

CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015

(Unaudited)

(Expressed in US Dollars)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in US Dollars)
As at

		March 31, 2015		December 31, 2014 (Note 2)
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**4,659,415**	$	10,006,114
Prepaid expenses		**92,379**		77,945
Receivables		**90,207**		80,284
		4,842,001		10,164,343
Equipment		**138,145**		125,935
Exploration and evaluation assets (Note 3)		**296,799**		296,799
Reclamation bonds (Note 3)		**125,000**		125,000
	$	**5,401,945**	$	10,712,077
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**454,285**	$	1,868,061
Amounts due to related parties (Note 5)		**79,296**		211,595
		533,581		2,079,656
Equity				
Capital stock (Note 4)		**26,768,226**		26,768,226
Other equity reserves (Note 4)		**5,260,963**		5,200,317
Deficit		**(26,331,829)**		(22,507,126)
Accumulated other comprehensive income (loss)		**(828,996)**		(828,996)
		4,868,364		8,632,421
	$	**5,401,945**	$	10,712,077

Nature of operations and liquidity risk (Note 1)
Commitments (Note 8)
Subsequent events (Note 9)

Approved on May 28, 2015 on behalf of the Board of Directors:

"Colin Kinley" Director
Colin Kinley

"Jay Sujir" Director
Jay Sujir

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIODS ENDED MARCH 31,
(Unaudited)
(Expressed in US Dollars)

		2015		2014
Depreciation	**$**	**11,546**	$	10,738
Directors and officers fees (Note 5)		**209,263**		166,557
Exploration and evaluation (Note 3)		**2,765,685**		255,392
Finance income		**(10,002)**		(2,870)
Foreign exchange loss		**194,404**		20,347
Investor relations		**180,627**		138,332
Office and administration		**117,693**		124,207
Professional fees		**285,640**		38,009
Regulatory fees		**9,201**		8,478
Share-based compensation (Note 4)		**60,646**		54,135
Loss for the period	**$**	**(3,824,703)**	$	(813,325)
Cumulative translation adjustment		**-**		(28,432)
Comprehensive loss for the period	**$**	**(3,824,703)**	$	(841,757)
Loss per common share:				
Basic and diluted	**$**	**(0.03)**	$	(0.01)
Weighted average number of common shares outstanding:				
Basic and diluted		**114,801,562**		60,867,123

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED MARCH 31,
(Unaudited)
(Expressed in US Dollars)

		2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	**$**	**(3,824,703)**	$	(813,325)
Items not affecting cash:				
Depreciation		**11,546**		10,738
Share-based compensation		**60,646**		54,135
Unrealized loss on foreign exchange		**194,404**		20,347
Non-cash working capital item changes:				
Receivables		**(9,923)**		(10,093)
Amounts due to related parties		**(132,299)**		5,517
Prepaid expenses		**(14,434)**		15,315
Accounts payable and accrued liabilities		**(1,117,571)**		(149,182)
Net cash used in operating activities		**(4,832,334)**		(866,548)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of exploration and evaluation assets		**(246,205)**		-
Purchase of equipment		**(23,756)**		(11,225)
Purchase of reclamation bonds		**(50,000)**		-
Net cash used in investing activities		**(319,961)**		(11,225)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of common shares, net of costs		**-**		40,283
Net change in cash and cash equivalents		**(5,152,295)**		(837,490)
Effect of foreign exchange on cash and cash equivalents		**(194,404)**		(48,731)
Cash and cash equivalents, beginning of the period		**10,006,114**		1,542,753
Cash and cash equivalents, end of the period	**$**	**4,659,415**	$	656,532
Cash and cash equivalents consist of:				
Cash	**$**	**334,352**	$	656,532
Liquid short term investments		**4,325,063**		-
	$	**4,659,415**	$	656,532
Cash received for interest	**$**	**9,217**	$	2,870

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2015 AND 2014
(Unaudited)
(Expressed in US Dollars)

	Capital Stock					
	Number of Common Shares					
	Voting	Non-Voting	Amount	Other Equity Reserves (Note 4)	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2013 (Note 2)	**59,124,179**	**7,007,876**	**$ 13,991,753**	**$ 4,307,371**	**$ (16,879,106)**	**$ 9,551**	**$ 1,429,569**
Non-voting share conversion	2,331,000	(2,331,000)	-	-	-	-	-
Stock option exercises	150,000	-	50,792	(9,755)	-	-	41,037
Share issue costs – cash	-	-	(754)	-	-	-	(754)
Share-based compensation	-	-	-	54,135	-	-	54,135
Loss for the period	-	-	-	-	(813,325)	-	(813,325)
Translation adjustment	-	-	-	-	-	(28,432)	(28,432)
Balance, March 31, 2014	**61,605,179**	**4,676,876**	**$ 14,041,791**	**$ 4,351,751**	**$ (17,692,431)**	**$ (18,881)**	**$ 682,230**
Balance, December 31, 2014 (Note 2)	**114,801,562**	**-**	**$ 26,768,226**	**$ 5,200,317**	**$ (22,507,126)**	**$ (828,996)**	**$ 8,632,421**
Share-based compensation	-	-	-	60,646	-	-	60,646
Loss for the period	-	-	-	-	(3,824,703)	-	(3,824,703)
Balance, March 31, 2015	**114,801,562**	**-**	**$ 26,768,226**	**$ 5,260,963**	**$ (26,331,829)**	**$ (828,996)**	**$ 4,868,364**

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

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Excelsior Mining Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on June 9, 2005 and is classified as a Tier 1 issuer on the TSX Venture Exchange ("TSX-V"), and trades under the symbol "MIN". The address of the Company's registered office is #1240 - 1140 West Pender Street, Vancouver, BC, Canada V6E 4G1.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2015, the Company had working capital of $4,308,420 (December 31, 2014 - $8,084,687) and an accumulated deficit of $26,331,829 (December 31, 2014 - $22,507,126). The Company intends to continue financing its future requirements through a combination of equity, debt and/or other arrangements. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Currently, the Company has sufficient funds to meet its estimated annual corporate and general costs and to complete the current programs which include collecting geological, hydrological and metallurgical data to support the Company with respect to completing a feasibility study and permitting applications. However, the Company does not currently have sufficient funds to complete all the engineering work associated with the completion of the feasibility study or all of the permitting work associated with the filing and receipt of all permits. The Company does not have any pre-arranged sources of financing except for certain remaining royalty options (refer to the Callinan Agreement further described in Note 3). The royalty options are options only and there is no certainty that they will be exercised. In addition, even if they are exercised, the Company will require additional financing to complete the feasibility study and to perform the work necessary in order to receive final permits. Should the Company not receive any proceeds from the exercising of the royalty options or be unsuccessful in raising additional funds, then certain discretionary expenditures may be deferred and measures to reduce operating costs will be taken in order to preserve working capital.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd…)

Foreign Currency Translation

Functional Currency

Items included in the financial statements of the Company and its wholly-owned subsidiary, Excelsior Mining Arizona, Inc. ("Excelsior Arizona"), are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Company and its subsidiary is the United States dollar ("US dollar"). Effective January 1, 2015, the functional currency of the Company was changed from the Canadian dollar to the US dollar as a result of a change in underlying transactions, events and conditions, including raising financing in US dollars. The change in functional currency was applied prospectively from January 1, 2015 onwards.

Change in Presentation Currency

Prior to January 1, 2015, the Company reported its annual and quarterly statements of financial position and the related statements of losses, comprehensive losses, and cash flows in Canadian dollars ("CAD"). Effective January 1, 2015, the Company changed its reporting currency to the United States dollar to better reflect the Company's business activities and to facilitate comparability to similar mining companies in the sector. As a result and in accordance with International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*, the consolidated financial statements for all periods presented have been translated into US dollars. The consolidated statements of loss and comprehensive loss and the consolidated statements of cash flows for each period have been translated into the presentation currency using the average exchange rate prevailing during each period. All assets and liabilities have been translated using the exchange rate prevailing at the statements of financial position dates. Equity transactions have been translated at the exchange rate in effect on the date of the specific transaction. All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income or loss. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in US dollars.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than an entities' functional currency are recognized in the consolidated statement of loss and comprehensive loss.

Critical Accounting Estimates and Judgments

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

Critical Judgments

The preparation of the condensed consolidated interim financial statements requires management to make judgments regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined to be the United States dollar for the Company and Excelsior Arizona.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont'd…)

Critical Accounting Estimates and Judgments (cont'd…)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the condensed consolidated interim financial statements include:

Share-based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the period along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 4.

Recoverability of Exploration & Evaluation Assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

3. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral claims. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in whom the Company has committed to earn an interest are located in the United States of America.

Gunnison Project

The Company, through Excelsior Arizona, entered into a series of option agreements to purchase the Gunnison Project, located in Cochise County, Arizona. Under the amended option agreement, Excelsior Arizona has the exclusive right to acquire 100% of the Gunnison Project for $350,000 to be paid as follows:

- $150,000 to be paid on the execution of the amended option agreement (paid in December 2012);
- $150,000 to be paid on the earlier of;
    - thirty days of the closing of an equity financing greater than $2,000,000; and
    - on or before January 1, 2014 (paid in August 2013); and
- $50,000 payable on or before January 1, 2015 (paid in December 2014).

3. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (cont'd…)

Gunnison Project (cont'd…)

The Company has fulfilled the above mentioned series of payments which gives it 100% ownership of the Gunnison Project.

A further payment of $246,205 to certain land holders of the Gunnison Project became payable on the exercise of the option on the Gunnison Property. The acquisition costs were accrued as of December 31, 2014 and paid in February 2015.

On July 19, 2013, the Company entered into a Share Purchase and Royalty Option Agreement (the "Callinan Agreement") with Callinan Royalties Corporation ("Callinan"), now a wholly-owned subsidiary of Altius Minerals Corporation ("Altius"). Under the terms of the Callinan Agreement, Callinan was to invest CAD$1,000,000 in the Company by way of a non-brokered private placement and up to a further CAD$21,000,000 through the purchase of a staged gross revenue royalty ("GRR") on the Gunnison Project (the "Transaction").

Under the terms of the Callinan Agreement, Callinan made an initial investment as follows:

- Purchased 6,250,000 common shares of the Company at a price of CAD$0.16 per common share for aggregate consideration of CAD$1,000,000 (cash received and common shares issued in July 2013); and

- Paid CAD$2,000,000 to the Company in exchange for 0.5% GRR (the "Initial GRR") (received).

Callinan had the right to require the Company to repurchase all or part of the Initial GRR for CAD$2,000,000 pro-rated for the portion of the Initial GRR purchased by the Company and payable in common shares of the Company priced at CAD$0.25 per common share. This right expired on the exercise of the first royalty option under the Callinan Agreement, discussed further below.

On July 29, 2014, Callinan exercised its first royalty option under the Callinan Agreement. As a result Callinan paid the Company CAD$3,000,000 in return for an additional 0.5% GRR on the Gunnison Project. Combined with the initial GRR that Callinan acquired in July 2013, Callinan now holds a 1.0% GRR on the Gunnison Project.

Callinan has the option to invest up to an additional CAD$16,000,000 into the Company in exchange for a further 2.0% GRR on the Gunnison Project based on development milestones (1%) and a construction option (1%).

Development Milestones

1% of the additional GRR is staged and based upon the Company meeting specific development milestones leading up to the construction of a mining facility, including completion of hydrology and metallurgy models, to feasibility study level, and successful administrative review of the key permits (Aquifer Protection Permit and the Underground Injection Control and Aquifer Exemption Permit). Upon the completion of each milestone, Callinan will have the option to purchase an additional 0.5% GRR for CAD$3,000,000 each, for a total of CAD$6,000,000.

Construction Option

The construction option gives Callinan the right to buy a 1% GRR for CAD$10,000,000 following completion of the feasibility study, receipt of all required permits and the Company securing a firm commitment for 50% of the required capital required for mine construction. One half (0.50%) of the construction option has vested and an additional quarter (0.25%) of the construction option will vest with each CAD$3,000,000 paid by Callinan to the Company pursuant to the exercise of any of the two remaining royalty options leading up to the construction option.

The exercise price of the construction option may be adjusted if the feasibility study recommends the construction of a plant with capacity lower than 80 million pounds of copper per year based on an agreed upon schedule.

3. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (cont'd…)

Gunnison Project (cont'd…)

Should all the royalty options be exercised, Callinan will acquire a 3% GRR on the Gunnison Project for total proceeds of CAD$21,000,000.

Exploration and Evaluation Assets	**Gunnison Property**
Balance at December 31, 2013	**$ -**
Addition to acquisition costs	296,799
Balance at December 31, 2014 and March 31, 2015	**$ 296,799**

Exploration and Evaluation Expenses	**For the Three Month Period Ended March 31, 2015**	**2014**
Feasibility study	$ 1,534,709	$ -
Pre-feasibility study	-	255,392
Sustainability	1,230,976	-
Total	**$ 2,765,685**	**$ 255,392**

Reclamation Bonds

As at March 31, 2015, the Company had outstanding reclamation bonds for the Gunnison property of $125,000 (December 31, 2014 – $125,000) registered with the Bureau of Land Management in Arizona and with the Arizona State Land Department.

4. CAPITAL STOCK AND OTHER EQUITY RESERVES

Share Issuances

There were no common shares issued during the three month period ended March 31, 2015.

Warrants

The following is a summary of warrant activity for the three month period ended March 31, 2015 and the year ended December 31, 2014:

	Number of Warrants	**Weighted Average Exercise Price**
Outstanding, December 31, 2013	**1,844,166**	**CAD$0.50**
Expired	(1,844,166)	CAD$0.50
Issued	8,960,000	CAD$0.45
Outstanding, December 31, 2014 and March 31, 2015	**8,960,000**	**CAD$0.45**

4. CAPITAL STOCK AND OTHER EQUITY RESERVES (cont'd…)

Warrants (cont'd…)

As at March 31, 2015, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining life (years)	Expiry Date
8,000,000	CAD$0.45	1.24	June 27, 2016
960,000	CAD$0.45	1.24	June 27, 2016
8,960,000			

During the three month period ended March 31, 2015, the Company did not issue any warrants.

Stock Options

The Company's stock option plan (the "Plan"), provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. Currently, the number of shares authorized for issuance under the Plan is 16,466,400. Options granted under the Plan have a maximum term of ten years. The exercise price of the options shall be determined by the Board of Directors, but shall not be less than the closing price of the common shares on the last trading day proceeding the date the options are granted. The vesting terms are at the Board of Directors' discretion.

The following is a summary of stock option activity for the three month period ended March 31, 2015 and the year ended December 31, 2014:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2013	**10,656,000**	**$0.23**
Exercised	(200,000)	$0.24
Forfeited	(335,000)	$0.24
Issued	1,650,000	$0.21
Outstanding, December 31, 2014	**11,771,000**	**$0.22**
Forfeited	(85,000)	$0.24
Outstanding, March 31, 2015	**11,686,000**	**$0.23**
Exercisable, March 31, 2015	**10,486,000**	**$0.25**

4. CAPITAL STOCK AND OTHER EQUITY RESERVES (cont'd…)

Stock Options (cont'd…)

As at March 31, 2015, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry Date
250,000	-	CAD $0.25	4.67	December 1, 2019
500,000	-	CAD $0.26	4.56	October 20, 2019
300,000	150,000	CAD $0.265	4.50	September 30, 2019
600,000	300,000	CAD $0.25	4.35	August 6, 2019
2,800,000	2,800,000	$0.25	3.75	December 31, 2018
58,667	58,667	CAD$0.30	3.75	December 31, 2018
2,886,000	2,886,000	CAD$0.30	3.75	December 31, 2018
2,550,000	2,550,000	CAD $0.30	2.47	September 18, 2017
1,241,333	1,241,333	CAD $0.30	1.88	February 15, 2017
100,000	100,000	CAD $0.30	1.43	September 6, 2016
100,000	100,000	CAD $0.30	1.34	August 2, 2016
100,000	100,000	CAD $0.30	1.07	April 25, 2016
200,000	200,000	CAD $0.30	0.84	February 1, 2016
11,686,000	10,486,000			

Share-based Compensation

The Company recognizes share-based compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options. During the three month period ended March 31, 2015, the Company recognized share-based compensation of $60,646 (March 31, 2014 - $54,135).

During the three month period ended March 31, 2015, the Company did not grant, re-price or modify any stock options.

5. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying condensed consolidated interim financial statements are summarized below and include transactions with the following individuals or entities:

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors, corporate officers, including the Company's Executive Chairman, Chief Executive Officer, Chief Financial Officer, and Executive Vice Presidents.

5. RELATED PARTY TRANSACTIONS (cont'd…)

Key Management Personnel (cont'd…)

Remuneration attributed to key management personnel can be summarized as follows:

	Three Month Periods Ended March 31, 2015	2014
Share-based compensation	$ 19,148	$ 46,054
Short-term benefits*	209,263	166,557
	$ 228,411	**$ 212,611**

* includes base salaries, consulting fees, management fees, director fees, and other employment benefits, pursuant to contractual employment, consultancy or management services arrangements

Other Related Parties

King & Bay West Management Corp, ("King & Bay") is an entity owned by Mark Morabito, the Executive Chairman of the Company, which employs or retains certain officers of the Company. King & Bay provides administrative, management, geological, regulatory, tax, corporate development and corporate communications services to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount set out in the table below represents amounts paid to King & Bay for the services of King & Bay personnel and for overhead and third party costs incurred by King & Bay on behalf of the Company.

Transactions entered into with related parties other than key management personnel included the following:

	Three Month Periods Ended March 31, 2015	2014
King & Bay	$ 189,837	$ 127,230

As at March 31, 2015, amounts accrued and due to related parties include the following:

- King & Bay - $70,783 (December 31, 2014 - $173,090)
- Michael Haworth, a director of the Company - $Nil (December 31, 2014 – $5,172)
- Roland Goodgame, Executive Vice President - $8,513 (December 31, 2014 - $Nil)
- SCT Holdings Management LLC, a company controlled by the CEO - $Nil (December 31, 2014 - $33,333)

6. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties in North America.

Geographical information is as follows:

		As at March 31, 2014		As at December 31, 2014
Equipment				
United States	$	16,094	$	118,508
Canada		122,051		7,427
	$	138,145	$	125,935
Reclamation Bonds				
United States	$	125,000	$	125,000
Exploration and evaluation assets				
United States	$	296,799	$	296,799

7. FINANCIAL INSTRUMENTS

As at March 31, 2015, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at large North American financial institutions some of which are interest bearing accounts. The Company has no investments in asset-backed commercial paper. The Company's receivables consist mainly of input tax credits receivable due from the Government of Canada. As a result the Company does not believe it is subject to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at March 31, 2015, the Company has cash and cash equivalents balance of $4,659,415 to settle current liabilities of $533,581. The Company believes it has sufficient cash and cash equivalents to settle current liabilities and to support further advancement of the Gunnison Project and working capital requirements for the next 12 months. See also Note 1.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

7. FINANCIAL INSTRUMENTS (cont'd…)

Market Risk (cont'd…)

(a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk that the Company will realize a loss as a result of a decline in the fair value of short-term investments is low.

Interest rate risk on cash and cash equivalents is minimal because these investments generally have a fixed yield rate. As of March 31, 2015, the Company did not have any interest bearing debt.

(b) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(c) Currency risk

Currency exchange risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's operations are conducted in U.S. dollars; the Company's recent financing was in U.S. dollars but any future equity raised may be in either U.S dollars or Canadian dollars. As of March 31, 2015, approximately 39% of cash and cash equivalents are held in Canadian dollar bank accounts. A 10% change in the Canadian dollar versus the U.S. dollar exchange rate would affect the loss of the Company by approximately $174,000.

8. COMMITMENTS

The Company has the following commitments with respect to the lease of its office in Phoenix, Arizona:

Fiscal Year End		Office Lease Payments
2015	$	64,211
2016		87,304
2017		89,557
2018		22,530
Total	**$**	**263,602**

9. SUBSEQUENT EVENTS

There were no reportable events subsequent to the three month period ended March 31, 2015.