Logan Pass property. The company has since entertained other prospective partners, including major mining companies.

On March 4, 2014, the Company announced that it had signed a binding Letter of Intent ("LOI") with Dragon Mining Limited ("Dragon") to acquire a 100% interest in two advanced exploration projects in northern Finland. On May 26, 2014, the Company announced it had signed the Definitive Purchase Agreement. Pursuant to the terms of the agreement, subject to regulatory approvals, the Company will issue a total of 6,000,000 shares to Dragon in four tranches over three years. The first three tranches will be held in escrow for release 18 months from the date of the first issuance of shares on signing. The Company has also committed to incur a total of EUR 1,000,000 in expenditures on these properties over three years. There will be no firm work commitments for the first two years, other than maintaining the tenements in good standing. In addition, Dragon will retain a 3% NSR on any deposit mined by the Company within the projects or any defined Area of Interests. The NSR can be purchased at any time on or before the sixth anniversary of signing the Purchase Agreement with a single cash payment of EUR 4,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of EUR 2,000,000 in cash or equivalent in common shares of the Company for the defining of 1 million ounces of gold material and EUR 1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional one million ounces of gold equivalent material within the projects and the defined Area of Interests.

(Expressed in Canadian Dollars)

9. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Computers	Furniture and Equipment	Total
	$	$	$	$
Cost:				
At December 31, 2013	13,641	54,321	13,264	81,226
Additions	-	2,459	-	2,459
Disposals	-	23,547	-	23,547
At December 31, 2014	13,641	33,233	13,264	60,138
Depreciation:				
At December 31, 2013	8,828	51,076	7,186	67,090
Additions	1,698	2,273	2,654	6,625
Disposals	-	23,547	-	23,547
At December 31, 2014	10,526	29,802	9,840	50,168
Carrying value:				
At December 31, 2013	4,813	3,245	6,078	14,136
At December 31, 2014	**3,115**	**3,431**	**3,424**	**9,970**

	Leasehold Improvements	Computers	Furniture and Equipment	Total
	$	$	$	$
Cost:				
At December 31, 2012	13,641	52,251	40,567	106,459
Additions	-	12,132	-	12,132
Disposals	-	10,062	27,303	37,365
At December 31, 2013	13,641	54,321	13,264	81,226
Depreciation:				
At December 31, 2012	7,129	45,879	13,488	66,496
Additions	1,699	9,499	10,689	21,887
Disposals	-	4,302	16,991	21,293
At December 31, 2013	8,828	51,076	7,186	67,090
Carrying value:				
At December 31, 2012	6,512	6,372	27,079	39,963
At December 31, 2013	**4,813**	**3,245**	**6,078**	**14,136**

(Expressed in Canadian Dollars)

10. INCOME TAXES

(a) Deferred income taxes

Tax-effected deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	2014	2013
	$	$
Deferred income tax assets		
Canadian tax loss carryforwards	**956,000**	820,000
Financing costs and other	**47,000**	81,000
Mineral properties	**1,121,000**	1,000,000
Capital assets	**3,000**	5,000
	2,127,000	1,906,000

The realization of benefits related to these future potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no net deferred income tax asset has been recognized for accounting purposes.

(b) Income tax rate

The Company's effective tax rate differs from the statutory rate of 29% (2013 – 29%) as follows:

	2014	2013
	$	$
Expected income tax recovery	**(311,146)**	(387,901)
Gain on expiration of warrants and options	**33,473**	15,331
Non-recognition of deferred tax assets due to the unused tax losses and deductible temporary differences	**277,673**	372,570
Recovery of deferred income taxes	**-**	-

(Expressed in Canadian Dollars)

10. INCOME TAXES (Continued)

(c) Non-capital losses

The Company has Canadian non-capital losses amounting to $3,296,867 which are available to reduce future taxable income. These non-capital losses expire as follows:

	$
2026	**124**
2028	**122,727**
2029	**296,244**
2030	**331,698**
2031	**782,164**
2032	**634,258**
2033	**661,578**
2034	**468,074**
	3,296,867

The Company also has available Canadian development expenses of $40,000 and Canadian exploration expenses of $19,902 which may be deducted in determining Canadian taxable income of future years. The Company also has available exploration and development expenses incurred in foreign jurisdictions which can be deducted from taxable income of future years in those jurisdictions. The Company has not recognized the potential future income tax benefits related to all of its deductible temporary differences including its non-capital losses and exploration and development expenses.

11. SHAREHOLDERS' EQUITY

Share Capital

Authorized

An unlimited number of common shares with no par value
An unlimited number of preferred shares issuable in series

Issued and outstanding

	December 31, 2014		December 31, 2013	
	Number of Shares	**$**	Number of Shares	$
Common shares	**41,540,641**	**7,567,346**	38,540,641	7,417,346

11. SHAREHOLDERS' EQUITY (Continued)

On July 19, 2013, the Company issued 200,000 shares valued at $0.10 per share as an option payment for the La Bandera property in Mexico.

On November 6, 2013, the Company issued 200,000 shares valued at $0.05 per share as an option payment for the Logan Pass property in Nevada.

On September 8, 2014, the Company issued 2,000,000 shares valued at $0.05 per share as the first payment for the Kutuvuoma and Silasselka projects in Finland. These shares will be held in escrow for 18 months from September 8, 2014.

On November 14, 2014, the Company issued 1,000,000 shares valued at $0.05 per share as the second payment for the Kutuvuoma and Silasselka projects in Finland. These shares will be held in escrow for 18 months from September 8, 2014.

Preferred shares

The preferred shares which have been authorized may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. No preferred shares have been issued.

Stock options

The Company has a stock option plan under which options to purchase common shares in the Company may be granted to directors, officers, key employees and consultants of the Company. The maximum number of options which may be granted to directors, officers, key employees and consultants of the Company, under the stock option plan is equivalent to 10% of the issued and outstanding common shares of the Company. The exercise price for options is set by the Company at an amount equal to the TSX Venture Exchange trading price on the day preceding the date the options are granted, less any applicable discount as permitted by TSX Venture Exchange policies as decided by the Company. The exercise period for options is set by the Company at the time the options are granted and shall not exceed ten years. Details of the Company's stock option plan are as follows:

(Expressed in Canadian Dollars)

11. SHAREHOLDERS' EQUITY (Continued)

	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Number	**Weighted-Average Exercise Price**	Number	Weighted-Average Exercise Price
		$		$
Balance, beginning of the year	**2,982,500**	**0.41**	3,325,000	0.41
Expired during the year	**(965,000)**	**(0.38)**	(342,500)	(0.30)
Balance, end of the year	**2,017,500**	**0.42**	2,982,500	0.41
Exercisable, end of the year	**2,017,500**	**0.42**	2,982,500	0.41

The following table summarizes information about stock options outstanding and exercisable.

	Total Options Outstanding			**Total Exercisable Options**		
Exercise Price Range $	**Number of Outstanding Options**	**Remaining Contractual Life**	**Weighted-Average Strike Price $**	**Number of Exercisable Options**	**Remaining Contractual Life**	**Weighted-Average Strike Price $**
0.10 - 0.30	617,500	2.52	0.25	617,500	2.52	0.25
0.30 - 0.40	425,000	0.66	0.37	425,000	0.66	0.37
0.40 - 0.55	975,000	1.25	0.55	975,000	1.25	0.55
	2,017,500	1.51	0.42	2,017,500	1.51	0.42

No options were issued in 2014 and 2013.

Share-based payment reserve
The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars)

11. SHAREHOLDERS' EQUITY (Continued)

Expired stock options and warrants
The expired stock options and warrants records the value of any stock options or warrants that have expired.

Warrants
Warrants have been issued by the Company in the course of issuing shares.

	For the year ended December 31, 2014		
	Number	**$**	**Weighted-Average Exercise Price $**
Balance, beginning and end of the year	**13,750,594**	**2,138,341**	**0.52**

4,444,450 warrants have an exercise price of $0.65 and subsequently expired on March 3, 2015.
9,306,144 warrants have an exercise price of $0.45 and subsequently expired on March 22, 2015.

	For the year ended December 31, 2013		
	Number	$	Weighted-Average Exercise Price $
Balance, beginning of year	13,929,165	2,160,586	0.54
Expired during the year	(178,571)	(55,357)	(0.81)
Change in price and expiry date of 2011 warrants	-	33,112	-
Balance, end of year	13,750,594	2,138,341	0.52

On February 22, 2013, the terms of 4,444,450 warrants issued on March 3, 2011 in conjunction with a $2 million private placement, have been amended. The expiry date of the warrants had been extended from March 3, 2013 to March 3, 2015 and the exercise price had been reduced from $0.85 per warrant to $0.65.

(Expressed in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

	For the year ended December 31, 2014	For the year ended December 31, 2013
	$	$
Non-cash investing activities		
Receipt of marketable securities as consideration for option payments	-	234,500
Acquisition of mineral properties for share consideration	**150,000**	30,000
	150,000	264,500

	For the year ended December 31, 2014	For the year ended December 31, 2013
	$	$
Cash and cash equivalents comprised of:		
Cash	**522,997**	677,979
Guaranteed investment certificates (GIC)	-	1,015,000
	522,997	1,692,979

	For the year ended December 31, 2014	For the year ended December 31, 2013
	$	$
Changes in non-cash operating working capital		
Change in accounts receivable	**(6,628)**	25,392
Change in prepaids	**(9,822)**	11,156
Change in trade payables and accrued liabilities	**79,340**	(64,048)
	62,890	(27,500)

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

The following represents a summary of transactions with parties under common influence and shareholders:

	For the years ended December 31, 2014	2013
	$	$
Paid to D.R. Loveys & Associates Inc., a company controlled by the CFO:		
Accounting and management consulting services provided by the CFO	**27,500**	35,050
Amounts expensed as:		
Consulting Fees	**27,500**	35,050
Paid to McInnis Cooper LLP , a company in which a Corporate Director is a partner:		
Legal services provided by a Director	**28,000**	5,000
Amounts expensed as:		
Professional fees	**28,000**	5,000
Paid to a geological consulting company controlled by the former VP Exploration:		
Management and consulting services	-	192,924
Exploration and related expenditures	-	180,476
	-	373,400
Amounts expensed as:		
General and administration expenses	-	24,165
Capitalized in exploration and evaluation assets	-	349,235
	-	373,400
Compensation for key management personnel not included above:	**130,000**	170,000
Amounts expensed as:		
Salary and other short term benefits for the CEO	**130,000**	170,000

The amounts of these related party services have been determined by negotiations between the parties. The transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(Expressed in Canadian Dollars)

14. COMMITMENTS

Property commitments

The Company has acquired various properties from third party license holders. The terms of these agreements provide for initial cash payments by the Company and the initial issuance of shares in the Company. To retain the interest in these properties the Company is obligated to make additional cash payments and to issue additional shares. The agreements also provide for the payment of a net smelter return to the third parties in the event that a property reaches the commercial production stage. A summary of the additional cash payments and additional shares to be issued by the Company, assuming that an interest in all of the properties is to be maintained, is as follows:

	USD	Shares
	$	
2015	65,000	1,000,000
2016	125,000	-
2017	125,000	2,000,000
2018	125,000	-
2019	125,000	-
	565,000	3,000,000

Lease commitments

Minimum annual lease payments on leased premises over the next two years are as follows:

	$
2015	43,092
2016	35,910
	79,002

15. SUBSEQUENT EVENTS

On January 5, 2015, the Company issued 1,000,000 shares valued at $0.05 per share as the third payment for the Kutuvuoma and Silasselka projects in Finland. These shares will be held in escrow.

On January 8, 2015, the company signed a definitive agreement with AA Sakatti Mining Oy, a wholly owned subsidiary of Anglo American plc (“AA”), to purchase two land tenements covering 3,530 ha located immediately adjacent to the Company’s Kutuvuoma project in northern Finland. Under the terms of the agreement, and subject to regulatory approval, the Company will issue 1,000,000 shares and pay €50,000. AA will retain a 1% NSR which can be purchased for €1,000,000. AA can also back-in to any future nickel–platinum group (“Ni-PGM”) discovery for three times the Company’s exploration expenditures or €1,000,000, whichever is more. If there is appreciable gold in the backed-in Ni-PGM discovery the Company will receive a sliding scale royalty of between €7 and €15 per ounce produced based on the market gold price.

15. SUBSEQUENT EVENTS (Continued)

On March 3, 2015, the Company signed a Letter Agreement to amend the Purchase Agreement entered into with Dragon Mining Oy on May 23, 2014. The amendments include the removal of the Right of First Refusal clause, the inclusion of an additional clause in relation to Confidential Information and the relaxing of the time period before the Company can seek a third party partner. As compensation for the amendments, the Company will issue a total of 750,000 common shares at a deemed price of $0.05 per share over and above those shares to be issued pursuant to the original agreement. 250,000 common shares will be issued to Dragon upon execution of the Letter Agreement and 500,000 common shares will be issued to Dragon either 1) at the same time of the issuance of the final instalment of shares due pursuant to the original agreement, or 2) on termination of the Agreement.

On March 11, 2015, the Company issued 1,000,000 shares to AA Sakatti Mining Oy valued at $0.05 per share as per the agreement entered into on January 8, 2015.

On March 24, 2015, the Company issued 250,000 shares valued at $0.05 per share to Dragon Mining Oy as per the terms of the Letter Agreement entered into on January 5, 2015. These shares will be held in escrow.