



Financial Statements

For the Three Months Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Colombia Crest Gold Corp. discloses that the accompanying unaudited condensed interim financial statements for the three months ended, December 31, 2015, and 2014, were prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

Colombia Crest Gold Corp.Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	(Unaudited)	(Audited)
As at,	December 31	September 30
	2015	2015
	\$	\$
Assets		
Current		
Cash	26,233	37,308
Tax recoverable receivable	16,503	13,752
Other receivable - Note 4	415,200	-
	457,936	51,060
Property, plant and equipment	4,759	5,145
	462,695	56,205
Liabilities		
Current		
Accounts payable and accrued liabilities - Note 6	627,583	539,075
Shareholders' Equity		
Share capital - Note 8 (b)	79,932,514	79,932,514
Share subscriptions - Note 8 (e)	1,156,000	1,156,000
Contributed surplus - Note 8 (f)	6,030,315	6,030,315
Accumulated deficit	(87,283,717)	(87,601,699)
	(164,888)	(482,870)
	462,695	56,205

Nature of operations – Note 1

Going concern of operations – Note 2 (e)

Signed on behalf of the Board of Directors by:

“Hans Rasmussen”
Hans Rasmussen

Director

“Carl Hansen”
Carl Hansen

Director

The accompanying notes are an integral part of these condensed interim financial statements

Colombia Crest Gold Corp.

Condensed Interim Statements of Gain and Loss and Comprehensive Loss

For The Three Months Ended December 31, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

	2015	2014
	\$	\$
Expenses:		
Accounting and audit	2,750	4,841
Administration - Note 6	24,000	24,000
Depreciation	386	438
Bank charges	299	201
Corporate development	465	865
Foreign exchange loss	12,313	13,645
Insurance	2,640	3,017
Interest	-	(1,346)
Legal	3,006	487
Management fees - Note 6	30,079	23,809
Office and printing	5,867	6,983
Transfer agent	814	723
Travel and promotion	14,599	1,594
Loss before other items	(97,218)	(79,257)
Other items:		
Loss on property, plant & equipment	-	(1,993)
Recovery of impairment on receivable - Note 4	415,200	-
Gain (loss) for the period from continuing operations	317,982	(81,250)
Recovery from discontinued operations - Note 4	-	35,962
Net gain (loss) and comprehensive loss for the period	317,982	(45,288)
Basic and diluted gain/(loss) per share (continuing operations)	\$0.00	\$0.00
Number of common shares outstanding	96,088,289	96,088,289

The accompanying notes are an integral part of these condensed interim financial statements

Colombia Crest Gold Corp.

Consolidated Statements of Changes in Equity

For the Three Months Ended December 31, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Shares Subscribed \$	Contributed Surplus \$	Deficit \$	Total \$
	Number of Shares	Amount \$				
Balance - September 30, 2014	96,088,289	79,932,514	1,156,000	6,030,315	(87,287,710)	(168,881)
Loss for the period	-	-	-	-	(45,288)	(45,288)
Balance - September 30, 2014	96,088,289	79,932,514	1,156,000	6,030,315	(87,332,998)	(214,169)
Loss for the period	-	-	-	-	(268,701)	(268,701)
Balance - September 30, 2015	96,088,289	79,932,514	1,156,000	6,030,315	(87,601,699)	(482,870)
Gain for the period	-	-	-	-	317,982	317,982
Balance - December 31, 2015	96,088,289	79,932,514	1,156,000	6,030,315	(87,283,717)	(164,888)

The accompanying notes are an integral part of these condensed interim financial statements

Colombia Crest Gold Corp.

Condensed Interim Statements of Cash Flows

For The Three Months Ended December 31, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

	2015	2014
	\$	\$
Cash flows from operating activities		
Net gain (loss) for the period	317,982	(45,288)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	386	438
Loss on property, plant and equipment	-	1,993
Loss on foreign exchange	-	13,645
Recovery of impairment of receivable	(415,200)	-
Net change in non-cash working capital items:	(96,832)	(29,212)
Receivables	(2,751)	242
Accounts payable and accrued liabilities	88,508	(9,927)
Cash used in operating activities	(11,075)	(38,897)
Investing activities		
Proceeds from current and long term receivables	-	232,580
Cash used in investing activities	-	232,580
Change in cash in the period	(11,075)	193,683
Cash, beginning of period	37,308	22,708
Cash, end of period	26,233	216,391

The accompanying notes are an integral part of these condensed interim financial statements

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months Ended December 31, 2015 and 2014
(Unaudited - Expressed in Canadian Dollars)

1. Corporate Information

Colombia Crest Gold Corp.'s business activity is the exploration and evaluation of mineral properties. In December 2012, Colombia Crest Gold Corp. (the "Company") sold its Bolivian subsidiary, Eaglecrest Exploration Bolivia SA ("EEB"), which had been exploring mineral properties in Bolivia since 1996. During the year ended September 30, 2013, the Company ceased its operations in Colombia but still holds a 50% earned interest in the Fredonia property. During the year ended September 30, 2014, the Company wrote off the deposit it paid on the signing of a letter of intent pertaining to a gold-silver project in Peru.

The Company was incorporated under the laws of the Province of British Columbia on January 20, 1981 and its common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol CLB, and on the Frankfurt Stock Exchange under the symbol EAT.

The address of the Company's corporate office and principal place of business is Suite 300, 1055 West Hastings Street, Vancouver, BC Canada.

2. Basis of Preparation and Summary of Significance Accounting Policies

a) Statement of compliance

These condensed interim financial statements of the Company for the three months ended December 31, 2015 have been prepared in accordance with IAS Interim Financial Reporting Standards. These condensed interim financial statements should be read in conjunction with the Company's September 30, 2015, audited annual financial statements, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's September 30, 2015, audited annual consolidated financial statements

These statements were authorized for issue by the Board of Directors on February 26, 2016.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as available for sale which are at fair value, and have been prepared using the accrual basis of accounting.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

c) Basis of Consolidation

Prior to fiscal 2015, the consolidated financial statements included all subsidiaries of the Company. Subsidiaries were entities over which the Company was able, directly or indirectly, to control financial and operating policies, which was the authority usually connected with holding majority voting rights. Subsidiaries were fully consolidated from the date on which control was acquired by the Company. They were de-consolidated from the date that control by the Company ceased. All significant inter-company transactions and balances were eliminated.

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months Ended December 31, 2015 and 2014
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2. Basis of Preparation – (cont'd)

c) Basis of Consolidation – (cont'd)

Since fiscal 2011, the consolidated financial statements included the accounts of Colombia Crest Gold Corp. (the parent company) and its wholly owned subsidiary Eaglecrest Explorations Panama Corp. ("EEP"), a company incorporated in Panama City, Panama, and EEP's wholly owned subsidiary, Colombiana de Oro SA ("Colombiana"), a company incorporated in Panama City, Panama. Colombiana operated the Colombian projects of Fredonia and Venecia in Colombia through its branch office in Medellin, Colombia.

In December 2012, the Company sold its Bolivian subsidiary, EEB. Prior to fiscal 2013, all consolidated financial statements reported included the accounts of EEB.

During fiscal 2013, the Company terminated the Colombian branch operation and wrote off its entire Colombian exploration and evaluation assets. Both EEP and Colombiana were inactive and contained no transactions in 2014 and 2015. As at September 18, 2015, both the Panama companies, EEP and Colombiana were dissolved. As at September 30, 2015, the financial statements contained transactions pertaining only to Colombia Crest Gold Corp.

d) Standards, Amendments and Interpretations Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2015 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

e) Going Concern of Operations

These financial statements have been prepared assuming the Company will continue on a going-concern basis. At December 31, 2015, the Company had not yet achieved profitable operations, has an accumulated deficit of \$87,283,717, has a working capital deficiency of \$169,647 and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

3. Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
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3. Critical Accounting Estimates and Judgements – (cont'd)

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Estimates:

i) Long Term Receivable

In fiscal 2014 and 2013, the Company classified the long term receivable as available for sale as management considers that ultimate collection is dependent on the debtors' ability to successfully construct and develop the San Simon mineral property (Note 5). Accordingly the value of the receivable would not exceed the value of the property.

At the date the receivable was obtained the Company used the valuation technique as disclosed in Note 4 to determine an appropriate discount rate to apply to the expected cash flows. As at September 30, 2013, the Company re-measured the estimated fair value of the property and provided an impairment provision on the receivable due to estimated decrease in the property value (see Note 4). The value of the mineral property was estimated by reference to the enterprise value per troy ounce of gold equivalent resources for a group of similar stage South American gold exploration companies as calculated from their published gold resource estimates and the market price of their shares

As at September 30, 2014, the Company re-measured the estimated fair value of the receivable and provided an impairment provision on the receivable due to default of the agreement by the counterparty and subsequent commencement of legal action against the counterparty by the Company. The fair value of the receivable was determined through the application of a probability-weighted estimation of the amount of the receivable expected to be collected (see Note 4).

As at September 30, 2015, due to uncertainty of payments to be received from the payment agreement as the debtors failed to continue their payment obligations, no estimate of the fair value of the receivable was recorded. However, as a result of payments received in 2015 in excess of the aggregate carrying amount of the receivable at September 30, 2014, a recovery of impairment of receivable was recorded.

There are no judgments which significantly impact these financial statements.

4. Receivable

During the year ended September 30, 2013, the Company sold all of the shares in its Bolivian subsidiary (EEB) for consideration of US\$5,000,000 to be received over 10 years. As at the date of sale, December 14, 2012, the assets and liabilities disposed of and consideration received were as follows.

Consideration – Fair value of long term receivable	\$ <u>2,144,146</u>
Exploration and evaluation asset – asset held for sale	2,247,393
Net liabilities – asset held for sale	<u>(15,423)</u>
Net assets sold	<u>2,231,970</u>
Loss on sale of subsidiary	\$ <u><u>(87,824)</u></u>

In addition to the agreed sales price of US\$5,000,000 the following payments relating to the sale of EEB were also received from the purchaser due to their delay in closing the sales transaction of EEB which resulted in the Company having to incur additional operation costs during the period of the delay:

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
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4. Receivable – (cont'd)

- In February 2014, the purchaser of EEB reimbursed the Company \$10,259 (US\$9,280).
- In December 2014, the purchaser of EEB reimbursed the Company a final payment of \$35,957 (US\$30,920).

The long term receivable is unsecured, non-interest bearing and is repayable in amounts of US \$100,000 on signing (received), US \$100,000 on December 14, 2013 (subsequently received US \$50,000) amounts of US \$800,000 on each of December 14, 2014, 2015 and 2016, US \$900,000 on December 14, 2017 and amounts of US \$300,000 each on December 14, 2018, 2019, 2020, 2021 and 2022.

During the year ended September 30, 2013, management initiated discussions with the purchaser to amend the terms of the long term receivable and agreed to accept US \$50,000 subsequent to the year regarding the amount due at December 14, 2013 which was subsequently received on March 14, 2014.

Management considered that the fair value of the long term receivable would not exceed the estimated value of the underlying mineral property interests as the mineral property interest is the only known significant asset of EEB and the purchaser. The value of the mineral property was estimated by reference to the enterprise value per troy ounce of gold equivalent resources for a group of similar stage South American gold exploration companies as calculated from their published gold resource estimates and the market price of their shares.

On initial recognition as at December 14, 2012 based on the Company's most recent estimated and inferred resource estimates, a discount rate of 17.5% was applied to the expected cash flow term of the agreement. As at September 30, 2013 the average enterprise value per troy ounce of the comparable South American companies had declined by 60% between the December 14, 2012 sale date and September 30, 2013. Accordingly the Company recognized an impairment provision to write down its carrying value to 60% of its original value.

During the year ended September 30, 2014, the Company renegotiated the terms and debtors of the agreement and entered into a modified agreement dated April 30, 2014. The revised terms of the long term receivable were finalized as follows: US\$50,000 to be received in April, 2014; US\$100,000 to be received monthly from May 2014 to July 2015 (15 months) and a final US\$100,000 to be received in December 2015, for a total of US\$1,650,000. At September 30, 2014, only US\$50,000 (CAD\$54,070) of these revised payments had been received.

In September 2014, the Company initiated legal action in Bolivia to enforce payments as under the revised terms along with interest and other relief. The Company and the debtors entered into a new agreement, dated December 11, 2014, which replaced the previous agreements. The terms for payment under the new agreement are as follows: US\$200,000 due on signing in December 2014 (received), US\$200,000 due on March 1, 2015 (received) and US\$300,000 due quarterly from June 1, 2015 to March 1, 2016 (4 payments). The US\$300,000 due on June 1, 2015, was not paid as scheduled and legal action was filed in Bolivia to enforce payment.

As at September 30, 2014, management changed the valuation technique applied to determine the fair value of the receivable due to the default and payment history of the debtors in that payments were not received as per the previous agreement and the Company's commencement of legal action against the debtors. The fair value of the receivable was determined through the application of a probability-weighted estimation of the amount of the receivable expected to be collected. Management had estimated that only the first two payments under the new agreement or 25% of the remaining payments would be collected.

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
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4. Receivable – (cont'd)

Fair value reconciliation of the long term receivable is as follows:

On initial recognition, December 14, 2012:	\$	2,144,146
Less: payments received		(98,651)
Foreign exchange gain		104,255
Impairment on long term receivable		<u>(1,253,750)</u>
September 30, 2013:	\$	896,000
Less: payments received		(162,640)
Foreign exchange gain		72,938
Impairment on long term receivable		<u>(357,978)</u>
September 30, 2014:	\$	448,320
Less: current portion of long term receivable		<u>(224,160)</u>
Noncurrent portion of long term receivable	\$	<u><u>224,160</u></u>

During the 2015 fiscal year, the Company recorded a recovery of \$24,860 in connection with the excess of cash received relative to the aggregate carrying amount of the receivable at September 30, 2014.

As at September 30, 2015, management did not record an estimate fair value of the remaining receivable.

As at December 31, 2015, due to the Company's legal action to enforce payment of the receivable, the debtors had paid the amount of US\$300,000 due on June 1, 2015, to the Bolivian court. And as at December 31, 2015, this amount \$415,200 (US\$300,000) paid by the debtors to the Bolivian court was recorded as a current receivable in the financial statements with the corresponding amount of \$415,200 being recognized as a recovery of impairment on receivable.

As at December 31, 2015, no additional amounts were recorded in the financial statements as receivable relating to the US\$300,000 due on September 1, 2015 and the US\$300,000 due on December 1, 2015. A final payment of US\$300,000 is due on March 1, 2016. Legal process is still on going to enforce the outstanding amounts due under the payment agreement.

5. Exploration and Evaluation Assets

The Company's exploration properties were located in Bolivia and Colombia in South America, and its interest in these resource properties was maintained pursuant to agreements with the titleholders.

Bolivia:

In December 2012, the Company sold its Bolivian subsidiary EEB (Note 4), which had been exploring mineral properties in Bolivia since 1996. During the current period ended, the purchaser reimbursed a final payment of \$35,957 (US\$30,920) as consideration for costs the Company incurred to fund EEB during delays in the finalization of the sale of EEB.

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months Ended December 31, 2015 and 2014
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets – (cont'd)

Colombia:

Due to cash constraints and uncertainty of success, the Company ceased its four year exploration operation in Colombia and closed its branch office during fiscal 2013 and its entire investment of \$6,600,686 in Colombia has been written off.

Pursuant to an agreement dated August 13, 2010, the Company had an option to acquire up to a 75% interest in the mineral title of the 15,000 hectare Fredonia Property located in Antioquia, Colombia. In November, 2013, notice was provided to the optionor that the Company had earned a 50% interest in the Fredonia property and that currently the Company does not have the intention to incur any further exploration or concession expenditures at the present time. Any future expenditures incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest.

Peru:

On August 16, 2013, the Company signed a letter of intent ("LOI") to earn a 30% in a gold-silver project near Trujillo, Peru. US \$5,000 (CDN \$5,171) was paid on signing the LOI and was recorded in the balance sheet as a deposit as at September, 2013. During the year ended September 30, 2014, the Company wrote-off the deposit due to uncertainty whether the Company would pursue the project.

6. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel included the CEO, CFO, VP of Exploration and their compensations are as follows:

	For the Three Months Ended	
	December 31	
	2015	2014
	\$	\$
Management fees	30,079	-
Administration fees	24,000	24,000
Geological consulting fees	-	6,461
Total	54,079	30,461

No share purchase options were granted to key management personnel and directors for the three months ended December 31, 2015 and 2014.

Related party liabilities included in trade and other payable are as follows:

	As at December 31	
	2015	2014
	\$	\$
Amounts due to management:		
Management fees	198,631	102,885
Administration fees	190,000	150,915
Consulting fees	41,728	51,914
Expenses and other	16,109	11,171
Total	446,468	316,885

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
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(Unaudited - Expressed in Canadian Dollars)

7. Short-Term Loan

The Company entered into an agreement dated May 28, 2013 for a US\$100,000 bridge loan (the "Loan") on the following terms:

The Loan was repayable on demand without interest, at any time after December 7, 2013.

As consideration for the Loan, on June 19, 2013, the Company issued 400,000 common shares (valued at \$6,000 based on the trading price of the Company's common shares at the time of issuance) to the lender.

As security for repayment of the Loan, the Company assigned to the lender the US\$100,000 payment, which was due to the Company on December 14, 2013, pursuant to the Share Purchase Agreement dated December 14, 2012 – see Note 4.

In December, 2013, the Company and the lender agreed to extend the due date for the loan to anytime after June 7, 2014, with an annual interest rate of 20%, commencing on December 8, 2013.

On January 12, 2015, the Company paid US\$50,000 as a partial payment on the short-term loan.

On May 1, 2015, the Company paid US\$50,000 to settle the remaining balance of the short-term loan and US\$25,012 in interest.

8. Share Capital

a) Authorized:

Authorized share capital consists of an unlimited number of common shares without par value.

b) Issued:

	Number of Shares	Share Capital \$
Balance - September 30, 2014, 2015, and December 31, 2015	96,088,289	79,932,514

c) Stock options:

The Company has a stock option plan whereby, the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

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8. Share Capital – (cont'd)**c) Stock options: - (cont'd)**

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance - September 30, 2014	5,585,000	0.52
Expired	(1,385,000)	0.94
Balance - September 30, 2015 and December 31, 2015	4,200,000	0.38

Details of stock options outstanding at December 31, 2015:

Number of Options		Option Price \$	Expiry Date	Remaining Life (years)
Outstanding	Exercisable			
1,700,000	1,700,000	0.45	February 8, 2016	0.11
2,250,000	2,250,000	0.35	November 14, 2016	0.87
250,000	250,000	0.25	November 8, 2017	1.86
4,200,000	4,200,000			0.62

During the three months ended December 31, 2015, no stock-based compensation was recorded and no options were granted.

During the year ended September 30, 2015 and the year ended September 30, 2014, no stock-based compensation was recorded and no options were granted.

During the year ended September 30, 2015, 50,000, 1,235,000 and 100,000 share purchased options each exercisable at \$0.60, \$1.00 and \$0.35 per share respectively, expired.

d) Share Purchase Warrants Outstanding:

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance - September 30, 2014	10,325,000	0.10
Expired	(591,667)	0.17
Balance - September 30, 2015 and December 31, 2015	9,733,333	0.15

Details of share purchase warrants outstanding at December 31, 2015:

Number of Warrants	Exercise Price \$	Expiry Date	Remaining Life (Years)
9,733,333	0.15	July 15, 2016	0.54

Colombia Crest Gold Corp.

Notes to the Condensed Interim Financial Statements
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8. Share Capital – (cont'd)

e) Share Subscriptions

During the year ended September 30, 2001, the Company proposed to enter into a private placement for the issuance of 2,000,000 units at \$0.50 per unit for proceeds of \$1,000,000, less a 7.5% finder's fee. Each unit consisted of a common share and a two year share purchase warrant to purchase an additional common share at \$0.50 per share in the first year and at \$0.60 per share in the second year. The Company received subscriptions for 1,983,171 units (proceeds of \$925,000, net of related issue costs).

During the year ended September 30, 2001, the Company entered into an agreement with a purchaser for a private placement of 770,000 units at \$0.30 per unit to raise \$231,000. Each unit was to be comprised of one common share and one share purchase warrant to purchase one common share at \$0.30 per share in the first year and at \$0.40 per share in the second year. The Company subsequently amended the terms of that private placement to 1,500,000 units at \$0.154 (US\$0.10) per unit, with each unit comprised of one common share and one share purchase warrant exercisable for two years to purchase one additional common share for \$0.154 (US\$0.10). The Company has received subscriptions for 1,500,000 units for proceeds of \$231,000.

f) Contributed Surplus:

	Stock-based Compensation	Brokers' Warrants	Equity Portion of Convertible Debentures	Options on Properties	Shares Cancelled	Total
	\$	\$	\$	\$	\$	\$
Balance - September 30, 2014, 2015 and December 31, 2015	4,906,516	319,896	460,000	342,028	1,875	6,030,315

Contributed surplus is used to recognize the value of stock options granted and share purchase warrants issued prior to exercise, the equity portion of convertible debentures not converted and value of escrow shares cancelled for no additional consideration.

9. Segmented Information

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets was all based in Canada as at September 30, 2014, 2015 and December 31, 2015.

10. Income Taxes

No income tax expense or recovery arises due to the losses incurred in the period ended December 31, 2015. As at September 30, 2015, the Company had estimated non-capital losses for Canadian tax purposes of \$12,352,000 that may be carried forward to reduce taxable income expiring between years 2026 – 2035. The potential benefits of these carry-forward losses have not been recognized in these unaudited condensed interim consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.