Brilliant Sands Incorporated

(An Exploration Stage Company)

Financial Statements

(unaudited)

for the three months ending

March 31, 2015

BRILLIANT SANDS INCORPORATED
(An Exploration Stage Company)
BALANCE SHEETS

	March 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 39,099	$ 59,677
Investments - available for sale	789,724	1,114,210
Prepaid expenses and deposits	13,459	17,472
Related party receivable	54,349	54,349
Note receivable - related party	-	-
Total Current Assets	896,631	1,245,708
MINERAL PROPERTIES AND INTERESTS	3,638,896	3,606,391
OTHER ASSETS		
Reclamation bond	13,191	13,191
Total Other Assets	13,191	13,191
TOTAL ASSETS	$ 4,548,718	$ 4,865,290
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ 14,771
Accrued payroll liabilities	112,765	139,910
Accrued interest - related parties	39,701	39,701
Convertible debt, related party	50,000	50,000
Payable to related parties	240,530	267,553
Deferred income tax liability	-	-
Total Current Liabilities	442,996	511,935
Accrued stock payable	-	-
TOTAL LIABILITIES	442,996	511,935
COMMITMENTS AND CONTINGENCIES (Notes 3,4 & 8)		
STOCKHOLDERS' EQUITY		
Preferred stock, $.10 par value, 15,000,000 authorized; no shares issued and outstanding	-	-
Common stock, $0.001 par value, 200,000,000 shares authorized; 29,756,302 and 29,661,064 shares issued and outstanding, respectively	29,756	29,661
Additional paid in capital	7,565,353	7,555,448
Accumulated deficit	(2,551,414)	(1,821,676)
Accumulated other comprehensive income/(loss)	(937,973)	(1,410,078)
Total Stockholders' Equity	4,105,722	4,353,355
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,548,718	$ 4,865,290

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Period Ended March 31, 2015	Year Ended December 31, 2014
OPERATING EXPENSES (INCOME)		
Exploration expense	$ 64,594	$ 147,412
Payroll and related	43,621	208,469
Professional fees and consulting	26,083	215,207
General and administrative	89,698	600,243
Gain on mining properties and interests	8,757	(2,449,317)
TOTAL OPERATING EXPENSES (INCOME)	232,753	(1,277,986)
INCOME (LOSS) FROM OPERATIONS	(232,753)	1,277,986
OTHER INCOME (EXPENSE)		
Management fee income	-	-
Interest and other income	-	4,654
Interest expense	(2,703)	(11,859)
Loss on note extensions	-	-
Gain (loss) on settlement of liability	-	(6,600)
Gain (loss) on investments available for sale	(494,283)	(1,133,207)
Impairment of investment	-	-
TOTAL OTHER INCOME (EXPENSE)	(496,986)	(1,147,012)
INCOME (LOSS) BEFORE TAXES	(729,739)	130,974
INCOME TAX BENEFIT (EXPENSE)	-	-
NET INCOME (LOSS)	$ (729,739)	$ 130,974
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on investments available for sale	472,105	(1,038,409)
COMPREHENSIVE INCOME (LOSS)	$ (257,634)	$ (907,435)
NET INCOME (LOSS) PER COMMON SHARE, BASIC AND DILUTED	$ (0.04)	$ 0.01
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	20,829,411	19,728,029

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(An Exploration Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Additional	Common		Accumulated Other	Total
	Shares	Amount	Paid in Capital	Stock Subscribed	Accumulated Deficit	Comprehensive Income	Stockholders' Equity
Balance, December 31, 2013	11,121,369	$ 11,121	$ 4,366,277	$ -	$ (1,952,649)	$ (371,669)	$ 2,053,081
Stock based compensation	-	-	19,479	-	-	-	19,479
Issuance of common stock for legal expenses	69,834	70	31,355	-	-	-	31,425
Issuance of common stock for Director awards	683,334	684	692,817	-	-	-	693,501
Issuance of common stock for purchase of property data	3,703,334	3,704	996,296	-	-	-	1,000,000
Share repurchase	(1,591,809)	(1,592)	(660,970)	-	-	-	(662,562)
Issuance of common stock for mineral property	15,675,002	15,675	2,110,194	-	-	-	2,125,869
Unrealized loss on investment - available for sale	-	-	-	-	-	(1,038,409)	(1,038,409)
Net Income (loss)	-	-	-	-	130,974	-	130,974
Balance, December 31, 2014	29,661,064	$ 29,661	$ 7,555,448	$ -	$ (1,821,676)	$ (1,410,078)	$ 4,353,355
Stock based compensation	-	-	-	-	-	-	-
Issuance of common stock for mineral property	95,238	95	9,905	-	-	-	10,001
Unrealized loss on investment - available for sale	-	-	-	-	-	472,105	472,105
Net Income (loss)	-	-	-	-	(729,739)	-	(729,739)
Balance, March 31, 2015	29,756,302	$ 29,756	$ 7,565,353	$ -	$ (2,551,414)	$ (937,973)	$ 4,105,722

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS

	Period Ended March 31, 2015	Year Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	$ (729,739)	$ 130,974
Adjustments to reconcile net loss to net cash used by operating activities:		
Loss on mineral property abondonement	-	25,000
Gain/Loss on investments available for sale	494,283	1,133,207
Gain on settlement of liability	-	7,599
Gain on mining properties and interests	8,757	(2,449,317)
Stock based compensation	-	368,479
Stock issued for consulting services	-	157,500
Stock issued for legal-related expenses	-	24,826
Investments available for sale exchanged for expenses	-	-
Loss on impairment of investment	-	-
Changes in operating assets and liabilities		
Decrease (increase) in:		
Prepaid expenses and deposit	4,013	9,391
Receivables from related parties	-	12,587
Interest receivable on note receivable	-	592
Increase (decrease) in:		
Accounts payable and accrued liabilities	(14,771)	(207,857)
Accrued payroll liabilities	(27,145)	(85,232)
Accrued interest - related parties	-	-
Payable to related parties	(27,023)	202,882
Net cash used by operating activities	(291,625)	(669,369)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of mineral interest	(12,850)	(56,133)
Puchase of reclamation bond - Fisher Canyon	-	-
Note receivable - related party	-	40,000
Proceeds from sale/lease of mining property	-	12,000
Proceeds from sale of investments	283,896	650,124
Net cash provided by investing activities	271,046	645,991
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on convertible debt, related parties	-	-
Common stock issued for cash, net of fees	-	-
Exercise of warrants, net of fees	-	-
Net cash provided by financing activities	-	-
Net change in cash and cash equivalents	(20,579)	(23,378)
Cash and cash equivalents, beginning of period	59,677	83,055
Cash and cash equivalents, end of period	$ 39,098	$ 59,677
Supplemental cash flow information:		
Interest paid	$ -	$ 2,772
Noncash investing financing activities:		
Common stock issued for mining properties, net of repurchased shares	$ 10,000	$ 2,463,307
Accrued stock payable for compensation	-	-
Investment - available for sale exchanged for mineral interest	-	143,692
Investment - available for sale exchanged for release of liability	-	-
Investment - available for sale exchanged for related party accounts payable	-	73,319
Increase in accrued expenses - related party for mineral party	-	193,217

See accompanying notes to the financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Brilliant Sands Incorporated (hereinafter "BRSD" or "the Company") was incorporated as Helena Silver Mines in May 1888 under the laws of the State of Montana. In July 2006, Helena Silver Mines Inc. completed a share acquisition agreement with Dome Copper, Inc. The acquisition was accounted for as a reverse merger with Helena Silver Mines, Inc. being the accounting acquirer and Dome Copper, Inc. surviving as a wholly owned subsidiary. At the time of the acquisition, the name of the Company was changed to Consolidated Goldfields Corporation. On January 12, 2015 the Company held a Special Meeting of Stockholders to change the name of the Company to Brilliant Sands Incorporated which became effective on March 16, 2015.

The Company is an exploration stage company engaged in the acquisition, exploration and development of frac sand and mining properties. The Company's year-end is December 31.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements are prepared in accordance with accounting guidance for development stage entities as it devotes substantially all of its efforts to acquiring and developing mining interests that will eventually provide sufficient net profits to sustain the Company's existence. Until such interests are engaged in major commercial production, the Company will continue to prepare its financial statements and related disclosures in accordance with entities in the development stage.

In conjunction with development stage disclosure requirements, in June 2014 the Financial Accounting Standards Board issued Accounting Standard Update No. 2014-10 ("the ASU"). This update changes the requirements for disclosures as it relates to exploration stage entities. The ASU specifies that the "inception-to-date" information is no longer required to be presented in the financial statements of an exploration stage entity. The amendments in the ASU are effective for annual reporting periods beginning after December 15, 2014 and interim periods therein, with early application permitted for any financial statements that have not yet been issued. The Company has elected to apply the amendments as of December 31, 2014.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make complex and subjective estimates and assumptions that affect the reported amounts in the Company's financial statements and notes thereto for items such as potential impairment of investments available for sale and long-lived assets, the

valuation of stock based compensation and determination of deferred income taxes. On a regular basis, management evaluates these estimates and assumptions. Actual results may differ materially from these estimates.

The Company believes the estimates used are reasonable and appropriate based on current facts and circumstances. It is possible, however, that other parties applying reasonable judgment to the same facts and circumstances could develop different estimates. Additionally, changes in actual experience or changes in other qualitative factors could cause estimates to fluctuate.

Cash and Cash Equivalents

For the purposes of the statements of cash flows and balance sheets, the Company considers any highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Earnings Per Share

Basic net income/ (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time they were outstanding. The following options, warrants and convertible debt equitable shares were excluded from the computation of diluted earnings per share for three months ending March 31, 2015 and at December 31, 2014 because they were anti-dilutive:

	March 31, 2015	December 31, 2014
Options	2,780,368	2,780,368
Warrants	1,554,030	1,554,030
Convertible Debt	--	99,667
	4,334,398	4,434,065

Investments in Debt and Equity Securities

At acquisition, the Company classifies debt securities and equity securities into one of the following three categories:

Held to Maturity – the positive intent and ability to hold to maturity. Amounts are reported at amortized cost, adjusted for amortization of premiums and accretion of discounts.

Trading Securities – bought principally for purpose of selling them in the near term. Amounts are reported at fair value, with unrealized gains and losses included in earnings.

Available for Sale – not classified in one of the above categories. Amounts are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders' equity.

The Company periodically reviews its investments for indications of other than temporary impairment considering many factors, including the extent and duration to which a security's fair value has been less than its cost, overall economic and market conditions, and the financial condition and specific prospects for the issuer. Impairment of investment securities results in a charge to income when a market decline below cost is other than temporary.

The Company held securities classified as available for sale at March 31, 2015 and December 31, 2014. See "Note 3, Investments – Available for Sale" for further details.

Fair Value Measurements

The Company discloses the following information for each class of assets and liabilities that are measured at fair value:

a. the fair value measurement;
b. the level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);
c. for fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following:
    1) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of operations;
    2) the amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets or liabilities still held at the reporting period date and a description of where those unrealized gains or losses are reported;
    3) purchases, sales, issuances, and settlements (net); and
    4) transfers into and/or out of Level 3.
d. The amount of the total gains or losses for the period in (c)(1) included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date and a description of where those unrealized gains or losses are reported in the statement of operations; and
e. In annual periods only, the valuation technique(s) used to measure fair value and a discussion of changes in valuation techniques, if any, during the period.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a unit of production basis over proven and probable reserves.

Mineral Properties and Interests

Significant payments related to the acquisition of mineral properties, mineral rights, and mineral leases are capitalized (see Note 4). Costs to maintain the mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs will be amortized using the units of production method on the basis of periodic estimates of ore reserves.

Should an interest be abandoned, its capitalized costs are charged to operations. When mineral interests are sold, the capitalized costs are eliminated from the accounts and any resulting gain or loss is reflected in operations. If a part of the mineral interest is sold, the amount received is treated as a recovery of capitalized cost. Mineral properties and interests are periodically assessed for impairment of value and any diminution in value.

Accounting for Investments in Joint Ventures

For joint ventures, whether incorporated or unincorporated, in which the Company does not have joint control and significant influence, the cost method is used. Under the cost method, these investments are carried at the lower of cost or fair value. For those joint ventures in which there is joint control between the parties and the Company has significant influence, the equity method is utilized whereby the Company's share of the ventures' earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount.

For joint ventures where the Company holds more than 50% of the voting interest and has significant influence, the joint venture will be consolidated with the presentation of noncontrolling interest. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture's management committee.

Stock Based Compensation

For issuance of shares of the Company's common stock for services or other consideration, the shares are valued at the market price of the Company's common stock or the fair value of the services or consideration received, whichever is more readily determinable.

For issuances of options to purchase shares of the Company's common stock, stock based compensation is recognized in the financial statements based on the grant date fair value of the award. The fair value is determined by the Binomial Lattice option pricing model. The Company believes that this model provides the best estimate of fair value due to its ability to

incorporate inputs that change over time, such as volatility and interest rates, and to allow for the actual exercise behavior of option holders. The compensation cost is recognized over the requisite service period which is equal to the vesting period.

Provision for Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Accordingly, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rules in effect for the year in which differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A valuation allowance is established to reduce the deferred tax assets when the Company determines it is more likely than not that the related tax benefits will not be realized. The Company periodically reviews the valuation of deferred tax assets in light of expected future operating results.

Asset Retirement Obligations and Remediation Costs

Mineral properties are subject to standards for mine reclamation that have been established by various governmental agencies. Asset retirement obligations are related to the retirement of the mine, if a reasonable estimate of fair value can be determined. These obligations are initially measured at fair value with the resulting cost capitalized at the present value of estimated reclamation costs. An asset and a related liability are recorded for the present value of these costs. The liability is accreted and the asset amortized over the life of the related asset. Adjustments are made for changes resulting from either the timing or amount of the original present value estimate underlying the obligation. If there is an impairment to an asset's carrying value and a decision is made to permanently close the property, changes to the liability are recognized and charged to the provision for closed operations and environmental matters. The Company had no asset retirement obligations for the three months ending March 31, 2015 and at December 31, 2014.

NOTE 3 - INVESTMENTS – AVAILABLE FOR SALE

The following summarizes the equity securities available for sale at March 31, 2015.

	Number of Shares	Basis	Fair Value (Level 1)
Teras Resources Inc.	9,315,000	$ 1,537,254	$ 736,724
Strategic Resources International Inc.	100,000	53,000	53,000
		$ 1,590,254	$ 789,724

During the three months ending March 31, 2015, the Company had the following transactions relating to its investment in Teras Resources, Inc. ("Teras"):

- Sold 4,297,500 shares for net cash proceeds of $283,896. A loss on investment available for sale of $484,293 was recognized as a result of this transaction.

- Exchanged 100,000 shares for an interest in the Fisher Canyon mineral claims (see Note 4). The value of the shares on the transaction date was $9,655. A gain on mineral properties of $8,757 was recognized as a result of this transaction.

During the year ending December 31, 2014, the Company had the following transactions relating to its investment in Teras Resources, Inc. ("Teras"):

- The Company received 15,300,000 shares of Teras Resources, Inc. ("Teras") common stock in accordance with the Cahuilla Earn in Agreement (see Note 4).

- Sold 4,890,556 shares for net cash proceeds of $650,124. A loss on investment available for sale of $1,133,207 was recognized as a result of this transaction.

- Exchanged 50,000 shares for an interest in the Fisher Canyon mineral claims (see Note 4). The value of the shares on the transaction date was $17,128. A gain on mineral properties of $7,793 was recognized as a result of this transaction.

- Exchanged 1,850,000 shares to a shareholder in accordance with a settlement agreement entered into with a shareholder. The value of the shares on the transaction date was $633,810. A loss on investment available for sale of $101,324 was recognized as a result of this transaction. Terms of the agreement are further explained in Note 3.

- Issued 37,500 shares to a shareholder in accordance with a settlement agreement entered into with a shareholder. These shares were issued in error and are expected to be returned by the shareholder.

- Exchanged 537,500 shares to a shareholder in accordance with a settlement agreement entered into with a shareholder. The value of the shares on the transaction date was $164,099. A loss on investment available for sale of $95,288 was recognized as a result of this transaction. Terms of the agreement are further explained in Note 3.

- Distributed 150,000 shares to a director in consideration of a performance bonus granted in 2013. The value of the shares on the transaction date was $73,319. A gain on investment available for sale of $929 was recognized as a result of this transaction.

On December 31, 2013, the Company determined that decline in value of its investment in Strategic Resources, Inc. was other than temporary. An impairment loss of $27,000 was recognized for the year ending December 31, 2013 bringing the investment balance to its fair value of $53,000.

The Company plans to continue the sale of Teras shares through the end of 2015. The funds will be used to further exploration at the McClelland Lake, Alberta Project, and Washow Peninsula properties as well as for general working capital.

The Company entered into an agreement with William L. Campbell, a shareholder of the Company, on January 27, 2014 to acquire 1,233,474 shares of the common stock of the Company held by Mr. Campbell in exchange for 1,850,000 common shares of Teras Resources, Inc. held by the Company. The agreement also contained provisions relating to the voting of any remaining shares of the Company's common stock owned or controlled by Mr. Campbell in accordance with the recommendations of the Company's board of directors at the Annual Meeting and releases related to disagreements between the Company and Mr. Campbell over the strategic direction and management of the Company.

The Company entered into an agreement with John A. Swallow and Erin A. Swallow, shareholders of the Company, on February 3, 2014 to acquire 358,334 shares of the common stock of the Company held by the Holders in exchange for 537,500 common shares of Teras Resources, Inc. held by the Company. The Company completed the final steps for consummating the transaction on February 19, 2014. The agreement also contained provisions relating to the voting of any remaining shares of the Company's common stock owned or controlled by the Holders in accordance with the recommendations of the Company's board of directors at the Company's 2014 annual meeting of shareholders and releases related to disagreements between the Company and the Holders over the strategic direction and management of the Company. An additional 37,500 common shares of Teras Resources, Inc. held by the Company were issued in error.

Liquidating Trust

On October 22, 2013 the Company announced that its board of directors has approved the creation of a trust ("the Trust") for the purpose of holding three million common shares of Teras Resources Inc. currently held by the Company. The sole purpose of the Trust will be to liquidate the Teras Shares and distribute the cash proceeds of the liquidation from time to time to record holders of common stock of the Company as of the close of business on December 16, 2013. No holders of the Company's common stock other than the record holders will be entitled to any distributions from the Trust. The Trust will have no objective to continue or engage in the conduct of a trade or business.

It is expected that the liquidation of the Teras Shares will begin upon the earlier of:

- eighteen months after the effective date of the Trust;
- Teras common shares achieving trading price targets to be set forth in the trust agreement;
- certain circumstances relating to the change in control of Teras to be set forth in the trust agreement; or
- certain circumstances relating to the change in ownership of certain Teras' assets, including the Teras' interest in the Cahuilla property, to be set forth in the trust agreement.

Thereafter, the trust agreement will authorize the trustee to sell a portion of the Teras Shares held in the Trust on a monthly basis according to the terms of the trust agreement and to distribute the cash proceeds of those sales from time to time to the record holders on a pro rata basis. It is anticipated that the term of the trust will be for no longer than three years, subject to extensions at the discretion of the trustee if the trustee determines that an extension is reasonably necessary to wind up the affairs of the Trust.

The Trust, at this time, has not been formally executed. The Company has not yet chosen a trustee, determined trustee compensation or finalized the terms of the trust agreement. The Company is continuing to evaluate the terms of the Trust and the various issues involved in the creation and maintenance of the Trust, which may include, among other things, issues relating to the tax, securities and other regulatory aspects of the arrangement. The creation of the Trust and the grant of the Teras Shares to the Trust continue to be subject to the further discretion of the Company's board of directors, and there can be no assurance that the Trust will be created or that distributions will be made to the Company's shareholders.

NOTE 4 – MINERAL PROPERTIES AND INTERESTS

Details of mineral interest capitalized for the three months ending March 31, 2015 and at December 31, 2014 are as follows:

	Pyramid Mine	Fisher Canyon	Rose Gulch	Klondike Pass	Muskox Data
Balance - December 31, 2013	$ 44,000	$ 165,044	$ 25,000	$ 5,000	-
Cash	0	0	0	6,000	2,169
Shares in Investment-available for sale	0	17,128	0		1,000,000
Impairment	0	0	(25,000)	0	0
Balance - December 31, 2014	$ 44,000	$ 182,172	$ -	$ 11,000	1,002,169
Cash	0	10,000	0	0	0
Shares in Investment-available for sale	0	19,655	0		0
Impairment	0	0	0	0	0
Balance - March 31, 2015	$ 44,000	$ 211,827	$ -	$ 11,000	1,002,169

	King Solomon	McLelland Property	Alberta Property	Washow Property	Total
Balance - December 31, 2013	-	-	-	-	$ 239,044
Cash	5,000	98,724	94,473	42,985	249,350
Shares in Investment-available for sale	500	888,833	850,147	386,388	3,142,997
Impairment	0	0	0	0	(25,000)
Balance - December 31, 2014	5,500	987,557	944,620	429,373	$ 3,606,391
Cash	0	0	0	0	10,000
Shares in Investment-available for sale	0	0	0	0	19,655
Impairment	0	0	0	0	0
Balance - March 31, 2015	5,500	987,557	944,620	429,373	$ 3,636,046

Frac Sand Properties

On December 17, 1014 the Company entered into an Agreement of Purchase and Sale with 1824455 Alberta Ltd. to purchase a 100% right, title and interest in three properties located in the Canadian Provinces of Manitoba and Alberta. The McClelland project consists of 66,000 acres and the Alberta project consists of 87,000 acres, both of which are situated in Alberta. The Washow project consists of 1,000 acres and is situated in Manitoba. The settlement of purchase price is outlined below:

- At closing, 7,833,334 common shares of Company stock were issued to 1824455 Alberta Ltd.
- On signing of the agreement $50,000 CAD (paid December 2014)
- 7,833,334 common shares of Company stock were issued to 1824455 Alberta Ltd to be held in escrow until applicable terms and conditions are met
  - 2,350,000 of the escrowed shares will be released upon the completion of a NI 43-101 resource report that identifies a resource deposit which is sufficient to move forward with a project
  - 2,350,000 of the escrowed shares will be release upon the completion of a PEA which demonstrates a financial return which is sufficient to move forward with a project
  - 3,133,334 of the escrowed shares will be released upon the award of all necessary permits that will allow for the mining of product
- $50,000 CAD to be paid within forty-five days of closing (paid April 2015)
- $175,000 CAD to be paid upon completion of financing

In addition, the Company entered into a Production Royalty Agreement on the Canadian properties. The Company will pay a two (2%) percent production royalty of actual proceeds from the sale or other disposition of the product commencing on the date on which commercial production is achieved. The Company has agreed to an advance minimum royalty ("AMR") to begin on the one year anniversary of the closing date and continuing yearly up to the date of commercial production in the amount of $225,000 CAD annually. The annual AMR will be paid on a quarterly basis in four equal installments. AMR's paid prior to commercial production for each property will be credited against future production royalties on each property on a dollar for dollar basis up to the maximum rate per quarter. The AMR's paid shall be non-refundable.

King Solomon

On November 4, 2014, and December 3, 2014, the Company entered into an Exploration and Mining Lease with Option to Purchase Agreement on the King Solomon project with Mountain Gold Claims LLC Series 9, which is owned by a former director and officer of the Company and a private individual, respectively. The property consists of two adjoining claim blocks for a total of 66 unpatented mining claims situated in Nye County Nevada. Lease payments are payable to each party as outlined below:

- On signing of the agreement, 8,334 shares of the Company's common stock were issued to the private individual
- On signing of the agreements, a total of $5,000 (paid November and December 2014, respectively
- On or prior to each anniversary date, to each party:
    - 1st: $10,000
    - 2nd: $20,000
    - 3rd: $40,000
    - 4th: $60,000
    - 5th: $80,000
    - 6th – 10th: $100,000
    - 11th – 15th: $150,000
    - 16th and thereafter: $200,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1st: $10,000
- 2nd: $20,000
- 3rd: $100,000
- 4th and thereafter: $100,000

All work expenditures made by Lessee during any lease year in excess of the work commitment expenditures required for such lease year will be credited against work commitment

requirements for any subsequent lease year. For any work commitment not fulfilled within the time frame, then the difference between the actual expenditures and the required work commitments expenditure will be paid to owners in cash as the fulfillment of the obligation.

Total exploration expenses for the King Solomon project for the three months ending March 31, 2015 were $272.

Klondike Pass

On September 19, 2013, the Company entered into Exploration and Option to Purchase Agreement on the Klondike Pass project with a private individual. The property consists of 160 acres of private land located in Pershing County, Nevada. Lease payments for the property are outlined below:

- On signing of the agreement $5,000 (paid September 2013)
- On or prior to each anniversary date:
    - 1st: $6,000 (paid September 2014)
    - 2nd: $7,000
    - 3rd: $8,000
    - 4th: $10,000
    - 5th and thereafter: $15,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1st: $10,000 ($61,391 spent as of September 30, 2014)
- 2nd: $80,000 ($50 spent as of March 31, 2015)
- 3rd: $50,000
- 4th: and thereafter $50,000

All work expenditures made by Lessee during any lease year in excess of the work commitment expenditures required for such lease year will be credited against work commitment requirements for any subsequent lease year.

Total exploration expenses for the Klondike Pass project for the three months ending March 31, 2015 and at December 31, 2014 were $0 and $13,530, respectively.

Fisher Canyon

On January 26, 2011, the Company entered into an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 (“Mountain Gold”), which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50%

interest in the property. The property consists of 87 unpatented mining claims situated in Pershing County Nevada. The Company previously held 123 unpatented mining claims and after further review the Company has decided to drop the additional 36 claims which were staked in February 2012. Lease payments for the property are outlined below:

- On signing of the agreement: 100,000 shares of Teras common stock owned by the Company ("Teras Shares") which had a fair value of $50,225 on the date of the agreement. The difference between the fair value and the cost basis of the Teras Shares of $31,552 was recognized as a gain during the year ended December 31, 2011.

- On or prior to each anniversary date:
  - 1st: $5,000 and 100,000 Teras Shares (paid February 2012). The Company also paid a penalty of 5,000 Teras Shares. See Note 3.
  - 2nd: $10,000 and 100,000 Teras Shares (paid January 2013)
  - 3rd: $15,000 and 100,000 Teras Shares (please see note below regarding the renegotiated 3rd anniversary).
  - 4th: $20,000 and 100,000 Teras Shares (paid January 2015)
  - 5th and thereafter: $25,000 and 100,000 Teras Shares

- Pay various state and federal claim-related fees

The lease agreement also requires minimum work commitments on or prior to each anniversary date as follows:

  - 1st: $10,000 ($7,213 spent)
  - 2nd: $25,000 ($185,970 spent, excludes annual claim fees)
  - 3rd: $50,000 ($23,056 spent, excludes annual claim fees)
  - 4th: $75,000 ($6,411 spent, excludes annual claim fees)
  - 5th and thereafter: $100,000 ($1,131.25 spent)

For any work commitment not fulfilled within the time frame, the Company will owe a cash payment to the property owners equal to 75% of the unmet work commitment.

Total exploration expenses for the Fisher Canyon project for the three months ending March 31, 2015 and at December 31, 2014 were $1,131 and $20,816, respectively.

On February 26, 2014, the Company renegotiated the 3rd Anniversary of the Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The terms on the 3rd anniversary (January 26, 2014) will be changed accordingly:

- The cash payment of $15,000 is removed and will not apply at any time.
- The stock distribution of 100,000 (one hundred thousand) common shares of Teras Resources will be reduced to 50,000 (fifty thousand), to be divided equally among the owners.
- CDGF will quitclaim to Thomas Callicrate (Mountain Gold Claims LLC) the unpatented lode claims that represent the Golden Mile property consisting of 13 unpatented mining claims. All costs for transfer and maintenance will be the responsibility of Mr. Callicrate.

Pyramid Mine

The Pyramid Mine project consists of five unpatented claims encompassing 100 acres located in Churchill County, Nevada which are 100% owned by the Company. No proven or probable reserves have been identified on the property.

In April 2009, the Company entered into an Option-to-Purchase Royalty Agreement ("the Purchase Agreement") with Trend Mining Company giving the Company the option to purchase a 1.5% Net Smelter Return ("NSR") Royalty on the unpatented mining claims of the Pyramid Mine. Under the Purchase Agreement the Company issued 33,334 shares of common stock at $0.18 per share. To complete the purchase, the Company agreed to pay an additional $44,000 in cash or common stock by February 16, 2011. On January 28, 2011, the Company completed the final payment of $44,000 by issuance of 54,321 shares of common stock with a fair value of $0.81 per share.

Total exploration expenses for the Pyramid Mine project for the three months ending March 31, 2015 and at December 31, 2014 were $50 and $882, respectively.

One of the Company's former directors was an affiliate of Trend Mining Company.

Koegel Hills

The Koegel Hills project consists of 71 unpatented claims encompassing 1,420 acres located in Mineral County, Nevada which are 100% owned by the Company. The project is an extensive copper-gold bearing porphyry system manifested by intense surface alteration that extends for more than six square miles.

Total exploration expenses for the Koegel Hills project for the three months ending March 31, 2015 and at December 31, 2014 were $0 and $12,463, respectively.

Rose Gulch

On August 27, 2012, the Company entered into an Exploration and Mining Lease and Option to Purchase Agreement on the Rose Gulch Property with a private individual. The property consists of 460 acres of private land located in Pershing County, Nevada.

As of September 10, 2014, the Company has abandoned its interest in the Rose Gulch property.

Four Mile Basin

The Four Mile Basin property is located in Nye County, Nevada. The Company owns a 100% interest in two unpatented claims that are surrounded by another mining company that controls an extensive land position throughout the district.

On February 26, 2013 the Company entered into an Exploration and Option to Purchase Agreement with Wolfpack Gold (Nevada) Corporation for the two unpatented Four Mile Basin claims. The term of the Four Mile Basin Agreement shall be for a period of twenty (20) years. The Four Mile Basin Agreement may be cancelable at the option of either the Company or the lessee at any time by giving thirty (30) days advanced notice.

During February 2015, the Company was given notice that the lease holder was abandoning the Four Mile Basin project.

Muskox Data Inventory

The Company has acquired the Muskox Data Inventory from Prize Mining Corporation. The Data consists of years worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered Intrusion in Nunavut, Canada. The Muskox Intrusion was first worked on in the 1960's and 1970's by the Geological Survey of Canada and by Inco Mining. Prize began working on the project in 1998 and has spent over $16 million on the project through 2004. In addition, Prize accumulated data from its joint venture partners Anglo American and Silvermet Mining in the 2000's valued at roughly $8 million.

The purchase price for the Data was $1 million, paid by the issuance of 3,703,334 shares of the Company's common stock. In addition, the Company has agreed to pay an additional $50,000 in cash in satisfaction of certain Canadian tax obligations incurred by Prize as a result of the transaction, however it has been determined that minerals are exempt from the Canadian goods and service tax. One of the Company's directors is currently President, CEO and a director and shareholder of Prize Mining Corporation. As stated in the Chairman of the Board's incentive package for generating a property the Board votes to accept and acquire the Chairman was granted 333,334 shares of common stock with a value of $350,000 in January 2014.

Cahuilla Gold Project

On December 1, 2006, and as amended and restated on August 5, 2010, the Company executed a formal Exploration and Option to Lease Agreement ("the Cahuilla Agreement "or "Earn-in Agreement") for the Cahuilla Gold Project in Imperial County, California, the majority of which is situated on the Torres Martinez Desert Cahuilla Indian Reservation. Under the terms of the Cahuilla Agreement the Company has the exclusive rights to explore, develop and conduct mining operations on more than two square miles situated on Tribal lands. The Company is required to pay escalating lease payments and meet minimum work obligations for a period of

five years beginning in 2010. The Cahuilla Agreement is cancelable by the Company at any time by giving 30 days written notice.

On February 10, 2010 Consolidated entered into an Earn-In Agreement with Teras Resources, Inc. ("Teras") whereby Teras could earn 65% undivided interest in the Cahuilla property. Pursuant to the terms of the Earn-in Agreement and subject to certain conditions being met in accordance with the Earn-In Agreement, Teras issued 4,000,000 common shares to Consolidated and deposited $800,000 into an account in 2010 for the exclusive use of exploration, development and maintenance expenditures on the property. In 2011, Teras issued an additional 5,000,000 shares to Consolidated and deposited $1,000,000 for additional expenditures on the property.

In addition, in order to exercise the option and earn its 65% interest in the Cahuilla project Teras must issue an additional 5,300,000 common shares to Consolidated. The exercise of the option by the issuance of the additional common shares is at the sole discretion of Teras.

As of August 31, 2011, Teras fulfilled its obligations under the Earn-In Agreement and now holds a 65% interest in the Cahuilla project. The Company elected to postpone the receipt of the 5,300,000 shares of Teras common stock as required under the agreement to a later date. During May 2014 the Company formally requested the issuance of the 5,300,000 shares of Teras common stock for the 65% interest in the Cahuilla project; these shares were received by the Company on May 29, 2014.

On September 14, 2011 the Company signed an Exploration and Earn-in Agreement with Teras Resources, Inc. on the Cahuilla Project. The terms of the agreement specify that Teras will have a 24-month option to earn the remaining 35% interest of the Cahuilla gold project and 100% interest in four other gold projects. Teras can exercise the option at any time within the 24-month period by issuing 10 million common shares of Teras stock to the Company and spending $1,000,000 in work commitment on the Cahuilla project within that period.

During September 2013 Teras Resources, Inc. has fulfilled its obligations under the Earn-In Agreement to earn the remaining 35% interest in the Cahuilla gold project. The Company has elected to postpone the receipts of the 10 Million shares of Teras common stock as required under the agreement to a later date. During May 2014 the Company formally requested the issuance of the 10,000,000 shares of Teras common stock for the remaining 35% interest in the Cahuilla project; these shares were received by the Company on June 4, 2014.

Prior to 2010, the Company entered into six mineral lease agreements on the Cahuilla Gold Project area. These lease agreements give the Company the right to explore, develop and produce gold and other minerals from the properties for periods specified in the agreements. These lease agreements have initial terms of 10 to 40 years and may be extended under certain circumstances. The lease agreements are cancelable at the option of either the Company or the

lessor. Under these lease agreements, the Company would be required to make royalty payments if it produces minerals. Effective with the Earn-In Agreement described above, the joint venture made the lease payments beginning February 2010 and continuing through the year ending December 31, 2013. During November 2013, the Company assigned the six mineral lease agreements to Teras Resources, Inc.

During September 2014, the Company assigned the Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians to Teras Resources, Inc.

Other
The Company controls additional mining properties in Nevada. None of these properties have ongoing mineral lease payment commitments nor do the properties have identified proven or probable reserves.

NOTE 5 – RELATED PARTY CONVERTIBLE NOTES

Related party convertible notes for the three months ending March 31, 2015 and at December 31, 2014 consisted of the following:

	March 31, 2015	December 31, 2014
Thomas Callicrate, former officer and director	$ 0	$ 0
Thomas Mancuso, former president and current director	50,000	50,000
	$ 50,000	$ 50,000

The 2008 Notes
The Company issued six convertible notes payable totaling $106,300 to two officers during the year ended December 31, 2008 (the "2008 Notes"). In exchange for these Notes, the holders received one share of common stock for every two dollars of principal. A total of 17,718 shares valued at $27,436 were issued and resulted in a discount on the original notes.

The interest rate on the 2008 Notes was increased during 2009 from 8% to 20%. Interest accrues monthly and is due with the principal on the maturity dates. All of the notes were for an original term of six months and matured at various dates from January to June 2009. All of the notes were extended several times during 2009, 2010, 2011 and 2012 (see "note extensions" below). During 2010, two of the notes totaling $13,800, were paid in full with interest. The remaining four notes, totaling $85,706, mature at various dates in 2013. On November 30, 2012 the Company reached an agreement with Thomas Callicrate, a former officer and director, to repay the convertible notes by making an initial payment of $14,830 on accrued interest with equal

monthly principal and interest payments beginning in December 2012 of $10,000 for six months plus accrued interest to be added to the final sixth payment.

As of May 30, 2013 the Company has fulfilled its obligations under the Mutual Release and Settlement Agreement entered into with Mr. Callicrate on November 30, 2012.

Each note is convertible at the note holder's option into shares of the Company's common stock. The number of shares that the note can be converted into will be determined as follows:

> Prior to the Maturity Date – The balance of the unpaid principal plus all accrued interest will be divided by 90% of the offering price of the Company's most recent equity offering or $0.15 if there have been no recent equity offerings. The conversion rate was $0.90 at December 31, 2014, and 2013.
>
> At the Maturity Date – The balance of the unpaid principal plus all accrued interest will be divided by $0.15.

The fair value of the related conversion option for the three months ending March 31, 2015 and at December 31, 2014 was nil due to the relatively short term to maturity date and the effective 'prior to maturity date' conversion rate approximating the fair value of the Company's common share at each year end.

Accrued interest

Accrued interest related to the outstanding notes was $39,701 for the three months ending March 31, 2015. Interest expense related to the outstanding notes was $2,500 and $10,140 for the three months ending March 31, 2015 and at December 31, 2014, respectively. In March of 2013 the Company began paying Mr. Mancuso the amount of interest accrued each month.

Note extensions

As disclosed above the notes have been extended several times. Each extension required issuance of shares of the Company's common stock and, in some cases, an increase in the interest rate. The Company considered the impact of ASC 470-50 "Debt-Modifications and Extinguishments" on the accounting treatment for these extensions. ASC 470-50 states that a transaction resulting in a significant change in the nature of a debt instrument should be accounted for as an extinguishment of debt. The difference between the reacquisition price and the net carrying amount of the extinguished debt is recognized currently in income of the period of extinguishment. The Company concluded that the extensions constituted a substantial modification. During the year ended December 31, 2012 the Company issued 190,004 shares of its common stock in connection with these extensions and recognized losses on note extensions of $174,667 representing the difference between the fair value of the amended note, including consideration and fees, and the carrying value of the original note, including related unamortized discount. In addition, during January 2013 the Company issued 37,779 shares of its common

stock in connection with the extensions, which was a common stock payable at December 31, 2012 because the issuance related to an extension which occurred in 2012.

As of March 2013, Mr. Mancuso has elected to no longer receive Company common stock for the extension of notes due to the acceptance of monthly interest payments as noted above.

NOTE 6 – STOCKHOLDERS EQUITY

Preferred Stock
The Company has 15,000,000 authorized and unissued shares of preferred stock with a par value of $0.10 per share, with rights and preferences to be determined by the Company's board of directors.

Common Stock
During the year ended December 31, 2014, the board of directors and shareholders approved an increase in the number of authorized shares of common stock from 100,000,000 shares with a par value of $0.001 per share, to 200,000,000 shares of common stock with a par value of $0.001 per share. Each holder of common stock is entitled to one vote for each share of common stock held on all matters which holders of common stock are entitled to vote.

On January 12, 2015, our board of directors and stockholders approved a one-for-three reverse stock split of the Company's common stock. After the reverse stock split, effective March 16, 2015, each holder of record held one share of common stock for every 3 shares held immediately prior to the effective date. As a result of the reverse stock split, the number of shares underlying outstanding stock options and warrants and the related exercise prices were adjusted to reflect the change in the share price and outstanding shares on the date of the reverse stock split.

Following the effective date of the reverse stock split, the par value of the common stock remained at $0.001 per share. As a result, we have reduced the common stock in the balance sheets and statement of stockholders'' equity included herein on a retroactive basis for all periods presented, with a corresponding increase to additional paid-in-capital.

During the three months ending March 31, 2015, the Company issued the following shares of its common stock:

- 98,238 shares valued at $.105 per share (total of $10,000) to a director in connection with the Fisher Canyon fourth anniversary, in lieu of a cash payment.

During the year ended December 31, 2014, the Company issued the following shares of its common stock:

- 200,000 shares valued at $.93 per share (total of $186,000) to a former director in accordance with the performance bonus program.
- 333,334 shares valued at $1.05 per share (total of $350,000) to a director in accordance with an incentive for joining the Board.
- 3,703,334 shares valued at $.27 per share (total of $1,000,000) in connection with the Asset Purchase Agreement – see Note 4.
- 69,834 shares valued at $.45 per share (total of $31,425) for legal services rendered.
- 1,233,475 shares were cancelled with a value of $.45 per share (total of $555,062) in accordance with a Settlement Agreement entered into with a shareholder – see Note 3.
- 358,334 shares were cancelled with a value of $.30 per share (total of $107,500) in accordance with a Settlement Agreement entered into with a shareholder – see Note 3.
- 50,000 shares valued at $1.05 per share (total of $52,500) as an incentive for joining the Company's Board of Directors as Chairman.
- 100,000 shares valued at $1.05 per share (total of $105,000) to a director in accordance with the terms of the consulting services agreement.
- 8,334 shares valued at $.06 per share (total of $500) in connection with the Exploration and Mining Lease with Option to Purchase Agreement – see Note 4.
- 7,833,334 shares valued at $.09 per share (total of $705,000) in connection with the Agreement of Purchase and Sale.
- 7,833,334 shares valued at $.09 per share (total of $705,000) in connection with the Agreement of Purchase and Sale to be held in escrow until certain milestones are met – see Note 4.

Warrants

The Company has issued warrants that enable the holder to purchase a stated number of shares of common stock at a certain price within a certain time period.

In connection with a private placement completed on May 31, 2010, the Company issued 760,683 warrants exercisable into one share of common stock at an exercise price of $0.75 per share. The warrants expire two years from the date of issuance. In April 2012, 116,670 of these warrants were exercised for total proceeds of $87,500. The remaining warrants were extended to December 2015.

In connection with a private placement completed on June 30, 2010, the Company issued 910,017 warrants exercisable into one share of common stock at an exercise price of $0.75 per share. The warrants expire two years from the date of issuance. The remaining warrants were extended to December 2015.

Following is a summary of warrant activity for the three months ending March 31, 2015 and at December 31, 2014:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
Outstanding at December 31, 2013	1,554,030	$ 0.75	0.44
Issued	-	-	-
Exercised	-	-	-
Expired	-	-	-
Outstanding at December 31, 2014	1,554,030	0.75	0.95
Issued	-	-	-
Exercised	-	-	-
Expired	-	-	-
Outstanding at March 31, 2015	1,554,030	$ 0.75	0.70

Stock options

The Company approved an Amended 2013 Stock Option and Stock Bonus Plan at its Annual Meeting on March 31, 2014. Stock options are issued for compensation and services as determined by the board of directors. Following is a summary of stock option activity for the three months ending March 31, 2015 and at December 31, 2014:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2013	2,313,698	$ 0.51
Granted	466,670	0.09
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2014	2,780,368	$ 0.41
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding and exercisable March 31, 2015	2,780,368	$ 0.41

The weighted average contractual term of the options granted during the three months ending March 31, 2015 and at December 31, 2014 was 4.44 years and 4.69 years, respectively. As of the three months ending March 31, 2015, all of the options were fully vested. At March 31, 2015, the stock options had an intrinsic value of $37,334 based upon the market price of the Company's stock on that date.

Expenses related to the granting and vesting of stock options were $0 and $19,480 for the three months ending March 31, 2015 and at December 31, 2014. Such expenses are included in payroll and related expenses on the statement of operations and comprehensive income (loss)**.**

The Company estimates the fair value of options granted by using the Binomial Lattice option pricing model with the following assumptions used for grants:

	2014	**2013**
Dividend yield	-	-
Expected volatility	75.81% - 100%	76.25% - 100%
Risk-free interest rate	0.84% - 2.17%	0.84% - 1.99%
Expected life (years)	4.25 – 7.67	4.25 – 7.86

The expected volatility is based on the historical volatility of comparable companies for a period approximating the expected life, due to the limited trading history of the Company's common stock. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero-coupon issues over equivalent lives of the options.

The expected life of employee stock options represents the weighted-average period the stock options are expected to remain outstanding and is a derived output of the Binomial Lattice model. The expected life of employee stock options is impacted by all of the underlying assumptions and calibration of the Company's model. The Binomial Lattice model estimates the probability of exercise as a function of these two variables based on the entire history of exercises and cancellations on all past option grants made by the Company.

NOTE 7 – INCOME TAXES

The components of the Company's tax benefit are as follows:

	2013	**2012**
Current tax benefit	$307,600	$148,900
Non-deductible items	(800)	(300)
Change in valuation allowance	(306,800)	(148,600)
	-	-

The Company did not record federal or state tax provisions for the years ended December 31, 2013 or 2012, due to the Company's continued net operating losses. No deferred tax provision (benefit) has been recorded at December 31, 2013 or 2012 due to a full valuation allowance against the deferred tax assets. Realization of the Company's deferred tax assets depends on generating sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from net operating loss carryforwards. Due to the uncertainty of the timing and the amount of such realization, management concluded that a full valuation allowance was required.

Significant components of the deferred tax assets for the years ended December 31, 2013 and December 31, 2012 are as follows:

	2013	2012
Deferred tax asset:		
Net operating loss carryforward	$710,900	$510,300
Stock based compensation	168,500	138,900
Exploration costs	137,700	61,100
Total deferred tax asset	1,017,100	710,300
Deferred tax liability		
Investment basis difference	(249,600)	(249,600)
Net deferred tax asset	767,500	460,700
Valuation allowance	(767,500)	(460,700)
	-	-

The Company recorded a deferred tax liability of $540,572 at December 31, 2012 which is associated with the unrealized gain on investments available for sale reflected in other comprehensive income. No deferred tax asset or liability exists for the unrealized loss on investments available for sale on December 31, 2013.

At December 31, 2013, the Company has net operating loss carryforwards for federal income tax purposes of approximately $1,857,745 to offset future taxable income which expire from 2027 to 2033. As of December 31, 2013, state net operating losses were immaterial.

The Company is subject to federal statutory tax rate of 35%; a tax rate of 36% is applied to deferred taxes to include the impact of state income tax rates. The main difference between the statutory rate and the effective tax rate of 0% is the increase in the valuation allowance for deferred taxes.

The Company has concluded that the guidance regarding accounting for uncertainty in income taxes had no significant impact on results of operations or financial position as of December 31, 2013 or 2012. Therefore, there is no accrual for uncertain tax positions as of December 31, 2013 or 2012. If interest and penalties were to be assessed, interest would be charged to interest expense, and penalties to other operating expense. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date. Fiscal years 2011 through 2013 remain subject to examination by state and federal tax authorities.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

McClelland Lake Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the McClelland Lake property which requires annual payments in the form of

cash. In addition, the Agreement provides for the Company to pay a production royalty of actual proceeds of 2% from the sale or other disposition of the product. The Company has agreed to an advance minimum royalty to begin on the one year anniversary of the closing dated and continuing yearly up to the date of production.

Alberta Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the Alberta property which requires annual payments in the form of cash. In addition, the Agreement provides for the Company to pay a production royalty of actual proceeds of 2% from the sale or other disposition of the product. The Company has agreed to an advance minimum royalty to begin on the one year anniversary of the closing dated and continuing yearly up to the date of production.

Washow Peninsula Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the Washow Peninsula property which requires annual payments in the form of cash. In addition, the Agreement provides for the Company to pay a production royalty of actual proceeds of 2% from the sale or other disposition of the product. The Company has agreed to an advance minimum royalty to begin on the one year anniversary of the closing dated and continuing yearly up to the date of production.

King Solomon Project

The Company has an Exploration and Mining Lease with Option to Purchase Agreement with respect to the King Solomon Project which provides for annual lease payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2% on net smelter returns ("NSR") from the production or sale of minerals from the property. In addition the Company has agreed to a 1% of the NSR from the production or sale of minerals from all third party properties within the Property.

Klondike Pass Project

The Company has entered into an Exploration and Option to Purchase Agreement on the Klondike Pass Project which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2.5% on net smelter returns ("NSR") from the production or sale of minerals from the property.

Fisher Canyon Project

The Company has an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement with respect to the Fisher Canyon Project which provides for annual lease payments in the form of cash and shares of Teras common stock and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 3% on net smelter returns ("NSR") from the production or sale of minerals from the property.

All of these agreements are cancelable at the option of the Company and are further discussed in Note 4.

NOTE 9 – RELATED PARTY TRANSACTIONS

Earn-In Agreements

In February 2010, the Company entered into an Earn-In Agreement with Teras Resources Inc. Prior to completion of the Earn-In Agreement, the Company's then President and CEO Thomas Callicrate accepted an officer position with Teras Resources Inc. In addition, in June 2010, the President of Teras, Peter Leger, accepted a board position with the Company. The Earn-In Agreement is further discussed at Note 4.

In September 2011, the Company entered into an additional Earn-In Agreement with Teras Resources Inc. for the 35% balance of the Cahuilla project.

During September 2013 Teras Resources, Inc. has fulfilled its obligations under the Earn-In Agreement to earn the remaining 35% interest in the Cahuilla gold project. The Company has elected to postpone the receipts of the 10 Million shares of Teras common stock as required under the agreement to a later date.

During May 2014 the Company formally requested the issuance of the 5,300,000 shares of Teras common stock for the 65% interest in the Cahuilla project and the 10,000,000 shares of Teras common stock for the remaining 35% interest in the Cahuilla project. The 5,300,000 shares and the 10,000,000 shares were received by the Company on May 29, 2014 and June 4, 2014, respectively.

Fisher Canyon

On January 26, 2011, the Company entered into an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7, which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The lease agreement requires annual lease payments as further discussed in Note 4.

King Solomon

On November 4, 2014, the Company entered into an Exploration and Mining Lease with Option to Purchase Agreement for the King Solomon Project with Mountain Gold Claims Series 9, which is owned by a former officer and director of the Company. The lease agreement requires annual lease payments as further discussed in Note 4.

Convertible Notes Payable

The Company has issued several convertible notes payable due to a director of the Company. The terms of the notes are further discussed in Note 5.

Consulting Fees

The Company elected a Chairman of the Board on March 8, 2013, which included an incentive package for joining the Board. The incentives are as follows; 350,000 share of common stock for joining of the Board; 200,000 shares of common stock after successful completion of 6 months as a Board member; 150,000 shares of common stock after successful completion of 12 months as a Board member; and 1,000,000 shares of common stock if the Chairman generates a property that the Board votes to accept and acquire. For the years ended December 31, 2014 and 2013, the Company incurred $52,500 and $192,500, respectively, of expense for the incentive package. On January 7th, 2014 the Company accepted the purchase of a property the Chairman presented. As a result the Chairman was granted 1,000,000 shares of common stock with a value of $350,000 in January 2014.

The Company entered into a consulting agreement with the Chairman of the Board to provide assistance in corporate affairs effective March 14, 2013. For services rendered, the Company will issue to the consultant 25,000 common shares in the Company each month, payable at the end of each quarter. The term of this agreement is effective for one year and will be automatically renewed for further terms of one year until terminated in accordance with the agreement. For the years ended December 31, 2014 and 2013 the Company incurred $105,000 and $78,750, respectively of consulting fees under this agreement. On January 1, 2015 the Company entered into a new consulting agreement with the Chairman of the Board to provide assistance in corporate affairs. This agreement supersedes and replaces all existing agreements between the Company and consultant. For services rendered, the Company will pay a base monthly fee of $5,000 plus PST or GST or HST where applicable, provide full participation in any benefit, stock options, or annual bonus programs, as well as reimburse all out of pocket expenses incurred while providing consulting services.

Payable to Related Party

At the three months ending March 31, 2015 and at December 31, 2014, the Company had $0 and $32,250, respectively, due to an officer of the Company for consulting services.

Receivable from Related Parties

On November 8, 2013 the Company entered into an agreement to loan Rokmaster Resources Corporation $40,000 in the form of a note. The principal amount of the note and any due and unpaid interest thereon shall bear interest from the date of advance to and including the date of payment calculated monthly at the rate of ten percent (10%) annum and payable on the applicable maturity date. The maturity date of the loan is one year from the date of the note or upon the borrower receiving a financing of more than $700,000 US, whichever is sooner or such later date as may be agreed to by the borrower and the Company.

At the three months ending March 31, 2015, the Company had $36,252 due from an officer and director for payroll taxes owed due to the granting of shares of the Company's common stock

and the issuance of shares of Teras Resources, Inc. common stock during the February 2013 and September 2013 performance bonus program.

Asset Purchase Agreement

The Company entered into a Asset Purchase Agreement with Prize Mining Corporation on January 7, 2014 to purchase the Muskox Data Inventory. The purchase price of the inventory is $1 million, paid by the issuance of 3,703,334 shares of the Company's common stock. The Company's Chairman of the Board is currently President, CEO and a director and shareholder of Prize Mining Corporation.

Agreement of Purchase and Sale-Production Royalty Agreement

The Company entered into a Agreement of Purchase and Sale and a Production Royalty Agreement with 1824455 Alberta Ltd. ("182") for the mineral rights in three properties located in Alberta and Manitoba, Canada. The purchase price was $2.75 million CAD, payable through aggregate cash payments of $50,000 CAD, an additional $50,000 CAD within 45 days of the closing and an additional $175,000 CAD upon the Company's completion of certain financing transactions. In addition, the Company issued 7,833,334 shares of its common stock to 182 with an additional 7,833,33 shares issued and held in escrow, with a proxy granted to the Company to be released to 182 upon the achievement of certain milestones. The Company has also granted royalties to 182 in an aggregate annual amount of $225,000 CAD until commercial production is achieved, at which time 182 will be entitled to a production royalty of 2% of the proceeds received by the Company from the sale of minerals from the properties. Feisal Somji, a director of the Company, is a consultant to 182.

NOTE 10 – SUBSEQUENT EVENTS

The Company evaluated subsequent events through April 30, 2015 and there are no events to report at this time.