BRILLIANT SANDS INCORPORATED

A Montana Corporation

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www.brilliantsands.com
Federal EIN: 82-0305765
NAICS Code: 212322 (Industrial Sand Mining)
SIC Code: 1446 (Industrial Sand)

Issuer's Quarterly Report

for the six months ended June 30, 2015

ISSUER'S EQUITY SECURITIES

COMMON STOCK

$0.001 Par Value Per Share
200,000,000 Shares Authorized
29,836,325 Shares Issued as of June 30, 2015

PREFERRED STOCK

$0.10 Par Value Per Share
15,000,000 Shares Authorized
0 Shares Issued as of June 30, 2015

Brilliant Sands Incorporated is responsible for the content of this Quarterly Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

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BRILLIANT SANDS INCORPORATED

A Montana Corporation

Quarterly Report

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this Quarterly Report (the "Quarterly Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," potential," and similar terms. Brilliant Sands Incorporated ("we" or the "Company") cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in our Annual Report for the year ended December 31, 2014. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Item 1. The exact name of the issuer and the address of its principal executive offices

The name of the issuer is Brilliant Sands Incorporated.

The address of the issuer is:	1575 Delucchi Lane - Suite 115 Reno, Nevada 89502
The telephone and facsimile is:	Telephone: 775-829-4507 Facsimile: 775-337-9441
The issuer's website:	www.brilliantsands.com The information contained on such website shall not be deemed incorporated by reference herein.
Investor relations contact:	Harry Tajyar Investor Relations Partners 1901 Avenue of the Stars, 2nd Floor Los Angeles, CA 90067 Tel: (818) 280-6800 www.irpartnersinc.com

Brilliant Sands Incorporated ("the Company") was incorporated in the State of Montana on May 23, 1888 as Helena and Livingston Smelting and Reduction Company. The Company changed its name to Helena Silver Mines, Inc. on June 19, 1970. On July 14, 2006, Dome Copper, Inc., a Nevada corporation, completed a share acquisition agreement with Helena Silver Mines, Inc.

The merger was accounted for as a reverse acquisition in which Dome Copper, Inc. was identified as the acquiring entity and Helena Silver Mines, Inc. was identified as the acquired entity. Any remaining identifiable assets and liabilities of Helena Silver Mines, Inc. were assigned fair values at the acquisition date. No goodwill was recognized. The assets of Dome Copper, Inc. were incorporated into the financial statements at their pre-merger carrying values at the date of acquisition.

At the effective time of the merger, on July 17, 2006, the name of the Company was changed to Consolidated Goldfields Corporation with Dome Copper, Inc. surviving as a wholly owned subsidiary. On January 12, 2015 the Company held a Special Meeting of Stockholders to change the name of the Company to Brilliant Sands Incorporated which became effective on March 16, 2015. The Company's other wholly-owned subsidiary is Consolidated Cahuilla, LLC, a Nevada limited liability company name has been changed to Consolidated Goldfields LLC, a Nevada limited liability company.

The Company is engaged in the acquisition, exploration and development of frac sand and mining properties.

Item 2. Shares outstanding

The Company has 200,000,000 shares of common stock authorized and 15,000,000 shares of preferred stock authorized. As of June 30, 2015, our authorized, issued and outstanding securities consisted of only common stock. No preferred stock has been issued.

None of the shares Company's common stock have been registered under the United States Securities Act of 1933, as amended (the "Securities Act") or qualified under any state securities laws, and we have no current plans to register or qualify any of our securities. Shares of our common stock are not currently eligible for resale in the public market pursuant to the exemption from registration offered by Rule 144 under the Securities Act, however, other exemptions from registration may be available.

There is a limited public market in our common stock. This Quarterly Report is intended to provide the information that a broker-dealer must have in its possession to publish a quotation in a security pursuant to Rule 15c2-11 ("Rule 15c2-11") under the United States Securities Exchange Act of 1934 (the "Exchange Act").

No dividends have been paid to shareholders for the quarter ended June 30, 2015 and the year ended December 31, 2014.

The declaration of dividends by the Company is subject to the discretion of our board of directors. Our board of directors will take into account such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends by us, or such other factors as our board of directors may deem relevant.

Preferred Stock	**June 30, 2015**
Number of shares authorized	15,000,000
Number of shares outstanding	0
Freely tradable shares (public float)	0
Total number of beneficial shareholders	0
Total number of shareholders of record	0

Common Stock	**June 30, 2015**
Number of shares authorized	200,000,000
Number of shares outstanding	29,836,325
Freely tradable shares (public float)	4,759,248
Total number of beneficial shareholders	7
Total number of shareholders of record	988

The CUSIP number for our common stock is: 10954P109.

Item 3. Interim financial statements

A copy of the unaudited Financial Statements of the Company for the six months ended June 30, 2015, including the Balance Sheet, Statements of Operations and Comprehensive Income, Statement of Stockholders' Equity, Statements of Cash Flows, and Notes to the Financial Statements, are attached hereto as Exhibit 3.1. The attached Financial Statements and the notes thereto are hereby incorporated by reference into this Quarterly Report.

The incorporated documents may also be found through the OTC Disclosure & News Service.

Item 4. Management's discussion and analysis of or plan of operation

Please see Management's Discussion and Analysis of the Company for the six months ended June 30, 2015 attached hereto as Exhibit 4.1. The attached Management's Discussion & Analysis are hereby incorporated by reference into this Quarterly Report.

Item 5. Legal proceedings

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the Company that could have a material effect on our business, financial condition or operations. We are not a party to any past or pending trading suspensions by a securities regulator.

Item 6. Defaults upon senior securities

None.

Item 7. Other information

Please see Note 7 to the unaudited Financial Statements of the Company for the six months ended June 30, 2015 attached hereto as Exhibit 3.1 for a description of common stock issuances by the Company.

Item 8. Exhibits

3.1	Interim financial statements for the six months ended June 30, 2015 (unaudited)*
4.1	Management's discussion and analysis for the six months ended June 30, 2015 (unaudited)*
9.1	Certification of principal executive officer*
9.2	Certification of principal financial officer*

*Attached hereto

Exhibit 9.1

Certification of the Chief Executive Officer of Brilliant Sands Incorporated

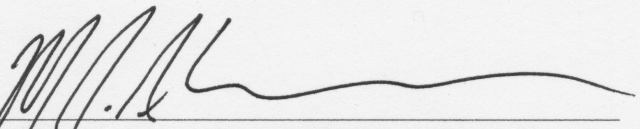
I, Marc J. Andrews, certify that:

1. I have reviewed this Quarterly Report of Brilliant Sands Incorporated;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated as of this 20 day of July, 2015



Marc J. Andrews, President & Chief Executive Officer

Exhibit 9.2

Certification of the Chief Financial Officer of Brilliant Sands Incorporated

I, Kim Neal, certify that:

1. I have reviewed this Quarterly Report of Brilliant Sands Incorporated;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated as of this 20th day of July, 2015

Kim Neal

Kim Neal, Vice President, Finance



BRILLIANT SANDS INCORPORATED

Brilliant Sands Incorporated

Financial Statements

For the Six Months Ended June 30, 2015 and 2014

(unaudited)

BRILLIANT SANDS INCORPORATED
(Formerly known as Consolidated Goldfields Corporation)
BALANCE SHEETS

	June 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,324	$ 59,677
Investments - available for sale	428,872	1,114,210
Prepaid expenses and deposits	14,978	17,472
Related party receivable	39,154	39,154
Mineral data held for sale (Note 5)	250,000	250,000
Note receivable - related party	-	-
Total Current Assets	739,328	1,480,513
MINERAL PROPERTIES AND INTERESTS	1,706,681	1,888,853
OTHER ASSETS		
Reclamation bond	13,191	13,191
Total Other Assets	13,191	13,191
TOTAL ASSETS	$ 2,459,200	$ 3,382,557
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 190,121	$ 21,640
Accrued payroll liabilities	146,490	139,910
Accrued interest - related parties	39,673	39,701
Convertible debt, related party	50,000	50,000
Payable to related parties	175,978	267,553
Total Current Liabilities	602,262	518,804
Accrued stock payable	-	-
TOTAL LIABILITIES	602,262	518,804
COMMITMENTS AND CONTINGENCIES (Note 4)		
STOCKHOLDERS' EQUITY		
Preferred stock, $.10 par value, 15,000,000 authorized; no shares issued and outstanding	-	-
Common stock, $0.001 par value, 200,000,000 shares authorized; 29,836,325 and 29,661,064 shares issued and outstanding, respectively	29,836	29,661
Additional paid in capital	6,863,506	6,840,079
Accumulated deficit	(4,436,288)	(2,733,351)
Accumulated other comprehensive loss	(600,116)	(1,272,636)
Total Stockholders' Equity	1,856,938	2,863,753
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,459,200	$ 3,382,557

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(Formerly known as Consolidated Goldfields Corporation)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
OPERATING EXPENSES (INCOME)		
Exploration expense	$ 232,358	$ 56,716
Payroll and related	141,541	81,114
Professional fees and consulting	138,375	113,675
General and administrative	157,528	471,516
Impairment on mineral data held for sale	-	-
Gain on mineral properties and interests	220,584	(2,449,317)
TOTAL OPERATING EXPENSES (INCOME)	890,386	(1,726,296)
INCOME (LOSS) FROM OPERATIONS	(890,386)	1,726,296
OTHER INCOME (EXPENSE)		
Miscellaneous other income (expense)	-	(1,949)
Interest expense	(5,501)	(5,621)
Loss on exchange of investments available for sale for shares of common stock (Note 7)	-	-
Gain (loss) on investments available for sale	(807,052)	(116,384)
Impairment of investment available for sale	-	-
TOTAL OTHER INCOME (EXPENSE)	(812,553)	(123,954)
NET INCOME (LOSS)	$ (1,702,939)	$ 1,602,342
OTHER COMPREHENSIVE INCOME (LOSS)		
Change in unrealized loss on investments available for sale	(134,532)	(1,588,744)
Reclassification of realized (gain) loss on investments available for sale	807,052	116,384
COMPREHENSIVE INCOME (LOSS)	$ (1,837,471)	$ 13,598
NET INCOME (LOSS) PER COMMON SHARE, BASIC AND DILUTED	$ (0.06)	$ 0.09
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	29,727,731	17,582,339

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(Formerly known as Consolidated Goldfields Corporation)
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Additional	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Paid in Capital	Deficit	Income	Equity
Balance, December 31, 2013	11,121,369	$ 11,121	$ 4,366,278	$ (1,952,649)	$ (371,669)	$ 2,053,081
Stock based compensation	-	-	19,479	-	-	19,479
Issuance of common stock for:						
Satisfaction of accrued stock payable	200,000	200	185,799	-	-	185,999
Legal Expenses	69,834	70	31,355	-	-	31,425
Director Awards	150,000	150	157,351	-	-	157,501
Purchase of mineral data from Prize Mining Corporation	3,703,334	3,704	996,296	-	-	1,000,000
Purchase of mineral data - finders fee to related party	333,334	333	349,667	-	-	350,000
Purchase of mineral properties - frac sand	15,666,668	15,667	1,394,333	-	-	1,410,000
Purchase of mineral properties - King Solomon	8,334	8	492	-	-	500
Shares repurchased in accordance with settlement agreement (Note 8)	(1,591,809)	(1,592)	(660,971)	-	-	(662,563)
Change in unrealized loss on investment - available for sale, net	-	-	-	-	(900,967)	(900,967)
Net loss	-	-	-	(780,702)	-	(780,702)
Balance, December 31, 2014	29,661,064	$ 29,661	$ 6,840,079	$ (2,733,351)	$ (1,272,636)	$ 2,863,753
Stock based compensation	-	-	-	-	-	-
Issuance of common stock for:						
Purchase of mineral properties - Fisher Canyon	95,238	95	9,905	-	-	10,000
Issuance to brokers for rounding of shares	23	-	3	-	-	3
Common stock for cash at $0.17 per share	80,000	80	13,520	-	-	13,600
Change in unrealized loss on investment - available for sale, net	-	-	-	-	672,520	672,520
Net loss	-	-	-	(1,702,939)	-	(1,702,939)
Balance, June 30, 2015	29,836,325	$ 29,836	$ 6,863,506	$ (4,436,288)	$ (600,116)	$ 1,856,938

See accompanying notes to the financial statements.

BRILLIANT SANDS INCORPORATED
(Formerly known as Consolidated Goldfields Corporation)
STATEMENTS OF CASH FLOWS

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	$ (1,702,939)	$ 1,602,342
Adjustments to reconcile net loss to net cash used by operating activities:		
(Gain) Loss on investments available for sale	807,052	116,383
(Gain) loss on settlement of liability	-	-
Gain on mineral property and interests	220,584	(2,449,317)
Stock based compensation	-	105,000
Stock issued for legal expenses	-	31,425
Impairment on mineral data held for sale	-	-
Loss on exchange of investments available for sale for shares of common stock	-	-
	-	367,129
Investments available for sale exchanged for expenses	-	-
Impairment of investment available for sale	-	-
Changes in operating assets and liabilities		
Decrease (increase) in:		
Prepaid expenses and deposits	2,494	7,311
Related parties receivable	-	12,586
Interest receivable on note receivable	-	592
Increase (decrease) in:		
Accounts payable and accrued liabilities	168,485	(13,773)
Accrued payroll liabilities	6,580	(79,277)
Accrued interest - related parties	(28)	-
Payable to related parties	(91,575)	-
Net cash used by operating activities	(589,347)	(299,599)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of mineral properties and interest	(10,000)	(17,128)
Puchase of reclamation bond - Fisher Canyon	-	-
Advances under notes receivable - related party	-	(125,000)
Payments received under notes receivable - related party	-	165,000
Proceeds from sale/lease of mining property	-	12,000
Proceeds from sale of investments - available for sale	532,394	295,754
Net cash provided by investing activities	522,394	330,626
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued for cash	13,600	-
Proceeds from convertible debt, related parties	-	-
Payments on convertible debt, related parties	-	-
Net cash provided by financing activities	13,600	-
Net change in cash and cash equivalents	(53,353)	31,027
Cash and cash equivalents, beginning of year	59,677	83,055
Cash and cash equivalents, end of period	$ 6,324	$ 114,082
Supplemental cash flow information:		
Interest paid	$ 5,028	$ 1,250
Noncash investing and financing activities:		
Common stock issued for purchase of mineral properties - frac sand	$ -	$ -
Common stock issued for cash	13,600	-
Investment - available for sale received for Cahuilla Earn-In Agreement	-	-
Common stock issued for acquisition of mineral data from Prize Mining Co.	-	1,350,000
Investment - available for sale exchanged for repurchase of shares of common stock in accordance with exchange agreement	-	-
Investment - available for sale exchanged for mineral interest	9,655	17,128

See accompanying notes to the financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

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

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

As disclosed in Note 7, the Company's board of directors and stockholders approved a one-for-three reverse stock split of the Company's common stock effective March 16, 2015. Following the effective date of the reverse stock split, the par value of the common stock remained at $0.001 per share. Unless otherwise indicated, all references herein to shares outstanding and share issuances have been adjusted to give effect to the aforementioned stock split.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make complex and subjective estimates and assumptions that affect the reported amounts in the Company's financial statements and notes thereto for items such as potential impairment of investments available for sale, mineral data held for sale, and long-lived assets; the valuation of stock based compensation; and determination of deferred

income taxes. On a regular basis, management evaluates these estimates and assumptions. Actual results may differ materially from these estimates.

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

Cash and Cash Equivalents

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

Earnings Per Share

Basic earnings per share is computed by dividing the net loss by the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time they were outstanding. The following options, warrants and convertible debt equitable shares were excluded from the computation of diluted earnings per share for the six months ended June 30, 2015 and at December 31, 2014 because they were anti-dilutive:

	June 30, 2015	December 31, 2014
Options	2,564,032	2,780,368
Warrants	1,554,030	1,554,030
Convertible Debt	33,223	33,223
	4,151,285	4,367,621

Investments in Debt and Equity Securities

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

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

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

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

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

The Company held securities classified as available for sale at the six months ended June 30, 2015 and at December 31, 2014. See "Note 3 – Investments – Available for Sale" for further details.

Fair Value Measurements

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

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

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating

mines, are capitalized and amortized on a unit of production basis over proven and probable reserves.

Mineral Properties and Interests

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

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

Accounting for Investments in Joint Ventures

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

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

At the six months ended June 30, 2015 and at December 31, 2014, the Company has no investments in joint ventures.

When applicable, the Company will periodically assess its investments in joint ventures for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

Stock Based Compensation

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

For issuances of options to purchase shares of the Company's common stock, stock based compensation is recognized in the financial statements based on the grant date fair value of the

award. The fair value is determined by the Binomial Lattice option pricing model. The Company believes that this model provides the best estimate of fair value due to its ability to incorporate inputs that change over time, such as volatility and interest rates, and to allow for the actual exercise behavior of option holders. The compensation cost is recognized over the requisite service period which is equal to the vesting period.

Provision for Taxes

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

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

Asset Retirement Obligations and Remediation Costs

Mineral properties are subject to standards for mine reclamation that have been established by various governmental agencies. Asset retirement obligations are related to the retirement of the mine, if a reasonable estimate of fair value can be determined. These obligations are initially measured at fair value with the resulting cost capitalized at the present value of estimated reclamation costs. An asset and a related liability are recorded for the present value of these costs. The liability is accreted and the asset amortized over the life of the related asset. Adjustments are made for changes resulting from either the timing or amount of the original present value estimate underlying the obligation. If there is an impairment to an asset's carrying value and a decision is made to permanently close the property, changes to the liability are recognized and charged to the provision for closed operations and environmental matters. The Company had no asset retirement obligations as of the six months ended June 30, 2015 and at December 31, 2014.

NOTE 3 - INVESTMENTS – AVAILABLE FOR SALE

The following summarizes the equity securities available for sale at the six months ended June 30, 2015.

	Number of Shares	Basis	Fair Value (Level 1 Inputs)	Unrealized Gain (Loss)
Teras Resources, Inc.	5,914,000	$ 975,987	$ 382,872	$ (593,115)
Strategic Resources International Inc.	100,000	53,000	46,000	(7,000)
		$ 1,028,987	$ 428,872	$ (600,115)

Management has determined that the decline in fair value below the carrying basis for Teras Resources, Inc. ("Teras") is temporary based upon knowledge of Teras' business plan and the volatility of Teras' stock price over time.

During the six months ended June 30, 2015, the Company had the following transactions relating to its investment in Teras:

- Sold 7,698,500 shares for net cash proceeds of $532,394. A loss on investment available for sale of $789,796 was recognized as a result of these transactions.

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

During the year ending December 31, 2014, the Company had the following transactions relating to its investment in Teras:

- Received 15,300,000 shares of Teras Resources, Inc. ("Teras") common stock in accordance with the Cahuilla Earn in Agreement (see Note 4). A gain on mineral properties and interests of $2,626,076 was recognized on this transaction.

- Sold 4,890,556 shares for net cash proceeds of $650,124. A loss on investment available for sale of $1,134,136 was recognized as a result of these transactions.

- Distributed 150,000 shares to a director in consideration of a performance bonus granted in 2013. The amount was accrued as a payable to related parties at December 31, 2013. The value of the shares on the transaction date was $73,319. A gain on investment available for sale of $929 was recognized during 2014 as a result of this transaction.

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

- Exchanged with two shareholders a total of 2,425,000 shares of Teras stock for 1,591,809 shares of the Company's common stock. The carrying basis of the Teras shares on the transaction date was $996,618. A loss of $334,055 was recognized as a result of this transaction. The transaction is further explained in Note 8.

NOTE 4 – MINERAL PROPERTIES AND INTERESTS

Details of mineral interest capitalized for the six months ended June 30, 2015 and at December 31, 2014 are as follows:

Frac Sand Properties	McLelland Property	Alberta Property	Washow Property	Total
Balance - December 31, 2013	$ -	-	-	$ -
Cash	17,959	17,186	7,819	42,964
Accrued acquisition costs	80,765	77,287	35,165	193,217
Common stock issued	589,679	563,999	256,322	1,410,000
Balance - December 31, 2014	$ 688,403	658,472	299,306	$ 1,646,181
Cash	-	-	-	-
Accrued acquisition costs	-	-	-	-
Common stock issued	-	-	-	-
Balance - June 30, 2015	$ 688,403	658,472	299,306	$ 1,646,181

Mineral Properties	Pyramid Mine	Fisher Canyon	Rose Gulch	Klondike Pass	King Solomon	Total
Balance - December 31, 2013	$ 44,000	165,044	25,000	5,000	-	$ 239,044
Cash	-	-	-	6,000	5,000	11,000
Shares in Investment-available for sale	-	17,128	-	-	-	17,128
Common stock issued	-	-	-	-	500	500
Abandonment	-	-	(25,000)	-	-	(25,000)
Balance - December 31, 2014	$ 44,000	182,172	-	11,000	5,500	$ 242,672
Cash	-	10,000	-	-	-	10,000
Shares in Investment-available for sale	-	9,655	-	-	-	9,655
Common stock issued	-	10,000	-	-	-	10,000
Abandonment	-	(211,827)	-	-	-	(211,827)
Balance - June 30, 2015	$ 44,000	-	-	11,000	5,500	$ 60,500

Frac Sand Properties

On December 17, 1014 the Company entered into an Agreement of Purchase and Sale with 1824455 Alberta Ltd. to purchase a 100% right, title and interest in three properties located in the Canadian Provinces of Manitoba and Alberta. The McClelland project consists of 66,000 acres

and the Alberta project consists of 87,000 acres, both of which are situated in Alberta. The Washow project consists of 1,000 acres and is situated in Manitoba. The settlement of purchase price is outlined below:

- At closing, 7,833,334 shares of Company's common stock were issued to 1824455 Alberta Ltd.
- On signing of the agreement $50,000 CAD ($42,964 USD, paid December 2014)
- $50,000 CAD ($42,937 USD, this amount was accrued at December 2014 and paid April 2015) to be paid within forty-five days of closing
- $175,000 CAD ($150,280 USD, this amount was accrued at December 2014) to be paid upon completion of financing

At closing, an additional 7,833,334 shares of Company's common stock were issued to 1824455 Alberta Ltd to be held in escrow until applicable terms and conditions are met as outlined below. Management of the Company has determined that it is probable that these milestones will be met in 2015.

- 2,350,000 of the escrowed shares will be released upon the completion of a NI 43-101 resource report that identifies a resource deposit which is sufficient to move forward with a project. As of June 4, 2015, the shares have not been released from escrow.
- 2,350,000 of the escrowed shares will be release upon the completion of a Preliminary Economic Assessment which demonstrates a financial return which is sufficient to move forward with a project. As of June 4, 2015, the shares have not been released from escrow.
- 3,133,334 of the escrowed shares will be released upon the award of all necessary permits that will allow for the mining of product. As of June 4, 2015, the shares have not been released from escrow.

The fair value of the total 15,666,668 shares of common stock issued was $1,410,000 on the date of the agreement based upon the trading price of the Company's stock.

Feisal Somji, a director of the Company, is a consultant to 1824455 Alberta Ltd.

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

Total exploration expenses for the six months ended June 30, 2015 were $222,604.

King Solomon

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

- On signing of the agreement, 8,334 shares of the Company's common stock were issued to the private individual. The fair value of these shares was $500 based upon the trading price of the Company's stock on the date of the agreement.
- On signing of the agreements, a total of $5,000 (paid November and December 2014, respectively).
- On or prior to each anniversary date, to each party:
    - 1st: $10,000
    - 2nd: $20,000
    - 3rd: $40,000
    - 4th: $60,000
    - 5th: $80,000
    - 6th – 10th: $100,000
    - 11th – 15th: $150,000
    - 16th and thereafter: $200,000

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

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

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

Total exploration expenses for the six months ended June 30, 2015 were $460.

Klondike Pass

On September 19, 2013, the Company entered into Exploration and Option to Purchase Agreement on the Klondike Pass project with a private individual. The property consists of 160

acres of private land located in Pershing County, Nevada. Lease payments for the property are outlined below:

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

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

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

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

Total exploration expenses for the Klondike Pass project for the six months ended June 30, 2015 and at December 31, 2014 were $0 and $13,530, respectively.

Fisher Canyon

On January 26, 2011, the Company entered into an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The property consists of 87 unpatented mining claims situated in Pershing County Nevada. The Company previously held 123 unpatented mining claims and after further review the Company has decided to drop the additional 36 claims which were staked in February 2012. Lease payments for the property are outlined below:

On signing of the agreement: 100,000 shares of Teras common stock owned by the Company ("Teras Shares") which had a fair value of $50,225 on the date of the agreement.

- On or prior to each anniversary date:
    - 1st: $5,000 and 100,000 Teras Shares (paid February 2012). The Company also paid a penalty of 5,000 Teras Shares. Fair value of the Teras Shares was $30,262

- 2nd: $10,000 and 100,000 Teras Shares (paid January 2013). Fair value of the Teras Shares was $49,953
- 3rd: 50,000 Teras Shares **(**paid January 2014) Fair value of the Teras Shares was $17,128
- 4th: $20,000 and 100,000 Teras Shares (paid January 2015)
- 5th and thereafter: $25,000 and 100,000 Teras Shares

- Pay various state and federal claim-related fees

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

- 1st: $10,000 ($7,213 spent)
- 2nd: $25,000 ($185,970 spent, excludes annual claim fees)
- 3rd: $50,000 ($23,056 spent, excludes annual claim fees)
- 4th: $75,000 ($6,411 spent, excludes annual claim fees)
- 5th and thereafter: $100,000 ($1,723 spent)

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

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

Total exploration expenses for the Fisher Canyon project for the six months ended June 30, 2015 and at December 31, 2014 were $2,223 and $20,816, respectively.

On February 26, 2014, the Company renegotiated his lease. Key terms are as follows:

- The cash payment of $15,000 previously required was removed and will not apply at any time.
- The stock distribution of 100,000 common shares of Teras Resources will be reduced to 50,000.
- The Company will quitclaimed unpatented lode claims that represent the Golden Mile property consisting of 13 unpatented mining claims to the owner who was a former officer and director of the Company. All costs for transfer and maintenance will be the responsibility of this individual. No gain/loss was recognized as a result of this transaction.

On May 1, 2015 the Company has abandoned its interest in the Fisher Canyon property.

Pyramid Mine

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

Total exploration expenses for the Pyramid Mine project for the six months ended June 30, 2015 and at December 31, 2014 were $88 and $882, respectively.

Koegel Hills

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

Total exploration expenses for the Koegel Hills project for the six months ended June 30, 2015 and at December 31, 2014 were $0 and $12,463, respectively.

Rose Gulch

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

As of September 10, 2014, the Company has abandoned its interest in the Rose Gulch property. A loss of $25,000 was recorded as a loss on mineral properties and interest during the year ended December 31, 2014.

Four Mile Basin

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

On February 26, 2013 the Company, as Lessor, entered into an Exploration and Option to Purchase Agreement with Wolfpack Gold (Nevada) Corporation for the two unpatented Four Mile Basin claims. The term of the Agreement was for a period of twenty years. The Four Mile Basin Agreement may be cancelable at the option of either the Company or the lessee at any time by giving thirty days advanced notice. Cash payments received under the agreement were $12,000 and $10,000 during the years ended December 31, 2014 and 2013, respectively.

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

Kibby Flats Project

On May 8, 2015 the Company entered into a Stock-for-Property Exchange Agreement with High Desert Holding Corp., to purchase the Kibby Flats project, located in Esmeralda County, Nevada which consisted of twelve unpatented mining claims in exchange for 400,000 shares of High Desert Holding Corp. common stock, these shares are not currently trading on the open market. The mining claims had no carrying value at the time of the transaction.

Cahuilla Gold Project

On February 10, 2010 Consolidated entered into an Earn-In Agreement with Teras Resources, Inc. ("Teras") whereby Teras could earn 65% undivided interest in the Cahuilla property. The agreement was subsequently amended in 2011 to allow Teras to earn 100% interest in the property. Pursuant to the terms of the Earn-in Agreement, the Company received cash from Teras for the exclusive use of exploration, development and maintenance expenditures on the property and shares of Teras' common stock as follows:

- $800,000 and 4,000,000 Teras common shares (received in 2010)
- $1,000,000 and 5,000,000 Teras common shares (received in 2011)
- 5,300,000 Teras common shares (received in 2014)
- 10,000,000 Teras common shares (received in 2014)

As of December 31, 2014 and 2013, the Company had transferred all of its interest over to Teras in accordance with the agreement. Initially, the Company accounted for the Earn-In Agreement using joint venture accounting principles. Because the Company did not have majority control nor significant influence over the venture, it accounted for the Earn-In Agreement using the cost method.

Other

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

NOTE 5 – MINERAL DATA HELD FOR SALE - MUSKOX DATA

The Company has acquired the Muskox Data Inventory from Prize Mining Corporation ("Prize"). The Company's director, Mr. Somji, is currently President, CEO and a director and 3% shareholder of Prize Mining Corporation. The Data consists of years' worth of work on the Muskox Intrusion in Nunavut, Canada. The Muskox Intrusion was first worked on in the 1960's and 1970's by the Geological Survey of Canada and by Inco Mining. Prize began working on the project in 1998 and has spent over $16 million on the project through 2004. In addition, Prize accumulated data from its joint venture partners Anglo American and Silvermet Mining in the 2000's. The Company is actively attempting to sell the data to interested parties. The Company does not own the mineral rights associated with the data.

The purchase price for the Data from Prize was $1 million paid by the issuance of 3,703,334 shares of the Company's common stock. The fair value of shares of common stock issued was based on the trading price of the Company's shares on the date of the agreement. In addition, as provided by Mr. Somji's incentive package, the Chairman was granted 333,334 shares of common stock with a value of $350,000 in January 2014 for generating a project that the Board voted to accept and acquire. The fair value of the shares of common stock issued to the chairman was based on the grant date fair value on the date of the incentive package. The total cost of acquiring the Data was $1,350,000.

Management determined that as of December 31, 2014, the estimated fair value of the Data had decreased. The Company determined the estimated fair value of $250,000 after considering a report from a third party who performed an evaluation of the Muskox Data in early 2015. An impairment loss of $1,100,000 was recognized for the year ending December 31, 2014 bringing the investment balance to its fair value of $250,000. The fair value was based on Level 3 input variables under the fair value measurement accounting principles.

NOTE 6 – RELATED PARTY CONVERTIBLE NOTES

At the six months ended June 30, 2015 and at December 31, 2014, the Company has two convertible notes payable to Thomas Mancuso, former president and current director, totaling $50,000. The notes bear interest of 20%.

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

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

The fair value of the related conversion option at the six months ended June 30, 2015 and at December 31, 2014, was nil due to the relatively short term to maturity date and the effective 'prior to maturity date' conversion rate approximating the fair value of the Company's common share at each year end.

Accrued interest

Accrued interest related to the outstanding notes was $39,473 and $39,701 for the six months ended June 30, 2015 and at December 31, 2014. Interest expense related to the outstanding notes was $5,028 and $10,140 for the six months ended June 30, 2015 and at December 31, 2014, respectively.

NOTE 7 – STOCKHOLDERS EQUITY

Preferred Stock

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

Common Stock

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

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

Following the effective date of the reverse stock split, the par value of the common stock remained at $0.001 per share. As a result, the Company has reduced the common stock in these financial statements on a retroactive basis for all periods presented with a corresponding increase to additional paid-in-capital.

During the six months ended June 30, 2015, the Company sold 80,000 shares of its common stock at a price of $0.17 per share for total proceeds of $13,600.

During the six months ended June 30, 2015, the Company issued the following shares of its common stock:

- 95,238 shares valued at $.105 per share (total of $10,000) to a director in lieu of a cash payment in connection with the Fisher Canyon agreement – see Note 4.
- 23 shares valued at $.10 per share (total of $3) to brokers due to rounding of shares during the 1-for-3 split.
- 80,000 shares valued at $.17 per share (total of $13,600) in connection with a private placement.

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

- 200,000 shares valued at $.93 per share (total of $185,999) to a former director in accordance with the 2013 performance bonus program. This amount was accrued at December 31, 2013.
- 69,834 shares valued at $.45 per share (total of $31,425) for legal services rendered.
- 50,000 shares valued at $1.05 per share (total of $52,501) to Mr. Somji as an incentive for joining the Company's Board of Directors as Chairman.
- 100,000 shares valued at $1.05 per share (total of $105,000) to a director in accordance with the terms of the consulting services agreement.
- 3,703,334 shares valued at $.27 per share (total of $1,000,000) in connection with the purchase of the Muskox Data – see Note 5.
- 333,334 shares valued at $1.05 per share (total of $350,000) to a director in accordance with the purchase of the Muskox Data – see Note 5.
- 7,833,334 shares valued at $.09 per share (total of $705,000) issued to 1824455 Alberta Ltd in connection with acquisition of frac sand properties– see Note 4.
- 7,833,334 shares valued at $.09 per share (total of $705,000) issued to 1824455 Alberta Ltd in connection with acquisition of frac sand properties to be held in escrow until certain milestones are met – see Note 4.
- 8,334 shares valued at $.06 per share (total of $500) in connection with the King Solomon Exploration and Mining Lease with Option to Purchase Agreement – see Note 4.
- 1,591,809 shares were cancelled in accordance with an agreement entered into with two shareholders – see Note 8.

Warrants

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

At the six months ended June 30, 2015 and at December 31, 2014, the Company has 1,554,030 warrants outstanding with an average exercise price of $0.75 that expire December 2015. There were no issuances, exercises, or expirations during the six months ended June 30, 2015 and at December 31, 2014.

Stock options

The Company approved an Amended 2013 Stock Option and Stock Bonus Plan at its Annual Meeting on March 31, 2014. Stock options are issued for compensation and services as determined by the board of directors. Following is a summary of stock option activity for the six months ended June 30, 2015 and at December 31, 2014:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2013	2,313,698	$ 0.49
Granted	466,670	0.09
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2014	2,780,368	$ 0.43
Granted	-	-
Exercised	-	-
Expired	(216,336)	0.45
Outstanding and exercisable June 30, 2015	2,564,032	$ 0.41

The weighted average contractual term of the options granted during the six months ended June 30, 2015 and at December 31, 2014 was 4.59 years and 4.69 years, respectively. As of the six months ended June 30, 2015, all of the options were fully vested. At June 30, 2015, the stock options had an intrinsic value of $14,000 based upon the market price of the Company's stock on that date.

Expenses related to the granting and vesting of stock options were $19,480 and $82,274 for the years ended December 31, 2014 and 2013. Such expenses are included in payroll and related expenses on the statement of operations and comprehensive income (loss)**.**

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

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

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

The expected life of employee stock options represents the weighted-average period the stock options are expected to remain outstanding and is a derived output of the Binomial Lattice model. The expected life of employee stock options is impacted by all of the underlying assumptions and calibration of the Company's model. The Binomial Lattice model estimates the

probability of exercise as a function of these two variables based on the entire history of exercises and cancellations on all past option grants made by the Company.

NOTE 8 – AGREEMENT TO EXCHANGE SHARES

In early 2014, the Company entered into agreements with two shareholders of the Company to acquire 1,591,809 shares of Company's common stock held by the shareholders in exchange for 2,425,000 common shares of Teras that were owned by the Company. The agreements contained provisions relating to the voting of any remaining shares of the Company's common stock owned or controlled by the shareholders in accordance with the recommendations of the Company's board of directors at the Annual Meeting and releases related to disagreements between the Company and the shareholders over the strategic direction and management of the Company.

The Company retired the shares of common stock that were acquired under these agreements. The fair value of these shares on the date of the agreements was $662,563 which was deducted from common stock and additional paid in capital during 2014. The cost basis of the Teras shares exchanged in connection with the agreements was $996,618. The difference of $334,055 was recognized in the statement of operations as a loss for the year ended December 31, 2014.

NOTE 9 – INCOME TAXES

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

	2014	2013
Current tax benefit	$281,100	$307,600
Non-deductible items	(700)	(800)
Change in valuation allowance	(280,400)	(306,800)
	-	-

The Company did not record federal or state tax provisions for the years ended December 31, 2014 or 2013, due to the Company's continued net operating losses. No deferred tax provision (benefit) has been recorded at December 31, 2014 or 2013 due to a full valuation allowance against the deferred tax assets. Realization of the Company's deferred tax assets depends on generating sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from net operating loss carryforwards. Due to the uncertainty of the timing and the amount of such realization, management concluded that a full valuation allowance was required.

Significant components of the deferred tax assets for the years ended December 31, 2014 and December 31, 2013 are as follows:

	2014	2013
Deferred tax asset:		
Net operating loss carryforward	$950,400	$710,900
Stock based compensation	201,500	168,500
Exploration costs	137,800	137,700
Total deferred tax asset	1,289,700	1,017,100
Deferred tax liability		
Investment basis difference	(242,300)	(249,600)
Net deferred tax asset	1,047,400	767,500
Valuation allowance	(1,047,400)	(767,500)
	-	-

At December 31, 2014, the Company has net operating loss carryforwards for federal income tax purposes of approximately $2,640,000 to offset future taxable income which expire from 2027 to 2034. As of December 31, 2014, state net operating losses were immaterial.

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

The Company has concluded that the guidance regarding accounting for uncertainty in income taxes had no significant impact on results of operations or financial position as of December 31, 2014 or 2013. Therefore, there is no accrual for uncertain tax positions as of December 31, 2014 or 2013. If interest and penalties were to be assessed, interest would be charged to interest expense, and penalties to other operating expense. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date. Fiscal years 2012 through 2014 remain subject to examination by state and federal tax authorities.

NOTE 10 – RELATED PARTY TRANSACTIONS

In addition to related party transactions disclosed in Notes 3, 4, 5, 6 and 7, the following transactions have occurred:

Consulting Fees

The Company elected a Chairman of the Board on March 8, 2013, which included an incentive package for joining the Board. The incentives are as follows; 116,667 share of common stock for joining of the Board; 66,667 shares of common stock after successful completion of 6 months as a Board member; 50,000 shares of common stock after successful completion of 12 months as a Board member; and 333,334 shares of common stock if the Chairman generates a property that the Board votes to accept and acquire. For the years ended December 31, 2014 and 2013, the Company incurred $52,500 and $192,500, respectively, of expense for the incentive package. On January 7th, 2014 the Company accepted the purchase of a property the Chairman presented

(see Note 5). As a result the Chairman was granted 333,334 shares of common stock with a grant date value of $350,000 in January 2014.

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

Payable to Related Party

At the six months ended June 30, 2015 and at December 31, 2014, the Company had $24,813 and $69,813, respectively, due to an officer of the Company for consulting services.

At the six months ended June 30, 2015 and at December 31, 2014, the Company had $151,165 and $193,217, respectively, due to 1824455 Alberta Ltd., for the purchase of the frac sand properties.

At the six months ended June 30, 2015 and at December 31, 2014, the Company had $0 and $4,523, respectively, due to a director of the Company for travel expenses.

Receivable from Related Parties

On November 8, 2013 the Company entered into an agreement to loan Rokmaster Resources Corporation $40,000 in the form of a note. The Company also entered into additional agreements to loan Rokmaster Resources Corporation $125,000 during the first quarter of 2014. The Company's Chairman of the Board was a Director of Rokmaster at the time of the transaction. The principal amount of the note and any due and unpaid interest thereon shall bear interest from the date of advance to and including the date of payment calculated monthly at the rate of ten percent (10%) annum and payable on the applicable maturity date. The maturity date of the loan is one year from the date of the note or upon the borrower receiving a financing of more than $700,000 US, whichever is sooner or such later date as may be agreed to by the borrower and the Company.

The principal amount of the notes and any due and unpaid interest thereon shall bear interest from the date of advance to and including the date of payment calculated monthly at the rate of ten percent (10%) annum and payable on the applicable maturity date. The maturity date of the loan is one year from the date of the note or upon the borrower receiving a financing of more

than $700,000 US, whichever is sooner or such later date as may be agreed to by the borrower and the Company. One of the Company's directors is currently a director of Rokmaster Resources Corporation.

On April 24, 2014 Rokmaster Resources Corporation has fulfilled its obligations under the terms of all loan agreements by paying, in full, the principal amount due plus all accrued interest to the Company.

At the six months ended June 30, 2015 and at December 31, 2014, the Company had $36,252 due from an officer and director for payroll taxes owed due to the granting of shares of the Company's common stock and the issuance of shares of Teras Resources, Inc. common stock during the February 2013 and September 2013 performance bonus program.

At the six months ended June 30, 2015 and at December 31, 2014, the Company had $2,902 due from a shareholder for repayment of shares issued in error.

NOTE 11 – SUBSEQUENT EVENTS

In July 2015, the Company signed a letter of Intent to enter into an agreement with Multiple Metals Resources Ltd., to earn-in an equity position and option to purchase the Gold Star Property. The general terms for this earn-in and option to purchase will be incorporated into a formal earn-in and option to purchase agreement as outlined below:

- Upon signing: $5,000 cash payment for a 20% ownership
- 1st anniversary: $15,000 cash payment for a 40% ownership
- 2nd anniversary: $20,000 cash payment for a 60% ownership
- 3rd anniversary: $25,000 cash payment for a 80% ownership

The agreement also requires minimum work commitments of $5,000 to be completed on the property per year during the earn-in.



BRILLIANT SANDS INCORPORATED

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Management's Discussion and Analysis
For the six months ended June 30, 2015

Prepared by:
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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Brilliant Sands Incorporated (the "Company" or "BSI") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2015 and should be read in conjunction with the audited financial statements of the Company which have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). References to "BSI" in the MD&A refer to the Company and its subsidiaries taken as a whole. Results are reported in US dollars, unless otherwise noted.

Further information about the Company and its operations is available on BSI's website at www.brilliantsands.com.

The Company's outstanding common shares (the "Common Shares") are currently listed on the OTCPinksheets Markets trading under the symbol "BRSD".

Forward-Looking Information

In addition to historical and pro-forma information, this discussion contains forward-looking statements which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. We caution readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

Description of Business

The Company was incorporated under the laws of the Territory of Montana in May 1888. The Company was known as Helena Silver Mines, Inc. On July 14, 2006, Dome Copper, Inc., a Nevada Corporation, completed a share acquisition agreement with Helena Silver Mines, Inc.

The merger was accounted for as a reverse acquisition in which Dome Copper, Inc. was identified as the acquiring entity and Helena Silver Mines, Inc. was identified as the acquired entity. Any remaining identifiable assets and liabilities of Helena Silver Mines, Inc. were assigned fair values at the acquisition

date. No goodwill was recognized. The assets of Dome Copper, Inc. were incorporated into the financial statements at their pre-merger carrying values at the date of acquisition.

At the effective time of the merger, the name of the Company was changed to Consolidated Goldfields Corporation, with Dome Copper, Inc., a Nevada corporation, surviving as a wholly-owned subsidiary. On January 12, 2015 the Company held a Special Meeting of Stockholders to change the Company's name to Brilliant Sands Incorporated which became effective on March 16, 2015. The Company's other wholly-owned subsidiary is Consolidated Cahuilla, LLC, a Nevada limited liability company, changed its name to Consolidated Goldfields, LLC.

The Company's corporate strategy is to build shareholder value through the acquisition, exploration and development of frac sand and mineral resource properties.

Qualified Person

Lane Griffin, Professional Geologist, is the company's nominated qualified person responsible for monitoring the supervision and quality control of the programs completed on the Company's properties. Mr. Griffin has reviewed and verified the technical information contained in this MD&A.

Overall Performance

The Company currently has three properties located in Canada which have the potential of yielding a large resource of sand with decades of mine life.

The Company currently has six exploration stage projects, primarily gold and silver, of which two are under exploration—the King Solomon and Klondike Pass properties. There are no assurances that the activities on the King Solomon or Klondike Pass projects will result in the successful production of gold or the development of a gold processing facility. A number of factors, upon which success is dependent, are beyond the Company's control.

The Company currently owns 100% of the Muskox Intrusion Data Inventory. The Muskox Intrusion is located in Nunavut, Canada.

During the six months ending June 30, 2015, the Company spent $232,358 on exploration activities. The following table sets forth a breakdown of material components of the Company's exploration expenditures.

	six months ended June 30, 2015
McClelland Property	
General Exploration	75,062
Field Supplies	4,681
Total McClelland Property	79,743
Alberta Property	
General Exploration	138,179
Field Supplies	4,682
Total Alberta Property	142,861
King Solomon	
Consulting	413
Field Supplies	47
Travel & Accommodation	--
Annual Claim Fees	--
Total King Solomon	460
Fisher Canyon	
Consulting	206
Field Supplies	2,017
Travel & Accommodation	--
Annual Claim Fees	--
Total Fisher Canyon	2,223
Remaining Projects	
Consulting	650
Field Supplies	--
Travel & Accommodation	160
Annual Claim Fees	--
Total Remaining Projects	810
General Exploration	
Consulting	4,419
Field Supplies	925
Travel & Accommodation	917
Total General Exploration	6,261

A summary of the activities on the major projects follows.

Projects

McClelland Property

The McClelland has a large land position, 66,000 acres (26,624 hectares) that will yield a large resource with decades of mine life. The property is 100% owned by the Company and is located 60km north of Fort McMurray. Sampling of the sand at McClelland has come back with similar results to that of Athabasca minerals which is situated along our fence line to the west. The property is strategically located near all of the Albert Basins, giving the company a large competitive advantage to the US producers and suppliers that are 2,200+km away. McClelland will enable the Company to produce and sell sand to the Canadian O & G companies, from Canadian dollars, to Canadian dollars.

Total exploration expenses for the McClelland property for the six months ended June 30, 2015 were $79,743.

Alberta Property

The Alberta property has a large land position, 87,000 acres (35,000 hectares) which will yield a large resource with decades of mine life. The property is 100% owned by the Company and is strategically located in the heard of three Alberta Basins. The competitive advantage of being in the heart of three basins and trucking distance to the well-head will enable the company to see its sand FOB from the mine site, reducing costs by up to 60%. Just-in-time delivery, no rail, and no weather or congestion delays will result in the Company being able to sell the sand at a premium and have an enormous competitive advantage as a result to its competitors.

Total exploration expenses for the Alberta property for the six months ended June 30, 2015 were $142,861.

Washow Property

The Washow property consists of 1,000 acres (422 hectares). The property is 100% owned by the Company and is located in Manitoba, north of Winnipeg. The property is less than 100km from rail and lies in an area known for the only "Northern White" sand in Canada. Northern White sand is Tier 1 sand that Wisconsin (largest frac sand supplier in the world) is famous for, and is perceived to be the best sand in the world. The Washow property will enable the Company to offer its clients "Northern White" sand at a reduced cost as it is located ½ the distance to the Alberta Basins that the US suppliers in Wisconsin.

The Company has engaged Morton Jagodich Inc., to assist with the exploration and development of the frac sand properties. The initial field work was initiated in June 2015 on all three frac sand properties. We are expecting a resource report on each project by the end of the year.

King Solomon

The King Solomon project, located in Nye County Nevada, consists of a two adjoining claim blocks for a total of 66 unpatented mining claims. One claim block with a total of 38 unpatented claims are owned by a former officer and director of the company and one claim block with a total of 28 unpatented claims are owned by a private individual. The project is a sediment "Carlin-type" gold system and

analogous to the newly discovered Long Canyon, Cortez Hill, and Gold Rush deposits and the nearby Northumberland deposit where both Tertiary welded rhyolitic tuffs and Paleozoic carbonate rocks host significant gold mineralization. The volcanic and sediment-hosted project area is located in a known mining district east of Tonopah, Nevada. Portions of the mineralized zone are within the Toiyabe National Forest and there are some archeological cultural features within the primary target area.

In the mid 1980's a resource was calculated within a portion of a 3-mile long mineralized zone consisting of 2,286,636 tons with a grade of 0.028 opt Au for a historic resource of 64,026 ounces.

The primary targets of this property are located within the 3-miles long mineralized zone. In the southwest portion of the zone, where the majority of the drilling has occurred, over one-half of all of the previous drill holes were terminated in >0.01 opt gold mineralization hosted in the lower Paleozoic carbonates. The most recent drilling of three RC holes in 1996 expanded the gold-bearing jasperoidal mineralization from 245 feet to +600 feet and the mineralization is open-ended at depth . This drilling never drilled out of the jasperoidal silicification, nor delineated its lateral or vertical extent. The attraction of this property is that the recent, deeper drilling confirmed previous drill hole gold intercepts from the surface to 245 feet, and resulted in the discovery of a lower significant Au-Ag-As-Sb-Ba-Hg-Tl mineralized zone beginning at 460 feet and increasing in strength with depth. Past RC drilling was terminated at depth due to dense jasperoidal silicification. This deeper portion of the system should be core drilled to determine vertical extent of the extensive mineralization.

A secondary target should involve testing the remaining 1000 foot-wide by 3-mile long northeast-southwest trending corridor of mineralization. Regional and prospect-scale data compilation has revealed up to 0.27opt gold mineralization hosted in similar jasperoid bodies one-mile to the north of the primary target. Also, contouring of gold grade-thickness indicates mineralization is also open-ended to the southwest. A limited drill hole program could identify a world-class ore deposit similar to the 4-5 million-ounce resource that to occurs at Northumberland and other similar Carlin type deposits.

Four exploration companies have drilled a total of 43 RC drill holes, mainly in a 2000 foot portion of the 3-mile long mineralized zone. The majority of the drill holes were drilled between 200 and 500 feet deep, and only a few shallow (100 – 300 feet) drill holes were drilled 1-mile to the north of the main prospect area where rock chip samples from two jasperoid outcrops assayed 0.25 and 0.27opt gold.

Below are a few of the more significant drill hole gold intercepts:

DH #24	0'-295'	(295')	@0.031 opt
DH #1	0'-265'	(265')	@0.026 opt
(includes)	0'-60'	(60')	@0.042 opt
DH #2	400'-440'	(40')	@0.019 opt
DH #3	0'-220'	(220')	@0.018 opt
(includes)	100'-130'	(30')	@0.055 opt
	460'-600'	(140')	@0.016 opt
DH #5	115'-250'	(135')	@0.037 opt
DH #7	130'-210'	(80')	@0.018 opt
DH #12	50'-160'	(110')	@0.016 opt

DH #13	145'-275'	(130')	@0.027 opt
(includes)	360'-500'	(140')	@0.016 opt
DH #26	100'-255'	(155')	@0.020 opt
(includes)	310'-370'	(60')	@0.028 opt

Total exploration expenses for the King Solomon project for the six months ended June 30, 2015 were $460.

Klondike Pass

The Klondike Pass project consists of 160 acres of private land in the Willow Creek Mining District situated in the northeast portion of Pershing County, Nevada. The Company entered into an Exploration and Option to Purchase Agreement on September 19, 2013 with a private individual.

Located 20 miles south of Winnemucca, Nevada, the Willow Creek District is responsible for the production of more than 5,000 ounces of placer gold in addition to substantial amounts of lode gold production from very high grade veins. Select veins from this mining district reportedly contained up to 1 ounce per pound of gold (approximately 167 ounces per ton) within 1 inch stringer veins hosted in phyllitic slate intruded by diabasic dikes.

The Klondike Pass project is characterized by high grade gold quartz/calcite veins hosted in Triassic phyllite. Associated carbonate rocks have been strongly silicified into jasperoids which represent a much larger alteration overprint that has been recognized throughout the property. This acquisition of private land in a prolific gold mining region should provide Consolidated the opportunity for near term placer production in addition to longer-term lode potential from high grade veins and/or larger disseminated gold deposits presuming exploration efforts are successful.

A geologic mapping and geochemical sampling program began immediately at Klondike Pass in conjunction with a detailed evaluation of the old mine workings. This investigation will provide valuable information as to the nature of the gold occurrences and will be applied to the surrounding rocks as a guide for our future drilling and placer evaluation programs.

During November 2013 the sampling and mapping program conducted at the Klondike Pass project has been concluded with positive results which focused on the exploration of old mine workings and dumps. Outcropping rocks were mapped and sampled, and alluvium near the prospects within the mine dumps was evaluated to determine any enrichment in precious metals. Select soil samples on the main mine dump were sent to the Inspectorate America Lab in Reno, Nevada and indicated anomalous gold values as illustrated in the table below:

Sample No.	Description	Assay - ppm gold
#97408	alluvium/soil, west end, lower dump	0.449
#97410	representative alluvium/soil from lower dump	0.893
#97412	alluvium/soil, east end, lower dump	2.754

Based on these results, a thorough examination of the alluvium in and around the prospects, outcrops and dumps was conducted. Over the course of the program, many specimens of coarse visible gold were identified and recovered. The gold is of a crystalline nature and occurs as leaves, wires and aggregates within calcite veins, quartz fragments and along fractures planes in phyllite. The gold appears to be associated with old mine dumps and prospects that extend along a 500 foot exposure of Triassic phyllite. These encouraging results will be used to further explore the surrounding rocks for the source, extent and genesis of the precious metals.

Gold mineralization similar to Klondike Pass occurs at the Wadley Mine approximately one mile to the northwest. According to a Southern Pacific Company report from 1959, the ore at this mine occurs as narrow but very high grade gold-quartz veins. The veins strike northerly in Triassic slate and phyllitic slate and are the source for the placer gold in the prolific Willow Creek district. One of the veins reportedly contained gold values of one ounce of gold per pound (about 160 ounces/ton) in one quarter to one inch wide veins.

Geological mapping and sampling will continue in the spring of 2014 with the objective of further delineating favorable host rocks and defining targets for future exploration drill programs. The potential high grade source or concentration of gold may be associated with a peripheral blanket of lower grade mineralization that appears to be characterized by jasperoid outcrops in the surrounding carbonate rocks. These jasperiod units represent targets for future exploration programs which have the potential of becoming much larger, disseminated precious metal deposits.

Total exploration expenses for the Klondike Pass project for the six months ended June 30, 2015 were $0.

Fisher Canyon

The Fisher Canyon project, located in Pershing County, Nevada, consists of 87 unpatented mining claims and is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The Company previously held 123 unpatented mining claims and after further review the Company has decided to drop the additional 36 claims which were staked in February 2012. Fisher Canyon is situated approximately 25 miles east of Lovelock, Nevada, four miles east of the Relief Canyon gold mine and six miles southeast of the Coeur Rochester silver/gold mine. To date, the Rochester and surrounding mining districts have produced nearly five million ounces of gold and more that 130 million ounces of silver. The Fisher Canyon project is situated on the southeastern end of the Humboldt Range and is characterized by limestone and dolomite that contain lenses of altered volcaniclastic sediments and flows. The volcanic rocks are observed to form giant lenses within the carbonate section, with dimensions of several miles along strike and up to about 600 feet thick. The volcanic lenses commonly exhibit intense hydrothermal alteration and represent the focus of past exploration activities. The stratigraphy within the Fisher Canyon area has also been significantly disrupted by various episodes of intense structural deformation.

Total exploration expenses for the Fisher Canyon project for the six months ended June 30, 2015 were $2,223.

On May 1, 2015 the Company has abandoned its interest in the Fisher Canyon property.

Cahuilla

On December 1, 2006, and as amended and restated on August 5, 2010, the Company executed a formal Exploration and Option to Lease Agreement ("the Cahuilla Agreement") for the Cahuilla Gold Project in Imperial County, California, the majority of which is situated on the Torres Martinez Desert Cahuilla Indian Reservation. Under the terms of the Cahuilla Agreement the Company has the exclusive rights to explore, develop and conduct mining operations on more than two square miles situated on Tribal lands. The Company is required to pay escalating lease payments and meet minimum work obligations for a period of five years beginning in 2010. The Cahuilla Agreement is cancelable by the Company at any time by giving 30 days written notice.

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

As of August 31, 2011, Teras fulfilled its obligations under the Earn-In Agreement to acquire 65% interest in the Cahuilla project. The Company postponed the receipt of the 5,300,000 shares of Teras common stock as required under the agreement to a later date. These shares were received by the Company on May 29, 2014.

On September 29, 2011 Consolidated signed an Exploration and Earn-in Agreement with Teras Resources, Inc. on the Cahuilla Project. The terms of the agreement specify that Teras will have a 24-month option to earn the remaining 35% interest in the Cahuilla gold project and 100% interest in four other high ranking gold projects. During September 2013 Teras Resources, Inc. has fulfilled its obligations to earn the remaining 35% interest in the Cahuilla gold project and has issued the Company the final 10 Million shares of Teras common stock on June 4, 2014.

The six private land mineral leases were assigned to Teras Resources, Inc. in November 2013 and the Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians was assigned to Teras Resources, Inc. in September 2014.

Pyramid

The Pyramid Mine project consists of five unpatented lode claims situated in Churchill County, Nevada which are 100% owned by the Company. The project is located in the Terrill Mountains and Holy Cross Mining District which is situated within the northwest trending, regional Walker Lane, structural zone. In April 2009, the Company entered into an Option-to-Purchase Royalty Agreement with Trend Mining Company giving the Company the option to purchase a 1.5% net smelter return royalty on the unpatented mining claims of the Pyramid Mine. Under the Purchase Agreement the Company issued 33,334 shares of common stock at $0.18 per share. To complete the purchase, the Company agreed to

pay an additional $44,000 in cash or common stock by February 16, 2011. On January 28, 2011, the Company completed the final payment of $44,000 by issuance of 54,321 shares of common stock with a fair value of $0.81 per share.

The Terrill Mountains are largely composed of a several thousand foot sequence of Oligocene-Miocene age rhyolitic tuffs that are intruded by porphyritic andesites, dacites and gabbroic-basaltic plugs, dikes and sills and capped by dacitic flows. The ore deposits and workings in the Holy Cross Mining District are polymetallic in nature, primarily hosting silver, gold, lead, zinc and minor copper mineralization. The mineralization appears to occur within three northwest striking en echelon structural zones controlled along a regional N70E structural zone, all within the north bounding Walker Lane fault zone.

The workings are located on the northeast side of the Terrill Mountains and are characterized by the occurrence of numerous shafts, adits and prospect pits. The principle ore-controlling brecciated, sheared zones and structural trends in the area are generally north-south with the majority of the dips to the east, all within the central en echelon structural zone. Alteration in the area is characterized by propylitization with local zones of stronger pyritization, Argillization and bleaching of welded, lithic-rich rhyolite tuffs. Generally the area lacks wide spread silicification and on the surface, local zones of well-developed sheeted, coxcomb-style, quartz stockwork-stringers occur and are associated with sericite and iron and manganese oxides.

Silicification and better developed veining appears to increase at depth, suggesting the Pyramid Mine and Holy Cross Mining District is currently at the top of a mineralized system, possibly a significant porphyry deposit. Massive sulfides exposed in underground workings hosting visible gold, galena and sphalerite mineralization appear to occur as replacement, disseminated deposits and as secondary vein fillings.

In the Gee Shaft working area a structural zone striking N25E, 55SE hosting gold, silver, lead, zinc and copper mineralization appears to occupy a sheeted fracture-fault zone 200 feet wide and several adits have explored and mined portions of the zone to the 200 foot level. Limited underground evaluation reveals the local 200 foot wide structural zone is extremely sheared with numerous anastomosing-sheared mineralized planes, listric in nature and includes flat structures. Best recent underground rock chip sample collected across a 3-inch wide, massive sulfide vein returned 1.5 opt gold, 261 opt silver, 15% zinc, 9.77% lead and .08% copper; 4-foot channel of a vertical zone returned 0.27 opt gold, 132.59 opt silver, 2.13% zinc, 2.8% lead and a 3-foot channel across a flat-lying shear zone that assayed 0.286 opt gold, 42.29 opt silver. Five hundred feet to the west, several adits and prospect workings have explored a 5 to 25 foot wide, N-S structural zone hosting at least two altered dikes, and the structural zone show a minimum of at least 800 foot strike length. Surface assays of selected mineralized rocks from this structural zone returned up to 0.068 opt gold, 125.6 opt silver, 1.4% lead and 0.1% zinc. Anomalous geochemical signatures associated with Au-Ag-Pb-ZN mineralization includes: Cu, As, Sb, Mn, W + Bi, Mo, Cd, Tl, Fe, Na and V.

Ore Mineralization that has been recognized to date occurs in high-grade pods, shear zones, stockwork-stringers and veins that vary in width from less than one inch to approximately seven feet. Recent mapping and examination of the property has identified that beside high-grade underground deposits,

the broad area of disseminated mineralization lends this property to a possible open-pit, bulk mineable operation, as well as a deeper porphyry target. The primary ore minerals include native gold, galena, sphalerite, argentite, pyrite, chalcopyrite and rhodochrosite. During underground exploration programs conducted in 1993 and 1994, high-grade precious and base metal values were detected in underground workings and some of the better assay results are illustrated below:

Sample Description	Gold (opt)	Silver (opt)	% Lead	% Zinc
Level 1, face south drift	0.530	148.45	1.96	6.68
Level 1, north drift	2.860	453.48	n/a	n/a
Level 2, big room vein	1.416	164.11	4.48	4.76
Level 2, rat hole	0.620	231.84	n/a	n/a
Upper vein north	1.786	436.05	9.12	8.72
3' channel across n. vein	0.469	128.62	3.96	4.96

Preliminary geologic evaluation of the project indicates that mineralization is open both on strike and down dip where the main mine workings occur. Additional exploration is planned throughout the entire claim block to identify new drill targets.

The Pyramid Mine is accessible by a haul road that was substantially improved in the mid-1970's upon initiation of recent mining operations. The underground adits and shafts are in good condition, dry and easily accessible; thus testifying to the satisfactory mining conditions. The current infrastructure and recent mining on the property will allow for little improvement to be needed to resume operations.

The Terrill or Holy Cross Mining District was discovered in 1910 and mining has occurred intermittently in the region through the early 1990's. Consolidated's five unpatented claims are situated within the Walker River Indian Reservation, which encompasses this mining district. However, because the claims were legally staked and maintained since 1933, the owners continue to hold valid rights to access, explore and mine this deposit even though it is surrounded by reservation lands.

Gold, silver, lead and zinc were produced from the Pyramid Mine since its discovery, although accurate production records are not available until 1977. From 1977 to 1987, Robert and Davis Gee of the Silver Arrow Mining Company conducted underground mining operations on a small scale within historically worked portions of the project area. High-grade, precious and base metal ore was mined and processed locally to produce concentrates, which were shipped to the Asarco smelter in East Helena, Montana. A total of approximately 17 tons of concentrates were processed at the smelter containing an average grade of 3.302 opt gold, 477.8 opt silver and 17.5% lead. A small tonnage of direct shipping ore mined in 1987 was also sent to Asarco in Montana, which averaged 0.775 opt gold, 182.1 opt silver and 5% lead.

In the early 1990's the project was acquired by Silver State Mining & Exploration, Inc. During July of 1994, the company conducted a limited mineral resource estimate of visible precious and base metal veins that were identified in the existing underground workings. The veins were geochemically sampled and then actually measured by hand to estimate subsurface ore tonnages. The mineral resource

estimate indicated a total of approximately 4,000 tons containing an average grade of 0.516 opt gold, 74.99 opt silver, 5.95% lead and 7.08% zinc.

Historically, exploration activities on the property consisted primarily of searching for new veins by tunneling from existing underground workings. Although the majority of the area is altered, a very limited number of drill holes have been completed on the claim block and the majority are clustered in the immediate mine area. Systematic exploration has apparently never been conducted throughout the region to search for additional, more extensive high-grade mineralization.

Total exploration expenses for the Pyramid Mine project for the six months ended June 30, 2015 were $88.

Koegel Hills

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

In the early 1990's Santa Fe Minerals Company ("Santa Fe") staked the area and conducted a limited drilling program, which intersected significantly large zones of strongly anomalous copper and gold. Values greater than 4.0% copper and .030 ounces of gold per ton were reported in five-foot drill samples. Santa Fe released the property when the Company was taken over by Newmont Mining Company.

In the mid-1990's, Kennecott acquired the project and conducted detailed geochemical, geophysical and drill programs. Numerous geochemical and geophysical anomalies were encountered. Drilling on a selected few of these targets intersected strongly anomalous copper-gold mineralization over many hundreds of feet. The best intercept assayed over 200 parts per billion gold and 1,000 parts per million copper over 600 feet with high values approaching those reported by Santa Fe. Many of the existing targets remain untested.

Total exploration expenses for the Koegel Hills project for the six months ended June 30, 2015 were $0.

Rose Gulch

The Rose Gulch project consists of 460 acres of private land located in Pershing County, Nevada. The Company entered into an Exploration and Mining Lease and Option to Purchase Agreement on August 27, 2012 with a private individual. The project is located four miles southeast of the town of Oreana which is approximately ten miles north of Lovelock, Nevada on Interstate 80.

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

Four Mile Basin

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

The claims encompass a substantial hot springs system that is characterized by prevalent surface sinter and feeder veins composed of quartz replacing calcite. The vein system is manifest as a prominent northwest trending topographic high that can be traced for a strike length of greater than 6,000 feet. Strongly anomalous gold mineralization has been encountered throughout the surface sinter and feeder veins.

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

During February 2015, the Company received notice that the lease holders were abandoning the Four Mile Basin project.

Total exploration expenses for the Four Mile project for the six months ended June 30, 2015 were $75.

Gold Star

The Gold Star property is a high-grade precious and base metal deposit located in Mineral County, Nevada and consists of 13 unpatented lode claims which are 100% owned by the Company.

In the project area, two types of mineralization have been encountered, free gold and copper associated with a skarn and high-grade silver-lead-zinc mineralization hosted in a major east-west trending fault zone. In 2002, the Company collected surface geochemical samples that encountered numerous gold anomalies ranging from 15 to 11,404 parts per billion or 0.333 ounces of gold per ton.

During July 2015, the Company entered into a Letter of Intent with Multiple Metals Resources Ltd., to earn-in to an equity position and option to purchase the Gold Star property.

Exploration expenses for the Gold Star project for the three months ended March 31, 2015 were $0.

Kibby Flats

The Kibby Flats gold-silver property is located in Esmeralda County, Nevada approximately 35 miles northwest of the town of Tonopah. The gold-silver-base metal prospect is situated along the southern extension of the Cedar Mountains and consists of 12 unpatented lode claims which are 100% owned by the Company and are accessible by dirt roads.

On May 8, 2015 the Company entered into a Stock-for-Property Exchange Agreement to purchase the Kibby Flats property.

Golden Mile

The Golden Mile property consists of 13 unpatented lode claims which are 100% owned by the Company and located in Mineral County, Nevada, which comprise a significant portion of high-grade precious and base metal skarn deposit.

On February 26, 2014, the Company renegotiated the 3rd Anniversary of the Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company who each hold a 50% interest in the property. As a result of the negotiations the Company has quitclaimed the unpatented lode claims that represent the Golden Mile property to Mountain Gold.

Muskox Data Inventory

The Muskox intrusion is one the last undeveloped world-class Nickel-Copper-Platinum Group Element (PGE) prospects. The Company is offering for exclusive sale a complete modern data set covering this property. It represents a significant investment of time and money and would allow the owner to begin an advanced exploration program immediately.

The Muskox intrusion, located in northern Canada, is within a geological environment strikingly similar to that hosting the Noril'sk/Talnakh deposits, the world's greatest accumulation of mineral wealth on the planet. To date the potential for the Muskox intrusion to host mineralization on the scale of the Noril'sk property has barely been tested but a significant data base is available for timely and efficient exploration.

The majority of the world's PGE production is from Russia or South Africa and exploration of the Muskox intrusion presents an opportunity to discover a significant PGE deposit in a politically stable jurisdiction. CDGF is offering the data set on the entire region hosting the geologically favorable intrusion. Dr. Larry Hulburt, an acknowledged world renowned expert in ultramafic ore deposits and especially the Muskox property, organized and managed the data set.

The data set offered here represents over 15 years of exploration and 4 multi-year programs conducted back to 1955, and would easily exceed a modern 20 million dollar exploration budget. Almost every bedrock exposure has been investigated and more than 1100 surface samples have been collected along the tens of kilometers of gossan that continuously strike the margins of the intrusion.

The intrusion has been the target of greater than 5600 line kilometers of airborne magnetic and EM surveys, 466 line kilometers of ground geophysical surveys which include VLF, HLEM, Gravity, MT, and AMT. At least 4100m of borehole geophysics and 238 diamond drill holes totaling more than 34,000m of core have been completed at the project

The data package includes the following:

1) Geological, maps/ cross sections,
2) Geochemical, soil, rock chip samples

3) Geophysical, magnetic, gravity, and other electromagnetic surveys
4) Drilling results, logs/assays
5) Reports/presentations-interpretative discussions
6) Canadian Geological Survey reports and data
7) Anglo company reports
8) BH company reports
9) Silvermet company reports
10) Muskox Minerals company reports

The following is an example of mineralization within two intervals of a drill hole from Phyrrhotite Lake, one of the many prospective areas within the intrusion:

Pyrrhotite Lake Drilling Results:

Drill Hole	From (m)	To (m)	Interval (m)	Assay Results
MU003	99.70	105.45	5.75	9.5 g/t Pd, 0.88 g/t Pt, 8.87 % Cu, 2.76 % Ni
MU003	104.20	105.20	1.00	30.75 g/t Pd, 2.48 g/t Pt, 28.01 % Cu, 5.90 % Ni

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Summary Table

The following table set forth certain selected audited condensed financial data for the periods indicated:

Period	Net Gain (Loss)	Basic and Diluted Gain (Loss) Per Share
6/30/2015	(1,702,939) (1)	(0.06)
12/31/2013	(780,702) (2)	(0.04)
12/31/2012	(854,536) (3)	(0.03)

(1) Net loss of $1,702,939 is related to general working capital purposes, management compensation and loss on investments available for sale.
(2) Net loss of $780,702 is related to general working capital purposes and management compensation and the impairment of mineral data held for sale.
(3) Net loss of $854,536 is related to general working capital purposes and management compensation.

Results of Operations

The Company's net loss total $1,702,939 for the six months ended June 30, 2015, with basic and diluted loss per share of $0.06.

- Total exploration expenses for the six months ended June 30, 2015 were $232,358.
- Salaries and other benefits for the six months ended June 30, 2015 were $141,541.
- Professional and consulting fees for the six months ended June 30, 2015 were $138,375.
- General administrative for the six months ended June 30, 2015 were $157,528.
- Total interest expense for the Convertible Notes Payable for the six months ended June 30, 2015 was $5,028.

As of the six months ended June 30, 2015, the Company sold 7,698,500 shares of Teras Resources, Inc. common stock for total proceeds of $532,394. Commission paid to brokers for the sale totaled $17,256. The Company plans to continue the sale of Teras shares through the end of 2015. The funds will be used to begin exploration at the McClelland, Alberta and Washow properties and to further exploration at King Solomon and Klondike Pass as well as general working capital.

The Company held its last Annual Meeting of the Shareholders on March 31, 2014 in Reno, Nevada. The meeting was to receive and consider the election of Directors, to approve the amendment and restatement of the Company's Articles of Incorporation to increase the number of shares of the Company's common stock authorized for issuance and updating purposes, to approve the Company's Amended 2013 Stock Option and Stock Bonus Plan and the appointment of the accounting firm Decoria, Michael & Teague of Spokane, Washington as the auditors of the Company. In addition, the Board was elected, the amendment and restatement of the Company's Articles of Incorporation was approved, the Company's Amended 2013 Stock Option and Stock Bonus Plan was approved and the auditing firm was appointed.

A Special Meeting of Shareholders was held on January 12, 2015 to consider and vote; to approve the amendment of the Company's Articles of Incorporation to change the name of the Company from "Consolidated Goldfields Corporation" to "Brilliant Sands Incorporated"; to approve the amendment of the Company's Articles of Incorporation to effect a 1-for-3 reverse stock split of its issued and outstanding common stock. Both items on the agenda were confirmed and ratified. The name change of the Company to "Brilliant Sands Incorporated" and the 1-for-3 reverse stock split became effective on March 16, 2015.

Outstanding Share Data

Summary of Securities for the six months ended June 30, 2015

- Authorized share capital
  200,000,000 of voting common shares
  15,000,000 unissued shares of preferred stock, with rights and preferences to be determined by the Company's board of directors
- Shares issued and outstanding:
  At June 30, 2015 there were 29,836,325 common shares outstanding, with a recorded value of $6,863,506
- Options Outstanding:
  At June 30, 2015 there were 2,564,032 options outstanding to purchase common shares at exercise prices ranging from $0.09 - $1.05. These options expire on dates ranging from May 25, 2016 – December 22, 2024
- Warrants outstanding:
  At June 30, 2015 there were 1,554,030 share purchase warrants outstanding to purchase common shares at an exercise price of $0.75. These warrants expire on December 11, 2015

In June 2015 the Company issued 80,000 shares of common stock in connection with a private placement.

In March 2015 the Company issued 23 shares of common stock to brokers due to rounding which occurred during the 1-for-3 share split.

In January 2015 the Company issued 95,238 shares of common stock to a director in lieu of a cash payment in accordance with an Exploration and Mining Lease with Option to Purchase Agreement.

In December 2014 the Company issued 25,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In December 2014 the Company issued 8,334 shares of common stock in accordance with an Exploration and Mining Lease with Option to Purchase Agreement.

In December 2014 the Company issued 15,666,668 shares of common stock in exchange for three Canadian frac sand properties.

In September 2014 the Company issued 25,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In June 2014 the Company issued 25,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In April 2014 the Company cancelled 145,667 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In March 2014 the Company issued 25,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In March 2014 the Company issued 50,000 shares of common stock to a director in accordance with the terms of the incentive package offered to him upon joining the Board.

In February 2014 the Company cancelled 333,334 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In January 2014 the Company cancelled 1,112,808 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In January 2014 the Company issued 69,834 shares of common stock in exchange for legal services.

In January 2014 the Company issued 3,703,334 shares of common stock in exchange for the Muskox Data Inventory.

In January 2014 the Company issued 333,334 shares of common stock to a director for generating a property the Board agrees to accept in accordance with the terms of the incentive package offered to him upon joining the Board.

In January 2014 the Company issued 200,000 shares of common stock to a former director as authorized in the executive incentive and bonus program.

In connection with the private placement completed in June 2010, the Company issued 1,670,700 warrants exercisable into one share of common stock at an exercise price of $0.75 per share. The warrants expire two years from the date of issuance. In April 2012, 116,670 of these warrants were exercised. The remaining warrants have been extended and expire in December 2015.

Risks and Uncertainties

The principal activity of the Company is developing its Canadian frac sand properties; McClelland, Alberta, and Washow as well as the mining claims of King Solomon and Klondike Pass properties. Today, the Company has sufficient capital resources to do further exploration on its frac sand properties and the current mining claims over the next 12 months. However, the Company has no source of operating cash flow and no assurance that additional funding will be available for either further exploration and or development of its projects or to fulfill its obligations under any applicable agreements beyond this next 12 month period. Developing the properties is capital intensive and the Company will need to raise

additional funding for further exploration and development activities to maintain its position in the projects. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's projects with the possible loss of such projects.

The Company only has an interest in King Solomon and Klondike Pass through leases and other agreements granting the Company a working interest in its properties. If the Company fails to meet payments or work commitments on agreements in relation to these properties, the Company may lose its interest in it properties and forfeit any funds expended to such time.

The Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.
Our sand operations may become subject to operating risks that are often beyond our control and could adversely affect production levels and costs. Our mining, processing and production facilities are subject to risks normally encountered in the frac sand and gold mining industries. These risks include:

- changes in the price of frac sand;
- changes in the price and availability of transportation;
- inability to obtain necessary production equipment or replacement parts;
- inclement or hazardous weather conditions, including flooding, and the physical impacts of climate change;
- unusual or unexpected geological formations or pressures;
- unanticipated ground, grade or water conditions;
- inability to acquire or maintain necessary permits or mining or water rights;
- labor disputes and disputes with our excavation contractors;
- late delivery of supplies;
- changes in the price and availability of natural gas or electricity that we use as fuel sources for our frac sand plants and equipment;
- technical difficulties or failures;
- cave-ins or similar pit wall failures;
- environmental hazards, such as unauthorized spills, releases and discharges of wastes, tank ruptures and emissions of unpermitted levels of pollutants;
- industrial accidents;
- changes in laws and regulations (or the interpretation thereof) related to the mining and oil and natural gas industries, silica dust exposure or the environment;
- inability of our customers or distribution partners to take delivery;
- reduction in the amount of water available for processing;
- fires, explosions or other accidents; and
- facility shutdowns in response to environmental regulatory actions.

Additional risks related to our gold and silver projects include:

- sales or leasing of gold by governments and central banks;
- a low rate of inflation and a strong U.S. dollar;
- global and regional recession or reduced economic activity;
- speculative trading;
- the demand for gold for industrial uses, use in jewelry, and investment;
- high supply of gold from production, disinvestment, scrap and hedging;
- interest rates;
- sales by gold producers in forward transactions and other hedging;
- the production and cost levels for gold in major gold-producing nations; and
- the cost level (in local currencies) for gold in major consuming nations.

Any of these risks could result in damage to, or destruction of, our mining properties or production facilities, personal injury, environmental damage, delays in mining or processing, losses or possible legal liability. Any prolonged downtime or shutdowns at our mining properties or production facilities could have a material adverse effect on us.

Any drop in these mineral prices would adversely impact our future revenues and cash flows. In addition, sustained low mineral prices can:

- reduce revenues further by production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing prices;
- halt or delay the development of new projects; and
- reduce funds available for exploration, with the result that depleted minerals are not replaced

Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs.

To the extent that the Company is not the operator of its properties, the Company will be dependent on such other operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators. As a result, there is no assurance that the work required to bring such properties to the next stage of development will be completed.

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase debt levels of the Company above industry standards. Depending on future exploration and development plans, the Company may require additional financing which may not be available or, if available, may not be available on favorable terms.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the jurisdictions in which it is active.

Government approvals, permits and licenses are required in connection with the Company's operations. There can be no assurance that the Company will be able to obtain all of the necessary approvals, licenses and permits that may be required to carry out exploration, development and operations at its projects. To the extent such approvals, permits and licenses are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in natural resource industry operations may be required to compensate those suffering loss or damage by reason of such activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures.

The mining industry is intensely competitive in all of its phases. The Company with many companies possessing greater financial resources and technical facilities than themselves. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

The Company does not anticipate paying any dividends on its shares in the foreseeable future.

Development of the Company's frac sand and mineral properties will only follow upon obtaining satisfactory results. Exploration for and the development of frac sand or mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result

in any discoveries of commercial bodies or ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

There is no guarantee that title to the Company's properties will not be challenged or impugned. While title has been investigated and, to the best of the Company's knowledge, title to the Company's properties is in good standing, this should not be construed as a guarantee of title.

Commitments and Contingencies

McClelland Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the McClelland property which requires annual payments in the form of cash. See Note 4 to the financial statements for the year ending December 31, 2014.

Alberta Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the McClelland property which requires annual payments in the form of cash. See Note 4 to the financial statements for the year ending December 31, 2014.

Washow Property

The Company has entered into an Agreement of Purchase and Sale and a Production Royalty Agreement on the McClelland property which requires annual payments in the form of cash. See Note 4 to the financial statements for the year ending December 31, 2014.

King Solomon Project

The Company has an Exploration and Mining Lease with Option to Purchase Agreement with respect to the King Solomon Project which provides for annual lease payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2% on net smelter returns ("NSR") from the production or sale of minerals from the property. In addition the Company has agreed to a 1% of the NSR from the production or sale of minerals from all third part properties within the Property. See Note 4 to the financial statements for the year ending December 31, 2014.

Fisher Canyon Project

The Company has an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement with respect to the Fisher Canyon Project which provides for annual lease payments in the form of cash and shares of Teras common stock and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 3% on net smelter returns ("NSR") from the production or sale of minerals from the property. See Note 4 to the financial statements for the year ending December 31, 2014.

As of May 1, 2015, the Company has abandoned its interest in the Fisher Canyon property.

Klondike Pass Project

The Company has entered into an Exploration and Option to Purchase Agreement for the Klondike Pass Property which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2.5% on net smelter returns ("NSR") from the production or sale of minerals from the property. See Note 4 to the financial statements for the year ending December 31, 2014.

All of these agreements are cancelable at the option of the Company and are further discussed in Note 4 to the financial statements for the year ending December 31, 2014.

In November 2011 the Company entered into an Employment Agreement with the President/CEO whereby 2,000,000 shares will be issued as an incentive bonus as follows: 1,000,000 shares to be issued once the Company reaches a share price of $1.40 and holds for a period of 20 consecutive trading days; another 1,000,000 share bonus once the Company reaches a share price of $2.10 and maintains for a period of 20 consecutive trading days.

In the event the Company is sold or merges with another company and the value reaches above the deemed price, then the 2,000,000 shares will be distributed to the President/CEO.

The directors, at their discretion, may determine that the shares have been earned prior to reaching the above share price objectives and can issue them at any time via a director resolution.

In March 2013 the Board appointed a Chairman of the Board of Directors whereby 1,700,000 shares will be issued as an incentive bonus as follows: 350,000 shares of Company stock upon joining the board; 200,000 shares of Company stock after successful completion of 6 months as a board member; 150,000 shares of Company stock after successful completion of 12 month as a board member; 1,000,000 shares of Company stock if he generates a property that the board votes to accept and acquire.

In March 2013 the Company entered into a consulting agreement with the Chairman of the Board to provide assistance in corporate affairs. For services rendered, the Company will issue to the consultant 25,000 common shares in the Company each month, payable at the end of each quarter. The term of this agreement is effective for one year and will be automatically renewed for further terms of one year until terminated in accordance with the agreement. On January 1, 2015, the Company entered into a new consulting agreement with the Chairman of the Board to provide assistance in corporate affairs. This agreement supersedes and replaces all existing agreement between the Company and the consultant.