RED EAGLE MINING CORPORATION

Unaudited interim condensed consolidated financial statements

Three and nine months ended September 30, 2015

RED EAGLE MINING CORPORATION

Consolidated statements of financial position

(expressed in Canadian dollars)

As at	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 10,234,096	$ 427,290
Other financial assets	5	70,000	160,000
Amounts receivable		383,640	84,216
Prepaid expenses		670,732	133,412
		11,358,468	**804,918**
Non-current assets			
Deposits on mill equipment and advances to suppliers		5,016,838	-
Mineral properties	6,8	-	412,775
Property, plant and equipment	6	7,857,537	267,101
Investment in associate	7	4,655,204	-
Deferred debt costs	10	1,580,679	-
VAT and other receivables	9	836,289	-
		19,946,547	**679,876**
Total assets		$ **31,305,015**	$ **1,484,794**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 5,090,500	$ 469,201
Mineral property obligations	8	167,613	639,485
		5,258,113	**1,108,686**
Non-current liabilities			
Mineral property obligations	8	1,185,521	1,144,410
		1,185,521	**1,144,410**
Total liabilities		**6,443,634**	**2,253,096**
SHAREHOLDERS' EQUITY	10		
Share capital		$ 65,608,918	$ 37,163,964
Warrants reserve		1,212,537	122,153
Share option reserve		1,554,474	1,082,453
Foreign exchange reserve		(741,899)	(310,142)
Deficit		(42,772,649)	(38,826,730)
Total shareholders' equity		$ **24,861,381**	$ **(768,302)**
Total liabilities and shareholders' equity		$ **31,305,015**	$ **1,484,794**
Commitments	12		
Subsequent events	14		

On behalf of the Board of Directors:

(signed) "Jeffrey Mason"
Director

(signed) "Ian Slater"
Director

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

RED EAGLE MINING CORPORATION

Consolidated statements of loss and comprehensive loss

(expressed in Canadian dollars)

	Notes	For the three months ended: September 30, 2015	For the three months ended: September 30, 2014	For the nine months ended: September 30, 2015	For the nine months ended: September 30, 2014
Expenses					
Mineral property exploration costs	8	$ -	$ 1,665,806	$ 1,960,655	$ 4,559,768
Office and administration		390,880	193,628	1,188,047	691,537
Salaries and benefits		255,407	106,957	840,110	593,430
Relations and business development		88,061	94,222	330,970	289,943
Professional fees		64,732	39,958	315,416	190,619
VAT recovery	9	-	-	(740,175)	-
		799,080	**2,100,571**	**3,895,023**	**6,325,297**
Other expenses (income)					
Share of loss of associate	7	145,811	-	145,811	-
Interest and other income		(21,644)	(8,308)	(14,478)	(32,393)
Foreign exchange and other		(277,168)	43,366	10,101	83,687
Loss before tax		**646,079**	**2,135,629**	**4,036,457**	**6,376,591**
Deferred tax recovery		-	-	(3,970)	-
Net loss		**$ 646,079**	**$ 2,135,629**	**$ 4,032,487**	**$ 6,376,591**
OTHER COMPREHENSIVE LOSS (OCL)					
OCL to be classified to profit and loss in subsequent periods:					
Foreign currency translation difference for foreign operations		332,070	36,828	431,757	30,752
Total comprehensive loss		**$ 978,149**	**$ 2,172,457**	**$ 4,464,244**	**$ 6,407,343**
Net loss attributable to:					
Equity holders of the parent		646,079	2,134,709	4,032,487	6,342,001
Non-controlling interest		-	920	-	34,590
		$ 646,079	**$ 2,135,629**	**$ 4,032,487**	**$ 6,376,591**
Total comprehensive loss attributable to:					
Equity holders of the parent		978,149	2,164,846	4,464,244	6,369,646
Non-controlling interest		-	7,611	-	37,697
		$ 978,149	**$ 2,172,457**	**$ 4,464,244**	**$ 6,407,343**
Basic and diluted loss per share attributable to ordinary equity holders of the parent		$ 0.01	$ 0.03	$ 0.04	$ 0.09
Weighted average number of common shares outstanding		149,360,133	73,932,714	106,350,778	68,369,254

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

RED EAGLE MINING CORPORATION

Consolidated statements of changes in equity

(expressed in Canadian dollars)

		Attributable to equity holders of the parent							
	Number of shares	Share capital	Warrants	Share option reserve	Foreign exchange reserve	Deficit	Total	Non-controlling interest	Total
Balance as at December 31, 2013	**58,667,818**	**$ 32,665,403**	**$ 122,153**	**$ 2,775,301**	**$ (111,194)**	**$ (32,203,324)**	**$ 3,248,339**	**$ 192,099**	**$ 3,440,438**
Shares issued (*Note 10*)	15,164,896	4,454,882	-	-	-	-	4,454,882	-	4,454,882
Share option based payments (*Note 10*)	-	-	-	339,331	-	-	339,331	-	339,331
Shares issued under the option agreement	100,000	28,000	-	-	-	-	28,000	-	28,000
Unexercised share options	-	-	-	(2,141,982)	-	2,141,982	-	-	-
Total comprehensive loss	-	-	-	-	(27,645)	(6,342,001)	(6,369,646)	(37,697)	(6,407,343)
Funding of NCI net of dilutions	-	-	-	-	-	(68,513)	(68,513)	68,513	-
Balance as at September 30, 2014	**73,932,714**	**$ 37,148,285**	**$ 122,153**	**$ 972,650**	**$ (138,839)**	**$ (36,471,856)**	**$ 1,632,393**	**$ 222,915**	**$ 1,855,308**
Balance as at December 31, 2014	**73,932,714**	**$ 37,163,964**	**$ 122,153**	**$ 1,082,453**	**$ (310,142)**	**$ (38,826,730)**	**$ (768,302)**	**$ -**	**$ (768,302)**
Shares issued (*Note 10*)	107,197,240	28,444,954	-	-	-	-	28,444,954	-	28,444,954
Share option based payments (*Note 10*)	-	-	-	532,021	-	-	532,021	-	532,021
Expiry of share options	-	-	-	(60,000)	-	60,000	-	-	-
Warrants issued (*Note 10*)	-	-	1,120,922	-	-	-	1,120,922	-	1,120,922
Expiry of warrants	-	-	(26,568)	-	-	26,568	-	-	-
Tax charge on expiry of warrants	-	-	(3,970)	-	-	-	(3,970)	-	(3,970)
Total comprehensive loss	-	-	-	-	(431,757)	(4,032,487)	(4,464,244)	-	(4,464,244)
Balance as at September 30, 2015	**181,129,954**	**$ 65,608,918**	**$ 1,212,537**	**$ 1,554,474**	**$ (741,899)**	**$ (42,772,649)**	**$ 24,861,381**	**$ -**	**$ 24,861,381**

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

RED EAGLE MINING CORPORATION
Consolidated statements of cash flows
(expressed in Canadian dollars)

For the nine months ended	Notes	September 30, 2015	September 30, 2014
OPERATING ACTIVITIES			
Net loss		$ **(4,032,487)**	$ **(6,376,591)**
Adjustments for items not affecting cash:			
VAT recovery	9	(740,175)	-
Share based payments		532,021	339,331
Share of loss of associate		145,811	-
Depreciation		103,985	96,560
Foreign exchange (gain) loss		(60,951)	82,351
Deferred tax recovery		(3,970)	-
Accretion expense		2,729	1,178
		(4,053,037)	**(5,857,171)**
Net changes in non-cash working capital items:			
Increase in amounts receivable and other assets		(209,424)	(121,358)
(Increase) decrease in prepaid expenses		(611,996)	19,747
Increase in accounts payable and accrued liabilities		2,403,597	48,198
Net cash outflows from operating activities		**(2,470,860)**	**(5,910,584)**
FINANCING ACTIVITIES			
Issuance of common shares, net of share issue costs	10	24,806,303	4,454,882
Deferred debt costs	10	(459,757)	-
Net cash inflows from financing activities		**24,346,546**	**4,454,882**
INVESTING ACTIVITIES			
Acquisition of mineral properties		(710,400)	(130,367)
Purchase of equipment and capitalized costs		(5,506,480)	(1,303)
Deposits on mill equipment and advances to suppliers		(5,016,838)	-
Investment in associate		(1,162,364)	-
Net cash outflows from investing activities		**(12,396,082)**	**(131,670)**
Net foreign exchange differences		327,202	(28,418)
Net increase in cash and cash equivalents		**9,806,806**	**(1,615,790)**
Cash and cash equivalents, beginning of period		427,290	4,118,484
Cash and cash equivalents, end of period		$ **10,234,096**	$ **2,502,694**

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

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Red Eagle Mining Corporation was incorporated under the *Business Corporations Act* in British Columbia, Canada on January 4, 2010.

The address and domicile of the Company's registered office and its principal place of business is Suite 920 - 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The Company is primarily engaged in the exploration, development and permitting of its mineral properties, including the construction of the San Ramon Gold Mine and Mill. The Company is considered to be in the development stage given that its mineral properties are not yet in production and, to date, have not earned any significant revenues. The recoverability of amounts shown for development assets is dependent on the existence of economically recoverable reserves, maintaining the necessary permits to operate a mine, managing the financing to complete development and future profitable production. These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern that assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Management has carried out an assessment of the going concern assumption and has concluded that the Company has sufficient cash and cash equivalents, along with a debt credit facility (*Note 10*) to continue operating for the ensuing twelve months. These unaudited interim condensed consolidated financial statements do not give effect to any adjustment, which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the unaudited interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim financial reporting" and accordingly they do not contain all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, they should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2014, except for the adoption of the new standards as discussed in *Note 3*. Additionally, effective April 1, 2015, the Company commenced capitalization of all direct costs related to the development of mineral properties, because the technical feasibility and commercial viability of the project had been established.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

The unaudited interim condensed consolidated financial statements of Red Eagle Mining Corporation and all of its subsidiaries (the "Company") for the three and nine months ended September 30, 2015 were authorized for issue on November 30, 2015 in accordance with a resolution of the audit committee, to whom the authority covering interim and not annual financial statements was delegated by a resolution of the board of directors.

Basis of consolidation

These unaudited interim condensed consolidated financial statements comprise the accounts of the Company and the following 100% owned subsidiaries:

- REMDC Holdings Limited, a company incorporated in Canada;
- Red Eagle Mining de Colombia S.A.S., a company incorporated in Colombia; and
- Red Eagle Finance Limited, a company incorporated in the British Virgin Islands.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Basis of consolidation (continued)

The comparative financial information for the nine months ended September 30, 2014 includes the results of Rovira Mining Limited, a company incorporated in Canada, where the Company had a 70% share ownership interest.

Investment in associate

As at September 30, 2015, the Company owns 87,943,665 shares of CB Gold Inc. ("CB Gold"), a TSX-V public company, representing 48.63% of the total issued and outstanding shares. The Company's ownership in CB Gold is classified as an investment in associate. Associated companies are entities, over which the Company has significant influence, but not control, and accounted for using the equity method of accounting, less impairment losses, if any. Under the equity method of accounting, the investment in associate is initially recognized at cost plus any directly attributable expenditures necessary to obtain the associate. The Company's share of post-acquisition profits and losses is recognized in the consolidated statement of loss and comprehensive income. The financial statements of CB Gold are prepared with the same accounting policies as the Company.

3. RECENTLY ADOPTED ACCOUNTING STANDARDS

The following accounting standards were adopted effective January 1, 2015:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions, which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

Adoption of the standard had no impact on the consolidated financial position and consolidated financial results of the Company.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following accounting standards have been issued but not yet effective:

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments*, which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an immaterial effect on the Company's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

(amounts are in Canadian dollars, unless otherwise stated)

5. OTHER FINANCIAL ASSETS

Other financial assets consist of a guaranteed investment certificate ("GIC") with a Canadian chartered bank amounting to $70,000 (2014: $160,000).

6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress				
	Mill	Mine	Mineral property	Other equipment	Total
Cost					
Balance, December 31, 2014	$ -	$ -	$ -	$ **753,672**	$ **753,672**
Transfer from exploration costs (*Note 8*)	-	-	412,775	-	412,775
Additions	-	-	-	523,539	523,539
Capitalized costs (*Note 8*)	3,237,259	348,305	3,602,273	-	7,187,837
Foreign currency translation	(43,891)	(6,646)	(348,377)	(81,452)	(480,366)
Balance, September 30, 2015	$ **3,193,368**	$ **341,659**	$ **3,666,671**	$ **1,195,759**	$ **8,397,457**
Accumulated depreciation					
Balance, December 31, 2014	$ -	$ -	$ -	$ **(486,571)**	$ **(486,571)**
Depreciation charged	-	-	-	(103,985)	(103,985)
Foreign currency translation	-	-	-	50,636	50,636
Balance, September 30, 2015	$ -	$ -	$ -	$ **(539,920)**	$ **(539,920)**
Net book value, December 31, 2014	$ -	$ -	$ -	$ **267,101**	**267,101**
Net book value, September 30, 2015	$ **3,193,368**	$ **341,659**	$ **3,666,671**	$ **655,839**	$ **7,857,537**

Effective April 1, 2015, the Company commenced capitalization of all direct costs related to the development of the Santa Rosa project, as management determined that the technical feasibility and commercial viability of the project had been established. Accordingly, the Company reclassified capitalized costs associated with the Santa Rosa project from mineral property exploration costs (*Note 8*) to mineral property within Property, plant and equipment. Capitalized mineral property costs will be carried at cost until the Santa Rosa Project is placed in commercial production, sold, abandoned or determined by management to be impaired in value. Costs related to development work, such as Engineering, Procurement, Construction Management (EPCM), owner's costs, earthworks, on-site infrastructure, and alliance mining costs are capitalized in Property, Plant and Equipment as capital work-in-progress. Mineral property and capital work-in-progress development costs that are capitalized will be amortized using the units-of-production method over the estimated life of the proven and probable reserves, upon commencement of commercial production.

(amounts are in Canadian dollars, unless otherwise stated)

7. INVESTMENT IN ASSOCIATE

During the third quarter of 2015, the Company acquired 87,943,665 common shares, or 48.63% of the voting shares of CB Gold Inc., a TSX-V public company, engaged in the exploration and development of precious metals deposits in Colombia.

As part of a share exchange take-over bid, the Company issued 12,943,259 common shares in exchange for 79,896,665 common shares of CB Gold (each CB Gold common share was exchanged for 0.162 of Red Eagle Mining common share) and also paid $490,592 for 8,047,000 common shares in open market purchases. The Company's interest in CB Gold is accounted for using the equity method of accounting, as it is able to exert significant influence, and includes the Company's share of loss. The carrying value of the Company's investment in CB Gold is as follows:

		September 30, 2015
Acquisition cost	$	4,801,015
Share of loss in associate		(145,811)
	$	**4,655,204**

Summarized financial information for CB Gold as at September 30, 2015 and for the three and nine months then ended, is as follows:

		September 30, 2015
Total assets	$	19,762,000
Total liabilities	$	4,659,000
Shareholders' equity	$	15,103,000
Net Loss and Comprehensive Loss (Three months ended September 30, 2015)	$	1,839,000
Net Loss and Comprehensive Loss (Nine months ended September 30, 2015)	$	3,032,000

Subsequent to September 30, 2015, the Company acquired an additional 19,584,307 shares of CB Gold and increased its interest to approximately 51% of the issued and outstanding shares of CB Gold (*Note 14*).

8. MINERAL PROPERTIES

Santa Rosa

a) On April 15, 2011, the Company acquired 100% of the Santa Rosa Gold Project in Antioquia, Colombia, for US $9,600,000 ($9,988,676), which was paid in full by September 30, 2015. The Company also agreed to acquire certain adjacent concession contracts for US$780,000, of which US$40,000 ($40,600) has been paid and US$740,000 ($1,022,352) is due upon title transfer, which is expected after 2016.

b) On October 22, 2012, concurrent with a private placement financing, the Company completed the sale of a 2% NSR royalty over the Santa Rosa property to Liberty Metals and Mining Holdings, LLC, ("LMM") a shareholder of the Company, for gross proceeds of $8,333,333. The Company had the option to sell an additional 1% royalty for $4,166,667 at any time until December 31, 2013 and on December 20, 2013, the Company exercised this option. These transactions were recorded as a credit to the mineral property asset class, reducing the value of the property to nil and the excess was reflected as a gain of $1,415,704 in the statement of comprehensive loss. The Company has the option to repurchase a 1% royalty for $8,333,333 at any time during the first two years of commercial gold production.

c) On October 24, 2012, the Company executed a purchase agreement with Bullet Holdings Corp. to acquire mineral concession contracts totaling 35,910 hectares adjacent to the Company's Santa Rosa Gold Project. The consideration for the transaction was the issuance of 905,000 common shares, reimbursement of current year concession fees and the granting of a 1.5% NSR royalty over the properties acquired. LMM's royalty does not cover these new properties.

(amounts are in Canadian dollars, unless otherwise stated)

8. MINERAL PROPERTIES (CONTINUED)

d) On May 28, 2014, the Company executed a purchase agreement with AngloGold Ashanti Colombia S.A. ("AGAC"), to acquire 100% of contiguous mineral concession contracts totaling 1,673 hectares within the Company's Santa Rosa Gold Project. In consideration for the property, the Company has agreed to pay US$375,000 to AGAC and grant AGAC a 2% net smelter return royalty over the properties acquired. The cash payments completed and to be made, are as follows:

	US $
Within 10 days of execution of contract (paid)	25,000
Upon title transfer (paid)	100,000
March 18, 2016	125,000
March 18, 2017	125,000
	375,000

As at September 30, 2015 the mineral property obligation relating to this acquisition was $330,782, which represents the discounted value of the US$250,000 remaining to be paid. The Company has recorded an interest expense of $2,729 relating to the unwinding of the discount on the obligation in the nine months ended September 30, 2015.

Pavo Real
As Red Eagle Mining terminated its option agreement with Miranda Gold Corp. on the Pavo Real Project, the Company's 70% interest in Rovira Mining Limited was transferred to Miranda Gold Colombia I Ltd. on December 31, 2014 for no consideration. The Pavo Real Project was dropped as exploration results to date did not merit further work and the Company is focused on developing the Santa Rosa Gold Project.

Mineral property obligations represent the Company's outstanding payables to the following parties:

As at	September 30, 2015	December 31, 2014
Santa Rosa		
Individuals – (a) above	$ 1,022,352	$ 1,383,613
AngloGold Ashanti Colombia S.A. – (d) above	330,782	400,282
Total obligations	**1,353,134**	**1,783,895**
Non-current portion of obligations	(1,185,521)	(1,144,410)
Current obligations	$ **167,613**	$ **639,485**

The following are changes in mineral property obligations during the nine months ended September 30, 2015:

December 31, 2014	$ **1,783,895**
Repayments	(710,400)
Foreign exchange translation loss	276,910
Interest charge	2,729
September 30, 2015	$ **1,353,134**

(amounts are in Canadian dollars, unless otherwise stated)

8. MINERAL PROPERTIES (CONTINUED)

The following is a summary of the exploration costs transferred to Property, plant and equipment during the nine months ended September 30, 2015:

December 31, 2014	$ **412,775**
Transfer to Property, plant and equipment (*Note 6*)	(412,775)
September 30, 2015	$ -

The following is a summary of the Santa Rosa and Pavo Real exploration and development costs:

For the nine months ended September 30, 2015	Santa Rosa	Pavo Real	Total
EPCM	$ 3,005,254	$ -	$ 3,005,254
Field and camp	2,074,069	-	2,074,069
Salaries and consulting	2,058,061	-	2,058,061
Legal and office administration	856,719	-	856,719
Engineering	354,153	-	354,153
Alliance mining costs	269,010	-	269,010
Travel and transportation	217,877	-	217,877
Depreciation	139,096	-	139,096
Concession fees	71,725	-	71,725
Metallurgical	64,227	-	64,227
Technical studies	22,401	-	22,401
Assays and sampling	15,900	-	15,900
Exploration and development costs	$ **9,148,492**	$ **-**	$ **9,148,492**
Capitalized costs *(Note 6)*	(7,187,837)	-	(7,187,837)
Exploration cost recognized in comprehensive loss	**1,960,655**	**-**	**1,960,655**
Cumulative costs as at September 30, 2015	$ **36,676,364**	$ **5,424,853**	$ **42,101,217**

For the nine months ended September 30, 2014	Santa Rosa	Pavo Real	Total
Field and camp	$ 568,963	$ 34,934	$ 603,897
Salaries and consulting	1,366,918	76,149	1,443,067
Legal and office administration	119,165	18,174	137,339
Travel and transportation	224,440	9,056	233,496
Depreciation	77,783	18,775	96,558
Concession fees	331	6,710	7,041
Metallurgical	217,257	-	217,257
Technical studies	1,459,048	-	1,459,048
Assays and sampling	36,901	12,297	49,198
Drilling	216,827	-	216,827
Environmental	94,943	-	94,943
License and permits	1,097	-	1,097
Exploration cost recognized in comprehensive loss	$ **4,383,673**	$ **176,095**	$ **4,559,768**
Cumulative costs as at September 30, 2014	$ **26,238,199**	$ **5,093,534**	$ **31,331,733**

(amounts are in Canadian dollars, unless otherwise stated)

9. VAT AND OTHER RECEIVABLES

As at	September 30, 2015		December 31, 2014	
VAT credits receivable	$	829,406	$	-
Other receivables		6,883		-
	$	**836,289**	$	**-**

As at September 30, 2015, the Company recognized value added tax ("VAT") credits receivable, representing the cumulative amount of VAT paid to the Colombian Government. These VAT credits are recoverable against VAT payable or corporate taxes payable in Colombia. These amounts are classified as long term as the Company does not expect to fully recover them in the next year.

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued during the nine months ended September 30, 2015

During the nine months ended September 30, 2015, the Company issued 107,197,240 common shares as a combination of private placements (94,253,981 common shares for net proceeds of $24,806,303) and the share exchange take-over bid for CB Gold (12,943,259 common shares).

During the first quarter of 2015, the Company issued 18,471,627 common shares at $0.33 per share for gross proceeds of $6,095,636 in two tranches to Orion Mine Finance ("Orion"). The Company also issued Orion, 4,104,806 common shares pursuant to an adjustment provision in the subscription agreement.

On July 17, 2015 and August 21, 2015, the Company completed a private placement for gross proceeds of $19,352,939, consisting of 71,677,550 common shares at a price of $0.27 per share.

The Company also executed a secured US $60,000,000 credit facility (the "Credit Facility") with Orion and LMM on the following key terms:

- A five year term with a principal holiday and capitalized interest for up to 18 months from the first advance;
- Advances will bear interest at LIBOR +7.5%;
- A Production Payment of US $30 per ounce produced is payable on the first 405,000 ounces of gold produced;
- Granting of 5,000,000 warrants to Orion to purchase shares of the Company exercisable for a five year term, which were granted on July 16, 2015 at an exercise price of $0.275.

Amounts outstanding under the Credit Facility, to which there are none as at September 30, 2015, will be secured against all of the Company's property and assets. The Company incurred $1,580,679 of financing costs ($1,120,922 related to the fair value of warrants granted – note 10c below) to execute the Credit Facility, which was recorded as deferred debt costs as at September 30, 2015, and will be amortized to expense over the life of the debt on an effective interest basis.

(amounts are in Canadian dollars, unless otherwise stated)

10. SHARE CAPITAL (CONTINUED)

c) Warrants

On July 16, 2015, 5,000,000, warrants to purchase shares of the Company were granted to Orion exercisable for a five year term at an exercise price of $0.275.

The Company has calculated the fair value of warrants granted of $1,120,922 using the Black-Scholes valuation model with the following variables and has recorded as deferred debt cost and warrant reserve:

Grant date		**July 16, 2015**
Share price on measurement date	$	0.29
Exercise price	$	0.275
Risk free interest rate		0.69%
Expected annual volatility		109.45%
Expected life (years)		5
Expected dividends (yield)		0%
Fair value at measurement date	$	**0.22**

The following summarizes the share purchase warrants outstanding at September 30, 2015:

Expiry date	**Warrants outstanding**		**Weighted average exercise price**	**Weighted average remaining contractual life** (years)
June 28, 2016	3,375,000	$	0.25	0.75
July 16, 2020	5,000,000		0.28	4.80
	8,375,000	$	**0.27**	**3.17**

On February 12, 2015, 1,125,000 warrants expired unexercised.

d) Options and Share Purchase Option Plan

A summary of the options granted under the option plan as at September 30, 2015 and the changes for the nine months then ended are as follows:

	Number of outstanding		**Weighted average exercise price**		**Weighted average measurement date fair value**
Outstanding December 31, 2014	**4,347,500**	$	**0.44**	$	**0.19**
Granted	3,160,000		0.33		0.19
Forfeited	(120,000)		0.33		0.19
Expired	(307,500)		0.52		0.25
Outstanding September 30, 2015	**7,080,000**	$	**0.39**	$	**0.23**

(amounts are in Canadian dollars, unless otherwise stated)

10. SHARE CAPITAL (CONTINUED)

The following summarizes information about share options outstanding and exercisable at September 30, 2015:

Expiry date	**Options outstanding**	**Options exercisable**	**Exercise price**	**Weighted average remaining contractual life** (years)
December 6, 2017	1,935,000	1,935,000	$ 0.55	2.19
April 9, 2019	2,005,000	1,872,500	0.33	3.53
May 6, 2020	3,140,000	2,397,500	0.33	4.60
	7,080,000	**6,205,000**	$ **0.39**	**3.64**

The Company has calculated the fair value of options granted using the Black-Scholes option valuation model with the following variables:

Grant date	**May 6, 2015**
Share price on measurement date	$ 0.33
Exercise price	$ 0.33
Risk free interest rate	0.69% - 1.73%
Expected annual volatility	100%
Expected life (years)	2.5 - 5.0
Expected dividends (yield)	0%
Fair value at measurement date	$ **0.18 - 0.21**

The total share based payments expense for the nine months ended September 30, 2015 was $532,021 (2014: $339,331), including capitalized amount of $153,847 (2014: nil).

11. RELATED PARTY TRANSACTIONS

The Company's executive management received the following salaries and benefits:

For the nine months ended	**September 30, 2015**	**September 30, 2014**
Short-term employee salaries and benefits	$ 657,470	$ 504,424
Share option based payments	98,544	163,088
	$ **756,014**	$ **667,512**

(amounts are in Canadian dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (CONTINUED)

The following table provides outstanding balances and the total amount of transactions, which have been entered into by the Company with related parties during nine month periods ended September 30, 2015 and 2014:

For the nine months ended	September 30, 2015		September 30, 2014	
Purchases during the nine months				
Rent, salary and related costs recharged from a company controlled by certain directors in common	$	575,000	$	612,500
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which one of the directors is a partner	$	807,287	$	90,929
Mine development costs by Stracon GyM in which a director is the CEO and a shareholder	$	220,230	$	-

As at	September 30, 2015		December 31, 2014	
Amounts owed to				
Farris, Vaughan, Wills & Murphy LLP in which one of the directors is a partner	$	340,778	$	19,558
Consulting services from a company controlled by a director	$	-	$	15,821
Stracon GyM in which a director is the CEO and a shareholder	$	220,230	$	-

Related party transactions are in the normal course of business and measured at the amounts agreed upon by the parties.

12. COMMITMENTS

The Company has commitments related to capital expenditures for the development and construction of the San Ramon Gold Mine and Mill as at September 30, 2015 of $13,858,006. The Company has other operational commitments for $3,434,649.

The Company has to make certain cash payments in order to meet the terms of the mineral property acquisition agreements as described (*Note 8*).

13. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents and receivables as loans and receivables; short-term investments as held-for-trading and accounts payable as other financial liabilities. There has been no change to the designations of financial instruments during the nine months ended September 30, 2015.

Fair value

Management assessed that the fair values of cash and other financial assets, amounts receivable and payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(amounts are in Canadian dollars, unless otherwise stated)

13. FINANCIAL INSTRUMENTS (CONTINUED)

The IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The Company currently has no financial instruments measured at fair value.

The following table discloses the carrying value, which approximates fair value for mineral property obligations as at September 30, 2015 and December 31, 2014:

As at	September 30, 2015	December 31, 2014
Level 3		
Mineral property obligations	$ 1,353,134	$ 1,783,895

14. SUBSEQUENT EVENTS

a) Stock Options Granted

On October 7, 2015, the Company announced the grant of 7,300,000 incentive stock options exercisable at a price of $0.275 until October 7, 2020 to directors, officers and employees.

b) Credit Facility First Advance Draw Down

On November 5, 2015, the Company announced that it has met all the conditions precedent to draw down its first advance from the previously announced secured US $60,000,000 credit facility, and accordingly drew down US $10,000,000. Proceeds will be used to fund the construction of the fully financed and fully permitted San Ramon Gold Mine.

c) CB Gold Share Purchases and Private Placement

Subsequent to September 30, 2015, the Company acquired an additional 19,584,307 shares of CB Gold of which 16,917,789 common shares were by way of private placement on November 6, 2015, at a price of $0.06 per share, increasing the Company’s interest to approximately 51%. On closing of the private placement, all former directors and officers of CB Gold resigned, and the Company’s directors Tim Petterson, Jay Sujir, and Ian Slater were appointed, as the only directors, to the board of CB Gold, Ian Slater was appointed Chief Executive Officer and Chui Wong was appointed Chief Financial Officer.