

Condensed Interim Financial Statements

For the Six Months Ended April 30, 2015

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed interim financial statements of Commerce Resources Corp. for the six months ended April 30, 2015, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Commerce Resources Corp.

Condensed Interim Statements of Financial Position
As expressed in Canadian dollars
(Unaudited – prepared by management)

		April 30, 2015		October 31, 2014
Assets				
Current				
Cash and cash equivalents	**$**	**422,674**	$	1,286,584
Marketable securities (Note 5)		**50,446**		82,178
Short term investment (Note 6)		**3,045,000**		4,534,500
Amounts receivable		**97,255**		50,411
Mining tax receivable (Note 7)		**40,294**		40,294
GST/HST receivable		**140,565**		28,836
Due from a related party (Note 15)		**246,047**		-
Prepaid expenses (Note 8)		**109,515**		152,759
		4,151,796		6,175,562
Prepaid expenses – non-current (Note 8)		**332,337**		232,337
Investment - asset-backed commercial paper (Note 9)		**292,482**		292,482
Equipment (Note 10)		**533,708**		552,573
Exploration and evaluation assets (Note 11 and Schedule I)		**55,821,185**		50,778,686
Reclamation bonds		**82,000**		82,000
	$	**61,213,508**	$	58,113,640
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**911,647**	$	327,439
Due to related parties (Note 15)		**426,630**		167,357
Liability for flow-through shares (Note 18)		**915,318**		703,467
		2,253,595		1,198,263
Shareholders' Equity				
Share capital (Note 12)		**78,307,911**		75,918,034
Reserves (Note 12 and 13)		**8,259,350**		8,158,524
Accumulated other comprehensive income (loss)		**(47,221)**		(15,804)
Deficit		**(27,560,127)**		(27,145,377)
		58,959,913		56,915,377
	$	**61,213,508**	$	58,113,640

Approved and authorized by the Board of Directors on June 24, 2015:

"Christopher Grove" — Director

"David Hodge" — Director

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

Commerce Resources Corp.

Condensed Interim Statements of Operations and Comprehensive Loss
As expressed in Canadian dollars
(Unaudited – prepared by management)

	Three months ended April 30, 2015	2014	Six months ended April 30, 2015	2014
Expenses				
Administration fees and rent (Note 14)	$ **161,430**	$ 147,540	$ **322,860**	$ 295,080
Advertising and website	**124,399**	88,954	**264,324**	162,810
Bank charges and interest	**188**	160	**430**	9,985
Consulting fees (Note 15)	**75,268**	39,983	**101,193**	87,490
Filing and transfer agent fees	**35,824**	13,367	**41,879**	19,235
Insurance	**2,975**	2,572	**6,050**	5,231
Investor relations	**24,497**	3,145	**31,309**	14,329
Office, telephone and miscellaneous (Note 14)	**6,581**	5,420	**22,612**	17,591
Professional fees	**105,290**	12,667	**161,177**	19,626
Travel and promotion	**44,140**	25,202	**57,496**	50,566
Loss before other items	**(580,592)**	(339,010)	**(1,009,330)**	(681,943)
Other income (expenses)				
Interest income	**14,175**	945	**28,431**	10,502
Impairment of mineral properties	**-**	-	**(9,081)**	-
Gain on disposition of asset backed commercial paper	**3,260**	1,926	**5,457**	4,853
Loss on sale of resource property	**-**	(80,244)	**-**	(80,244)
	17,435	(77,373)	**24,807**	(64,889)
Loss before income taxes	**(563,157)**	(416,383)	**(984,523)**	(746,832)
Deferred income tax recovery	**462,489**	115,916	**569,773**	144,364
Net loss for the period	**(100,668)**	(300,467)	**(414,750)**	(602,468)
Other comprehensive income (loss) for the period				
Unrealized gain on asset backed commercial paper	**182**	782	**315**	782
Unrealized gain (loss) on marketable securities	**(10,446)**	65,901	**(31,732)**	99,303
Comprehensive income (loss) for the period	**(10,264)**	66,683	**(31,417)**	100,085
Net loss and comprehensive loss for the period	$ **(110,932)**	$ (233,784)	$ **(446,167)**	$ (502,383)
Basic and diluted loss per share	$ **(0.00)**	$ (0.00)	$ **(0.00)**	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	**216,462,364**	172,067,265	**197,866,181**	168,237,138

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

Commerce Resources Corp.

Condensed Interim Statements of Changes in Equity
As expressed in Canadian dollars
(Unaudited – prepared by management)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, October 31, 2013	**166,983,642**	**$ 69,644,443**	**$ 7,850,467**	**$ (67,521)**	**$ (25,689,626)**	**$ 51,737,763**
Flow-through private placements	8,425,652	1,558,746	167,361	-	-	1,726,107
Private placements	3,012,500	602,500	-	-	-	602,500
Share issue costs	-	(285,928)	22,719	-	-	(263,209)
Change in fair value of available-for-sale financial assets	-	-	-	100,085	-	100,085
Net loss for the period	-	-	-	-	(602,468)	(602,468)
Balance, April 30, 2014	**178,421,794**	**$ 71,519,761**	**$ 8,040,547**	**$ 32,564**	**$ (26,292,094)**	**$ 53,300,778**

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, October 31, 2014	**201,937,364**	**$ 75,918,034**	**$ 8,158,524**	**$ (15,804)**	**$ (27,145,377)**	**$ 56,915,377**
Flow-through private placements	12,025,000	2,224,625	-	-	-	2,224,625
Private placements	2,500,000	462,500	37,500	-	-	500,000
Share issue costs	-	(297,248)	63,326	-	-	(233,922)
Change in fair value of available-for-sale financial assets	-	-	-	(31,417)	-	(31,417)
Net loss for the period	-	-	-	-	(414,750)	(414,750)
Balance, April 30, 2015	**216,462,364**	**$ 78,307,911**	**$ 8,259,350**	**$ (47,221)**	**$ (27,560,127)**	**$ 58,959,913**

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

Commerce Resources Corp.

Condensed Interim Statements of Cash Flows
For the six months ended April 30, 2015 and 2014
As expressed in Canadian dollars
(Unaudited – prepared by management)

		2015		2014
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Net income (loss) for the period	**$**	**(414,750)**	$	(602,468)
Add (deduct) items not affecting cash:				
Deferred income tax recovery		**(569,773)**		(144,364)
Loss on sale of resource property		**-**		80,244
Loss (Gain) on disposition of asset-backed commercial paper		**(5,457)**		(4,853)
Impairment of mineral properties		**9,081**		-
		(980,899)		(671,440)
Changes in non-cash working capital items related to operations:				
Amounts receivable		**(46,844)**		(18,308)
Income tax receivable		**-**		923,421
GST/HST receivable		**(111,729)**		(4,065)
Prepaid expenses		**(56,756)**		30,906
Due to related parties		**13,226**		17,812
Accounts payable and accrued liabilities		**19,415**		(794,742)
Net cash flows from (used in) operating activities		**(1,163,587)**		(516,416)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issue of share capital, net of share issuance costs		**3,272,328**		2,277,191
Net cash flows from financing activities		**3,272,328**		2,277,191
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Proceeds from sale of resource property		**-**		125,000
Redemption of Asset-backed commercial paper		**5,772**		5,635
Short-term investments		**1,489,500**		(1,050,000)
Sale (purchase) of marketable securities		**-**		(25,000)
Deferred exploration and development costs, net of tax credits received		**(4,467,923)**		(871,700)
Net cash flows (used in) investing activities		**(2,972,651)**		(1,816,065)
Increase (decrease) in cash and cash equivalents		**(863,910)**		(55,290)
Cash and cash equivalents, beginning of period		**1,286,584**		600,560
Cash and cash equivalents, end of period	**$**	**422,674**	$	545,270

Supplemental disclosure with respect to cash flows – Note 17

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Commerce Resources Corp. ("Commerce" or the "Company") was incorporated on May 19, 1999, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is in the exploration stage and has interests in properties located in British Columbia ("BC") and Quebec, Canada. Commerce is a public company listed on Tier 1 of the TSX Venture Exchange in Canada and on the Frankfurt Stock Exchange in Germany.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on June 24, 2015.

The Company had cash and short term investments of $3,467,674 (October 31, 2014 - $5,821,084) and working capital of $1,898,201 at April 30, 2015 (October 31, 2014 - $4,977,299). These financial statements have been prepared on a going concern basis which assumes that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has in place a planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. The Company expects to have sufficient liquidity and capital resources to meet its ongoing obligations and future contractual commitments for at least twelve months from the date of the approval of the financial statement. The Company expects its liquidity to remain sufficient based on anticipated cash flow streams from the equity financings. In the recent years, the Company has successfully raised significant operating funds from equity financing, even in a difficult economic climate. It is to the management's strong belief that the necessary operating funds can be acquired through equity financing given the Company's share price has been revived and there is strong interest from investors for new shares. Also, the Company continues to minimize uncommitted capital expenditures and exploration expenditures in order to preserve the Company's financial resources.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended October 31, 2014. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2014.

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of mining tax receivable;
- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- The useful lives and related depreciation of plant and equipment;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The inputs used in accounting for share-based payments in the statements of operations and comprehensive loss; and
- The determination of fair value of asset-backed commercial paper based on numerous assumptions, including interest and market risk rates, and factors that are beyond the Company's control such as the ultimate settlement amounts, timing of settlement and changes in the credit ratings. The fair value of the asset-backed commercial paper is subject to uncertainty and it is reasonably possible that the recognized amount could change by a material amount in the near term.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- Production stage of a mine

  The determination of the date on which a mine enters the production stage is a significant judgment since capitalization of certain costs ceases upon entering production.

- Provisions for reclamation

  Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

4. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncement Adopted During the Period

IAS 24, Related Party Disclosures ("IAS 24")
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company adopted the amendments on November 1, 2014. The disclosures required by these amendments have been included in Note 15.

Future Accounting Pronouncements

IFRS 9, Financial instruments ("IFRS 9")
IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")
IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of analyzing IFRS 15 and determining the effect on its financial statements as a result of adopting this standard.

5. MARKETABLE SECURITIES

	Number Of Shares	Cost	Unrealized Gain (Loss)	Fair Value April 30, 2015
Ximen Mining Corp. ("XIM")	100,000	$ 25,000	$ (15,000)	$ 10,000
Canadian International Minerals ("CIN")	150,000	185,000	(181,250)	3,750
Zimtu Capital Corp. ("ZC")	122,320	159,385	(122,689)	36,696
Total	372,320	$ 369,385	$ (318,939)	$ 50,446

5. MARKETABLE SECURITIES - continued

	Number Of Shares	Cost	Unrealized Gain (Loss)	Fair Value October 31, 2014
Ximen Mining Corp. ("XIM")	100,000	$ 25,000	$ 3,000	$ 28,000
Canadian International Minerals ("CIN")	150,000	185,000	(179,750)	5,250
Zimtu Capital Corp. ("ZC")	122,320	159,385	(110,457)	48,928
Total	372,320	$ 369,385	$ (287,207)	$ 82,178

On July 31, 2013, the Company signed an agreement with CIN to purchase Treasure Mountain Property for 10,000,000 common shares of CIN. On October 9, 2013, these shares were distributed to the vendors at $0.02 per share. As a result, the Company recorded a realized loss on the sale of CIN shares of $1,000,000. During the year ended October 31, 2014, the shares of CIN were consolidated on a 10:1 basis.

On January 22, 2014, the Company acquired 100,000 units of Ximen Mining Corp. at a price of $0.25 per share through a private placement. Each unit consists of one common share and one-half common share purchase warrant, exercisable for 18 months at a price of $0.50 per share. The warrants are subject to an accelerated exercise provision in the event the Company's shares trade at or above $0.55 per share for 10 consecutive trading days. During the year ended October 31, 2014, the warrants traded above $0.55 for more than 10 days, and expired unexercised.

6. SHORT TERM INVESTMENTS

At April 30, 2015, the Company had two guaranteed investment certificate ("GIC's"), totaling $3,045,000 (October 31, 2014: $4,534,500). Of the total, $34,500 was issued on October 16, 2014, with an interest rate of prime less 1.95% and matures on October 15, 2015, and $3,010,500 was issued on December 22, 2014, with an interest rate of 1.32% and matures on December 22, 2015.

7. MINING TAX RECEIVABLE

During the year ended October 31, 2014, the Company accrued BC mining tax credits of $27,677 and Quebec mining tax credits of $47,378. Also during the year, the Company received 1) a refund of $1,119,958 for its 2012 BC mining tax credits, including interest income and an adjustment to mining tax credits of $220,143; and 2) a refund of $599,697 for its 2013 and 2012 QC mining tax credits and an adjustment to mining tax credits of $430,468 resulting from the reassessment of 2009, 2010, 2011 and 2012. During the six months ended April 30, 2015, there were no refunds received or accruals of mining tax credits.

	April 30, 2015			**October 31, 2014**		
	BC	Quebec	Total	BC	Quebec	Total
Balance, beginning of year	$27,677	$12,617	$40,294	$899,815	$995,404	$1,895,219
Refund received	-	-	-	(1,119,958)	(599,697)	(1,719,655)
Adjustments and interest	-	-	-	220,143	(430,468)	(210,325)
Tax credits accrual	-	-	-	27,677	47,378	75,055
Balance, end of period	$ 27,677	$ 12,617	$ 40,294	$ 27,677	$ 12,617	$ 40,294

8. PREPAID EXPENSES

	April 30, 2015	October 31, 2014
Current		
Insurance	$ 10,917	$ 26,118
Held in trust	73,617	73,270
Deposits and advances	24,981	53,371
Total prepaid expenses – current	109,515	152,759
Non-current		
Deposits held for exploration	332,337	232,337
Total prepaid expenses – non-current	$ 332,337	$ 232,337

Non-current prepaid expenses are required deposits pursuant to the on-going long-term service agreements with the contractors performing the exploration related activities for the Company.

9. INVESTMENTS IN ASSET-BACKED COMMERCIAL PAPER

As at April 30, 2015, the Company held asset-backed commercial paper ("ABCP") issued by a number of trusts with an original cost of $774,235 (October 31, 2014: $779,728). On the dates the Company acquired these investments they were rated R1 (High) by Dominion Bond Rating Services ("DBRS").

The Canadian market for ABCP suffered a liquidity disruption in mid-August 2007 following which a group of financial institutions and other parties agreed, pursuant to the Montreal Proposal, to the conversion of the ABCP into longer-term financial instruments (floating rate notes) with maturities corresponding to the underlying assets. On December 24, 2008, the Pan-Canadian Investors Committee, established to oversee the orderly restructuring of these instruments, announced that it had reached an agreement with all key stakeholders. Shortly thereafter, on January 21, 2009, the restructuring plan affecting the $32 billing of third-party ABCP was fully implemented.

The Company received upon completion of the restructuring in January 2009 the following:

- $7,350,000 of senior Master Asset Vehicle MAV II Class A-1 and A-2 Notes and subordinated Class B and Class C Notes as follows:
    - $4,830,000 of Class A-1 Notes
    - $1,950,000 of Class A-2 Notes
    - $350,000 of Class B Notes
    - $220,000 of Class C Notes

Class A-1, Class A-2 and Class B Notes will bear interest at the Bankers' Acceptance ("BA") rate less 0.50% and Class C Notes will bear interest at the BA rate plus 20%. These notes have legal maturity dates in 2056 but the expected repayment date of the Class A-1 and A-2 notes is January 22, 2017. The senior notes (Class A-1 and Class A-2) have been rated "A" by DBRS while the subordinated notes (Class B and C) are unrated.

- $780,000 of MAV II Ineligible Asset ("IA") Notes

The IA Tracking Notes will bear interest at a rate based on the net rate of return generated by the underlying tracking assets. The maturities of the notes are based on the maturities of the underlying assets. These notes will not be rated.

9. INVESTMENTS IN ASSET-BACKED COMMERCIAL PAPER - continued

The valuation technique used by the Company to estimate the fair value of its investment in ABCP at April 30, 2015 and October 31, 2014, incorporates probability weighted discounted cash flows considering the best available public information regarding market conditions and other factors that a market participant would consider for such investments. The assumptions used in determining the estimated fair value reflect the details included in the Information Statement issued by the Pan-Canadian restructuring committee and the risks associated with the long-term floating rate notes.

The interest rates and maturities of the various long-term floating rate notes, discount rates and credit losses modeled are:

	April 30, 2015	**October 31, 2014**
Probability weighted average interest	46.00%	46.00%
Weighted average discount rate	15.00%	15.00%
Maturity of long-term floating rate notes	2 years to 24 years	2 years to 24 years
Credit losses	Rated notes: Nil to 30% Unrated notes: 20% to 100%	Rated notes: Nil to 30% Unrated notes: 20% to 100%

If these assumptions were to change, the fair value of ABCP could change significantly.

During the six months ended April 30, 2015, the Company received payments from settlement of $5,772 (October 31, 2014: $10,821) and recognized a gain on sale of ABCP of $5,457 (April 30, 2014: $4,853). As at April 30, 2015, the fair value of the ABCP as determined above was $292,482 (October 31, 2014: $292,482) and the Company recorded an unrealized gain of $315 (April 30, 2014: $782) from this instrument.

Reconciliation of level 3 fair value measurements of ABCP is as follows:

October 31, 2013	$	229,616
Settlements		(815)
Unrealized gains in other comprehensive income		63,681
October 31, 2014		292,482
Settlements		(315)
Unrealized gains in other comprehensive income		315
April 30, 2015	$	292,482

10. EQUIPMENT

	Field Equipment	Field Office Building	Leasehold Improvements	Land	Total
Costs					
April 30, 2015 and October 31, 2014	**$ 316,931**	**$ 303,748**	**$ 255,796**	**$ 120,282**	**$ 996,757**
Accumulated Amortization					
October 31, 2013	$ 306,297	57,383	40,856	-	404,536
Additions	5,981	12,351	21,316	-	39,648
October 31, 2014	312,278	69,734	62,172	-	444,184
Additions	2,327	5,880	10,658	-	18,865
April 30, 2015	**$ 314,605**	**$ 75,614**	**$ 72,830**	**$ -**	**$ 463,049**
Net Book Value					
October 31, 2014	$ 4,653	$ 234,014	$ 193,624	$ 120,282	$ 552,573
April 30, 2015	**$ 2,326**	**$ 228,134**	**$ 182,966**	**$ 120,282**	**$ 533,708**

11. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's most significant property interests and related spending commitments (see Schedule I for detail breakdown):

Blue River Claims – (formerly known as the Upper Fir, Verity and Fir Claims)

The Company has a 100% interest in its Blue River claims, located in the Blue River region of the Kamloops Mining District of B.C., Canada, all of which were acquired by staking.

Eldor Claims

The Company acquired, by staking and a purchase agreement, a 100% interest in the Eldor Carbonatite Complex, located in the Labrador Trough area of Quebec, Canada. During the year ended October 31, 2007, the Company purchased 8 mineral claims from Virginia Mines Inc. ("Virginia Mines"), which cover a portion of the Eldor Carbonatite. These claims are adjacent to the approximately 88 claims staked by the Company.

Virginia Mines retains a 1% net smelter royalty on the 8 claims purchased from them. As well, 5 of the 8 claims are subject to an underlying 5% net profit royalty, which can be purchased for $500,000.

Other Claims – British Columbia, Canada

Other claims consist of mineral claims located in B.C., Canada known as the Alan Parson, Carbo claims, and Treasure Mountain Property.

By September 23, 2011, Canadian International minerals Inc. ("CIN") acquired 100% interest in the Carbo Property. The Company will retain its 2% NSR royalty on the property.

On July 31, 2013, the Company entered into a Mineral Property Purchase Agreement ("Agreement") with Canadian International Minerals Inc. ("CIN") and Canadian Strategic Metals Corp. ("CSM") (CIN and CSM together called the "Vendors") to purchase a 100% interest in and to the 24 mineral claims in the Similkameen and New Westminster Mining Districts of British Columbia, known as the Treasure Mountain Property. In consideration, on October 9, 2013, the Company paid a total of 10,000,000 shares of CIN at $0.02 per share.

11. EXPLORATION AND EVALUATION ASSETS - continued

Other Claims – British Columbia, Canada - continued

On March 15, 2014, the Company entered into an agreement with Ximen Mining Corp. ("Ximen") whereby Ximen can earn a 100%-interest in and to the Treasure Mountain Property located in British Columbia, Canada. The Company received cash of $125,000 during the year ended October 31, 2014 to complete the transaction.

Other Claims – Quebec, Canada

During the year ended October 31, 2013, the Company acquired, by staking, a 100% interest in the Lac Dupoisson Property, consisting of 57 claims, covering an area of 2,688 ha in the Labrador Trough. The 57 claims were lapsed in December 2014 and related costs of $9,081 were written off during the six months ended April 30, 2015.

12. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued and outstanding: The total issued and outstanding shares of the Company are 216,462,364 as at April 30, 2015 (October 31, 2014: 201,937,364).

During the six months ended April 30, 2015:

On December 22, 2014, the Company closed a non-brokered private placement of 12,025,000 flow-through shares ("FT Shares") at a price of $0.25 per FT Share, and 2,500,000 units ("Units") at a price of $0.20 per Unit for gross proceeds of $3,506,250. Each Unit consists of one non flow-through common share and one-half of one non-flow-through common share purchase warrant in the capital of the Company ("Warrant"). One whole Warrant is exercisable into one additional common share in the capital of the Company (a "Warrant Share") at a price of $0.30 per Warrant Share until June 19, 2016. The fair value of the shares at the date of issuance was $0.185 where the exercise price is greater than the market price. The fair value of the Warrant is deemed to be $0.03 based on the residual method. As a result, the Company allocated $37,500 to reserves from the issuance of Units and $781,625 to liability for flow through shares from the issuance of FT Shares, respectively. All the securities issuable will be subject to a four-month hold period from the date of closing expiring April 20, 2015.

Secutor Capital Management Corporation acted as exclusive finder in connection with this private placement and was paid a cash commission of $217,500 plus expenses, and issued 725,000 finders' warrants (the "Finders Warrant") to acquire additional common shares of the Company ("Finders' Warrant Shares") exercisable at $0.24 per Finders' Warrant Share until June 19, 2016. The Finders Warrants were valued at fair value of $63,326. The fair value of these Finders Warrants was $0.09 per share, where the exercise price is greater than the market price at the date of grant and the fair value of each compensation option is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.02%, a dividend yield of nil, an expected volatility of 118.02% and an average expected life of 1.5 years. The residual $16,422 of share issuance costs includes legal and filing expenses related directly to the private placement.

12. SHARE CAPITAL – continued

b) Issued and outstanding: – continued

During the year ended October 31, 2014:

On March 14, 2014, the Company closed a private placement of 8,425,652 flow-through units ("FT Units") at a price of $0.23 per FT Unit and 3,012,500 units ("Units") at $0.20 per Unit for gross proceeds of $2,540,400. Each FT Unit consists of one flow-through common share and one half of one non flow-through common share purchase warrant in the capital of the Company. Each whole share purchase warrant (a "Warrant") is exercisable into one common share of the Company expiring on September 14, 2015 at a price of $0.35 per common share. Each Unit consists of one common share and one half of one Warrant. All the securities issuable will be subject to a four-month hold period from the date of closing. The fair value of the share at the date of issuance is $0.135 where the exercise price is greater than the market price. The fair value of the Warrant is deemed to be $0.13 based on the residual method. As a result, the Company allocated $547,667 to reserves and $252,770 to liability for flow through shares from the issuance of FT Units and allocated $195,813 to reserves from the issuance of Units, respectively. The Company paid Secutor Capital Management Corporation (the "Agent") a cash commission of $174,228, plus expenses. In addition, the Company granted a total of 571,908 compensation options to acquire common shares of the Company exercisable at $0.35 per share expiring on September 14, 2015. The compensation options were valued at fair value of $22,719. The fair value of these compensation options was $0.04 per share, where the exercise price is greater than the market price at the date of grant and the fair value of each compensation option is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.01%, a dividend yield of nil, an expected volatility of 114.36% and an average expected life of 1.5 years. The residual $60,119 of share issuance costs constitutes of legal and filing expenses related directly to the private placement.

On October 3, 2014, the Company closed a non-brokered private placement of 16,041,500 flow-through shares ("FT Shares") at a price of $0.25 per FT Share and 4,283,550 units ("Units") at $0.24 per Unit for gross proceeds of $5,038,427. Each Unit consists of one non flow-through common share and one non flow-through Warrant. Each whole share purchase warrant (a "Warrant") is exercisable into one common share of the Company expiring on April 3, 2016 at a price of $0.30 per Warrant share. All the securities issuable will be subject to a four-month hold period from the date of closing. The fair value of the share at the date of issuance is $0.21 where the exercise price is greater than the market price. The fair value of the Warrant is deemed to be $0.03 based on the residual method. As a result, the Company allocated $641,660 to liability for flow through shares from the issuance of FT Shares and allocated $128,507 to reserves from the issuance of Units, respectively. The Company has paid Secutor Capital Management Corporation (the "Agent") a cash commission of $352,690, plus expenses. In addition, the Company granted a total of 1,016,252 finders' warrants to acquire common shares of the Company exercisable at $0.24 per share expiring on April 3, 2016.

The finders' warrants were valued at fair value of $109,605. The fair value of these finders' warrants was $0.11 per share, where the exercise price is greater than the market price at the date of grant and the fair value of each finders' warrant is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.13%, a dividend yield of nil, an expected volatility of 120.79% and an average expected life of 1.5 years. The residual $103,592 of share issuance costs constitutes of legal and filing expenses related directly to the private placement.

On October 10, 2014, the Company completed the second tranche of its October 3, 2014 financing, issuing 525,000 units ("Units") at $0.24 per Unit for gross proceeds of $126,000. Each Unit consists of one non flow-through common share and one non flow-through Warrant. Each whole share purchase warrant (a "Warrant") is exercisable into one common share of the Company expiring on April 10, 2016 at a price of $0.30 per Warrant share. All the securities issuable will be subject to a four-month hold period from the date of closing. The fair value of the share at the date of issuance is $0.21 where the exercise price is greater than the market price. The fair value of the Warrant is deemed to be $0.03 based on the residual method. As a result, the Company allocated $15,750.

12. SHARE CAPITAL – continued

b) Issued and outstanding: – continued

During the year ended October 31, 2014: - continued

The Company granted a total of 26,250 finders' warrants to acquire common shares of the Company exercisable at $0.24 per share expiring on April 10, 2016. The finders' warrants were valued at fair value of $2,355. The fair value of these finders' warrants was $0.09 per share, where the exercise price is greater than the market price at the date of grant and the fair value of each compensation option is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.05%, a dividend yield of nil, an expected volatility of 121.07% and an average expected life of 1.5 years.

During the year ended October 31, 2014, 2,045,000 stock options priced at $0.15 and 620,520 warrants priced at $0.25 were exercised for gross proceeds of $306,750 and $155,130 respectively. A total of $714,358 was reversed out of reserves and credited to share capital in relation to the option and warrant exercises.

c) Share purchase warrants:

The following is a summary of share purchase warrant transactions for the six months ended April 30, 2015 and the year ended October 31, 2014:

	April 30, 2015		**October 31, 2014**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	10,527,634	$ 0.33	9,688,611	$ 0.32
Issued	1,250,000	0.30	10,527,634	0.33
Exercised	-	-	(620,520)	0.25
Expired	-	-	(9,068,091)	0.32
Balance, end of period	11,777,634	$ 0.32	10,527,634	$ 0.33

The following share purchase warrants were outstanding and exercisable as at April 30, 2015 and October 31, 2014:

Expiry Date	Weighted Average Contractual Life (Years)	Exercise Price	**April 30, 2015** Number of Warrants	**October 31, 2014** Number of Warrants
September 14, 2015	0.38	$0.35	5,719,084	5,719,084
April 3, 2016	0.93	$0.30	4,283,550	4,283,550
April 10, 2016	0.95	$0.30	525,000	525,000
June 19, 2016	1.14	$0.30	1,250,000	-
Total Outstanding and Exercisable	0.68	$0.32	11,777,634	10,527,634

12. SHARE CAPITAL – continued

d) Agents' warrants:

The following agents' warrants were outstanding and exercisable as at April 30, 2015:

Expiry Date	Weighted Average Remaining Contractual Life (Years)	Exercise Price	April 30, 2015 Number of Agents' Warrants	October 31, 2014 Number of Agents' Warrants
April 3, 2016	0.93	$0.24	1,016,252	1,016,252
April 10, 2016	0.95	$0.24	26,250	26,250
June 19, 2016	1.14	$0.24	725,000	-
Total Outstanding and Exercisable	1.02	$0.24	1,767,502	1,042,502

The Company applies the fair value method in accounting for its agents' warrants using the Black-Scholes pricing model. During the six months ended April 30, 2015, the Company recorded $63,326 (April 30, 2014: $nil) in share issuance costs with the issuance of 725,000 (April 30, 2014: nil) agents' warrants.

	April 30, 2015	October 31, 2014
Expected dividend yield	Nil	Nil
Expected volatility	118.02%	121%
Risk free rate	1.02%	1.05-1.13%
Expected terms in years	1.5 years	1.5 years

The amounts were determined using Black-Scholes option pricing model with the following assumptions:

13. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period.

13. SHARE-BASED PAYMENTS - continued

The following is a summary of option transactions under the Company's stock option plan for the six months ended April 30, 2015 and the year ended October 31, 2014:

	April 30, 2015		October 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	7,971,908	$ 0.39	12,005,678	$ 0.33
Granted	-	-	571,908	0.35
Exercised	-	-	(2,045,000)	0.15
Expired/Cancelled	(485,000)	0.57	(2,560,678)	0.24
Balance, end of period	7,486,908	$ 0.38	7,971,908	$ 0.39

The following stock options were outstanding and exercisable as at April 30, 2015:

Expiry Date	Revised Exercise Price	Original Exercise Price	Number of Shares	Contractual Life (Years)
September 14, 2015	N/A	$0.35	571,908	0.38
November 17, 2015	$0.15	$0.55	150,000	0.55
November 17, 2015	N/A	$0.55	675,000	0.55
February 28, 2016	$0.15	$0.81	260,000	0.83
February 28, 2016	N/A	$0.81	2,000,000	0.83
February 8, 2018	N/A	$0.15	3,730,000	2.78
May 15, 2018	N/A	$0.10	100,000	3.04
Total Outstanding and Exercisable			7,486,908	1.77

The Company applies the fair value method in accounting for its stock options granted to directors, officers and employees by using the Black-Scholes pricing model. During the six months ended April 30, 2015, the Company recorded $nil (April 30, 2014: $nil) in share-based payments expense. During the year ended October 31, 2014, the Company recorded $22,719 in share issuance costs with the issuance of 571,908 agents' options.

14. COMMITMENTS

On May 1, 2008, the Company entered into a Management & Administration Agreement with Zimtu Capital Corp. ("Zimtu"). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, over a period of 12 months for $90,000 per month. On May 1, 2013, the Company extended the agreement for a period of 12 months, with a revised rate of remuneration of $49,180 per month. On May 1, 2014, this amended agreement was extended for an additional 12 months. Effective September 2014, the monthly fee increased to $53,810.

On March 7, 2014, the Company entered into a consulting agreement with Zimtu Capital Corp. to provide corporate development and market services. The contract term is for one year for a monthly fee of $5,000 and expired on March 6, 2015.

15. RELATED PARTY TRANSACTIONS

During the six months ended April 30, 2015 and 2014, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

	Six months ended April 30,	
	2015	2014
Key management compensation*	**$**	**$**
Consulting fees	45,868	24,951
Geological services	1,474,614	325,800
Administrative fees	322,860	147,540
Advertising and promotion	16,756	12,500
Total	1,860,098	510,791

	April 30, 2015	October 31, 2014
Amounts due to (from) related parties	**$**	**$**
Dahrouge Geological Consulting (a)	404,266	144,120
Nimbus Resource Management (b)	7,224	3,360
Axel Hoppe, Director	10,940	19,877
nKwazi Resource Management (d)	4,200	-
Zimtu Capital Corp. (c)	(246,047)	19,877
Due to related parties – Total	180,583	167,357

(a) A company controlled by a director of the Company, Jody Dahrouge.
(b) A company owned by a director of the Company, Jenna Hardy. Ms. Hardy did not run for re-election at the Company's Annual General Meeting held on May 20, 2015, and ceased to be a director on that day.
(c) A company providing key management services.
(d) A company owned by a director of the Company, Ian Graham.

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

16. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

16. FINANCIAL INSTRUMENTS – continued

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents, short term investments, amounts receivable, due from related parties and investments in asset-backed commercial paper are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company monitors its credit risk management practices continuously to evaluate their effectiveness.

At April 30, 2015, cash and cash equivalents of $422,674 (October 31, 2014: $1,286,584) consisted of cash balances of $45,208 (October 31, 2014: $944,493) with Canadian chartered banks and $377,466 (October 31, 2014: $342,091) in money market funds. As at April 30, 2015, the Company also held short term investments of $3,045,000 (October 31, 2014: $4,534,500) in GIC's at a Canadian chartered bank and asset-backed commercial paper fair valued at $292,482 (October 31, 2014: $292,482).

The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company currently has adequate liquidity to fund its financial liabilities which are comprised of accounts payable and accrued liabilities and due to related parties.

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company's marketable securities and investment in asset-backed commercial paper are subject to market risk.

i) Currency Risk
Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) Commodity Price Risk
Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

16. FINANCIAL INSTRUMENTS – continued

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents, short term investments, and investments in asset-backed commercial paper. The sensitivity in interest rates of a decrease by 1% would result in an approximate decrease of $26,000 (October 31, 2014: $6,000) in net annual earnings. The sensitivity analysis on ABCP providing the effect on other comprehensive income if interest rates were to increase by 1% for the six months ended April 30, 2015 is $3,000 (October 31, 2014: $6,000).

d) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at April 30, 2015 and October 31, 2014:

	As at April 30, 2015		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 422,674	$ -	$ -
Short term investments	3,045,000	-	-
Marketable securities	50,446	-	-
Asset-backed commercial paper	-	-	292,482
	$ 3,518,120	$ -	$ 292,482

	As at October 31, 2014		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 1,286,584	$ -	$ -
Short term investments	4,534,500	-	-
Marketable securities	82,178	-	-
Asset-backed commercial paper	-	-	292,482
	$ 5,903,262	$ -	$ 292,482

16. FINANCIAL INSTRUMENTS - continued

Level 3 financial assets consist of the following investments in ABCP including Master Asset Vehicle II ("MAV II") notes and Ineligible Asset Tracking notes as at April 30, 2015 and October 31, 2014:

	April 30, 2015			October 31, 2014		
	Face value	Fair value variances	Fair value	Face value	Fair value variances	Fair value
MAV II Notes	$	$	$	$	$	$
Class B	353,772	(89,885)	263,887	353,772	(89,885)	263,887
Class C	233,913	(218,210)	15,703	233,913	(218,210)	15,703
	587,685	(308,095)	279,590	587,685	(308,095)	279,590
Ineligible Asset						
Tracking Notes	186,550	(173,658)	12,892	192,043	(179,151)	12,892
	774,235	(481,753)	292,482	779,728	(487,246)	292,482

The MAV II notes received as a result of the restructuring of third party sponsored ABCP by the Pan-Canadian Investors Committee in January 2009 include a pooling of leveraged investments as well as traditional assets and cash. The leveraged investments are subject to a potential requirement post additional collateral based on certain triggers being met (a margin call). Traditional assets are un-levered investments and include residential and commercial mortgage backed securities, corporate credit and cash equivalents. Class A-1, Class A-2 and Class B Notes will bear interest at the Bankers' Acceptance ("BA") rate less 0.50% and Class C Notes will bear interests at the BA rate plus 20%.

The IA Tracking Notes will bear interest at a rate based on the net rate of return generated by the underlying tracking assets. The maturities of the notes are based on the maturities of the underlying assets. These notes will not be rated.

The Company is aware of a number of trades in the restructured notes that have occurred prior to April 30, 2015, but does not consider them to constitute an active market. Accordingly, the Company has not used these trades to determine the fair value of its notes. As described in Note 9, the Company has used a probability weighted discounted cash flows approach to determine the fair value of these investments, incorporating available information regarding market conditions as at the measurement date, April 30, 2015. These estimates arrived at by the Company are subject to measurement uncertainty and are dependent on market conditions as at the measurement date.

If an active market for the restructured notes were to develop in the future, the Company would change its valuation technique to determine the fair value of its notes using quoted market prices.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at April 30, 2015, the Company's shareholders' equity was $58,595,913 (October 31, 2014: $56,915,377). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

16. FINANCIAL INSTRUMENTS – continued

e) Capital Management – continued

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

17. NON-CASH TRANSACTIONS

The following transactions have been excluded from the statement of cash flows:

During the six months ended April 30, 2015:

- Exploration and evaluation assets of $784,214 were included in accounts payable and $407,878 were included in due to related parties at April 30, 2015.
- Amortization of $18,865 relating to equipment was included in exploration and evaluation assets.
- 725,000 agents' warrants valued at $63,326 granted to the Agents were included in share issuance costs.

During the six months ended April 30, 2014:

- Exploration and evaluation assets of $315,276 were included in accounts payable and $309,346 were included in due to related parties at April 30, 2014.
- Amortization of $19,825 relating to equipment was included in exploration and evaluation assets.
- 571,908 options valued at $22,719 granted to the Agents were included in share issuance costs.

18. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On December 12, 2012, the Company issued 13,775,554 units on a flow-through basis at $0.18 per share (see Note 12b) for proceeds of $2,479,600, and recognized a liability on flow-through shares of $238,768. As October 31, 2013, the Company has incurred $2,184,169 of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $210,320. During the year ended October 31, 2014, the Company incurred additional $295,431 of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $28,448. All proceeds have been fully spent in fiscal 2014.

On March 14, 2014, the Company issued 8,425,652 units on a flow-through basis at $0.23 per share (see Note 12b) for proceeds of $1,937,900, and recognized a liability on flow-through shares of $252,770. At October 31, 2014, the Company has incurred $1,464,048 of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $190,963. As at April 30, 2015, the amount of flow-through proceeds remaining to be spent is $nil (October 31, 2014 - $473,852) and the liability for flow-through shares related to this private placement is $nil (October 31, 2014 - $61,807). All proceeds have been fully spent and renounced as at December 31, 2014.

18. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES - continued

On October 3, 2014, the Company issued 16,041,500 shares on a flow-through basis at $0.25 per share (see Note 12b) for gross proceeds of $4,010,375, and recognized a liability on flow-through shares of $641,660. At October 31, 2014, the Company has incurred $nil of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $nil. As at April 30, 2015, the amount of flow-through proceeds remaining to be spent is $1,440,143 (October 31, 2014 - $4,010,375) and the liability for flow-through shares related to this private placement is $133,693 (October 31, 2014 - $641,660).

On December 22, 2014, the Company issued 12,025,000 shares on a flow-through basis at $0.25 per share (see Note 12b) for gross proceeds of $3,006,250, and recognized a liability on flow-through shares of $781,625. At January 31, 2015, the Company has incurred $nil of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $nil. As at April 30, 2015, the amount of flow-through proceeds remaining to be spent is $3,006,250 and the liability for flow-through shares related to this private placement is $781,625.

	Issued on December 12, 2012	Issued on March 14, 2014	Issued on October 3, 2014	Issued on December 22, 2014	Total
Balance, November 1, 2013	$ 28,448	$ -	$ -	$ -	$ 28,448
Liability incurred on flow-through shares issued	-	252,770	641,660	-	894,430
Settlement of flow-through share liability on incurring expenses	(28,448)	(190,963)	-	-	(219,411)
Balance, October 31, 2014	-	61,807	641,660	-	703,467
Liability incurred on flow-through shares issued	-	-	-	781,625	781,625
Settlement of flow-through share liability on incurring expenses	-	(61,807)	(507,967)	-	(569,774)
Balance, April 30, 2015	$ -	$ -	$ 133,693	$ 781,625	$ 915,318

Commerce Resources Corp. Schedule I

Schedule of Resource Properties
For the six months ended April 30, 2015
Expressed in Canadian dollars
(Unaudited – prepared by management)

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of period	$ 201,602	$ 1,270,237	$ 211,580	$ 1,683,419
Staking	-	321	-	321
Balance, end of the period	201,602	1,270,558	211,580	1,683,740
Deferred exploration and development costs – Note 11				
Balance, beginning of period	27,518,172	21,773,706	(196,611)	49,095,267
Amortization – field equipment and office	6,926	1,281	-	8,207
Assays and analytical	-	98,773	-	98,773
Community	455	-	-	455
Drilling	-	300,789	-	300,789
Engineering	2,638	227,874	-	230,512
Environmental and permitting	2,384	388	-	2,772
Field equipment rental	-	147,348	-	147,348
Field supplies	10,058	234,610	-	244,668
Food and accommodation	6,869	59,129	-	65,998
Fuel	-	169,545	-	169,545
Geology, mapping and drafting	2,388	1,142,892	-	1,145,280
Geophysics	-	11,094	-	11,094
Insurance	3,569	12,501	-	16,070
Metallurgy	-	1,924,835	-	1,924,835
Other	17,856	1,401	-	19,257
Project management	12,552	-	-	12,552
Road and site preparation	1,575	-	-	1,575
Travel and transport	-	651,529	-	651,529
	67,270	4,983,989	-	5,051,259
Impairment	-	-	(9,081)	(9,081)
Balance, end of period	27,585,442	26,757,695	(205,692)	54,137,445
Total balance, end of period	$ 27,787,044	$ 28,028,253	$ 5,888	$ 55,821,185

Commerce Resources Corp.
Schedule of Resource Properties
For the year ended October 31, 2014
Expressed in Canadian dollars
(Unaudited – prepared by management)

Schedule I
Continued

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of year	$ 201,602	$ 1,270,237	$ 210,166	$ 1,682,005
Staking	-	-	1,414	1,414
Balance, end of the year	201,602	1,270,237	211,580	1,683,419
Deferred exploration and development costs – Note 11				
Balance, beginning of year	27,599,172	18,910,224	8,633	46,518,029
Amortization – field equipment and office	15,038	3,294	-	18,332
Assays and analytical	32	283,012	-	283,044
Consulting	-	4,888	-	4,888
Drilling	-	196,634	-	196,634
Engineering	552	48,646	-	49,198
Environmental and permitting	4,564	48,549	-	53,113
Field equipment rental	21,911	183,368	-	205,279
Field supplies	69	75,347	-	75,416
Fuel	-	43,417	-	43,417
Food and accommodation	9,884	30,250	-	40,134
Geology, mapping and drafting	25,252	756,522	-	781,774
Insurance	8,089	12,133	-	20,222
Metallurgy	26,250	533,569	-	559,819
Other	18,230	12,249	-	30,479
Project management	25,380	-	-	25,380
Road and site preparation	2,638	-	-	2,638
Travel and transport	50	286,513	-	286,563
	157,939	2,518,391	-	2,676,330
Proceeds received for sale of property	-	-	(125,000)	(125,000)
Loss on sale of property	-	-	(80,244)	(80,244)
Mining tax credits – current year adjustment	(27,677)	(47,378)	-	(75,055)
Mining tax credits – prior year adjustments	(211,262)	392,469	-	181,207
Balance, end of year	27,518,172	21,773,706	(196,611)	49,095,267
Total balance, end of year	$ 27,719,774	$ 23,043,943	$ 14,969	$ 50,778,686