



Anfield Resources Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Anfield Resources Inc.
Consolidated interim statements of financial position
(Expressed in Canadian Dollars - unaudited)

		March 31, 2015	December 31, 2014
	Notes		
Assets			
Current Assets			
Cash		\$ 66,468	\$ 7,492
Sales tax receivable		22,097	18,684
Prepays		6,056	37,423
		94,621	63,599
Non-current Assets			
Equipment	5	13,773	14,084
Evaluation and exploration assets	6	3,419,480	3,312,404
Sales tax receivable		-	-
		3,433,253	3,326,488
Total Assets		\$ 3,527,874	\$ 3,390,087
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 861,126	\$ 815,416
Due to related parties	10	779,445	976,966
Total Liabilities		1,640,571	1,792,382
Equity			
Share Capital	8	12,987,116	12,339,176
Stock option reserve	8	1,271,073	1,250,724
Warrant reserve	8	26,157	28,891
Foreign exchange reserve	8	328,660	258,584
Deficit		(12,725,703)	(12,279,670)
Total Equity		1,887,303	1,597,705
Total Equity and Liabilities		\$ 3,527,874	\$ 3,390,087

Going concern (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

"Corey Dias"

Chief Executive Officer

"Laara Shaffer"

Chief Financial Officer

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

Anfield Resources Inc.**Consolidated interim statements of comprehensive loss****(Expressed in Canadian Dollars - unaudited)**

	Notes	Three month period ended	
		March 31, 2015	March 31, 2014
Expenses			
Amortization	5	\$ 1,275	\$ 1,275
Exploration and evaluation expenditures	6,10	34,838	220,838
General and administrative	10	314,154	279,624
Investor relations		45,268	1,500
Loss on foreign exchange		32,883	146,140
Share based payments	8, 10	20,349	524,170
Net loss from continuing operations		(448,767)	(1,173,547)
Discontinued operations	14	-	(345,331)
Net loss		\$ (448,767)	\$ (1,518,878)
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		70,076	237,693
Total comprehensive loss		\$ (378,691)	\$ (1,281,185)
Loss per share from continuing operations – basic and diluted		\$ (0.02)	\$ (0.09)
Loss per share from discontinued operations – basic and diluted		\$ -	\$ (0.02)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.11)
Weighted average shares outstanding		22,561,511	13,997,400

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

Anfield Resources Inc.
Consolidated statement of changes in equity
(Expressed in Canadian Dollars - unaudited)
Three month periods ended March 31, 2015 and 2014

	Notes	Number of Shares	Amount	Obligation to issue shares	Stock Option Reserve	Warrant Reserve	Foreign exchange reserve	Deficit	Total Equity
Balance as at December 31, 2013	4	8,595,722	8,311,460	330,916	770,476	26,157	178,784	(9,002,771)	615,022
Shares issued - private placement	8	6,547,006	2,035,816	-	-	-	-	-	2,035,816
Shares issued - acquisition costs	8	2,750,000	1,010,000	-	-	-	-	-	1,010,000
Shares issue costs – cash	8	-	(34,640)	-	-	-	-	-	(34,640)
Shares issue costs - finder warrants	8	-	(2,734)	-	-	2,734	-	-	-
Obligation to issue shares		-	-	(410,916)	-	-	-	-	(410,916)
Options cancelled		-	-	-	(31,252)	-	-	31,252	-
Share based payment	8	-	-	-	524,170	-	-	-	524,170
Comprehensive loss		-	-	-	-	-	237,693	(1,518,878)	(1,281,185)
Balance as at March 31, 2014		17,892,728	\$ 11,319,902	\$ (80,000)	\$ 1,263,394	\$ 28,891	\$ 416,477	\$ (10,490,397)	\$ 2,458,267
Balance as at December 31, 2014		20,313,322	\$ 12,339,176	\$ -	\$ 1,250,724	\$ 28,891	\$ 258,584	\$ (12,279,670)	\$ 1,597,705
Shares issued - private placement	8	3,263,500	652,700	-	-	-	-	-	652,700
Shares issue costs – cash	8	-	(4,760)	-	-	-	-	-	(4,760)
Broker warrants cancelled		-	-	-	-	(2,734)	-	2,734	-
Share based payment	8	-	-	-	20,349	-	-	-	20,349
Comprehensive loss		-	-	-	-	-	70,076	(448,767)	(378,691)
Balance as at March 31, 2015		23,576,822	\$ 12,987,116	\$ -	\$ 1,271,073	\$ 26,157	\$ 328,660	\$ (12,725,703)	\$ 1,887,303

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

Anfield Resources Inc.
Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	Three month period ended	
	March 31, 2015	March 31, 2014 (Note 4)
Cash Flows from Operating Activities		
Net loss from continuing operations	\$ (448,767)	\$ (1,173,547)
Adjustments for non-cash items:		
Amortization	1,275	1,275
Foreign exchange	(37,964)	197,823
Share based payments	20,349	524,170
Changes in non-cash working capital:		
Sales tax receivable	(3,413)	26,143
Prepays	31,367	(98,552)
Accounts payable and accrued liabilities	45,710	(61,093)
Due to related parties	(197,521)	(313,836)
Net cash flows used in operating activities	(588,964)	(897,617)
Investing activities		
Acquisition costs and option payments	-	(234,846)
Net cash used in investing activities	-	(234,846)
Financing activities		
Net proceeds from share issuances	647,940	1,590,260
Net cash flow from financing activities	647,940	1,590,260
Cash flows from continuing operations	58,976	457,797
Discontinued operations		
Cash flows used in operating activities	-	(26,716)
Cash flows used in discontinued operations	-	(26,716)
Increase (decrease) in cash	58,976	431,081
Cash, beginning	7,492	38,056
Cash, ending	\$ 66,468	\$ 469,137
Supplementary information		
Shares issued for acquisition of exploration and evaluation assets	\$ -	\$ 1,010,000

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

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Anfield Resources Corp. (the "Company") is a publicly listed company incorporated in British Columbia on July 12, 1989. The Company's shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol "ARY", the OTCQB Marketplace under the symbol "ANLDF", and the Frankfurt Stock Exchange under the symbol "OAD". During the year ended December 31, 2013, the Company changed its name from Equinox Exploration Corp. to Equinox Copper Corp. and then to Anfield Resources Inc. The Company is engaged in mineral exploration, development and production. The Company's head office and its registered and records offices are located at Suite 608, 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

These unaudited interim condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2015 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred a loss of \$448,767 during the three month period ended March 31, 2015 and had an accumulated deficit of \$12,725,703 as at March 31, 2015. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares or the issuance of debt. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) STATEMENT OF COMPLIANCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards board ("IASB"). These unaudited interim condensed consolidated financial statements follow the same accounting policies and methods of application as the most recent audited annual financial Statements of the Company. These unaudited interim condensed consolidated financial statements do not contain all the information and disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies set out below were consistently applied to all periods presented unless otherwise noted below. These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value.

b) BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Company have been

prepared on an accrual basis and are based on historical costs, modified where applicable. The unaudited interim condensed consolidated financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2014.

c) BASIS OF CONSOLIDATION

These unaudited interim condensed consolidated financial statements comprise the accounts of the Company and its wholly-owned subsidiaries Equinox Exploration Holding Corp. ("EQX US"), Anfield Resources Holding Corp. ("ARC") and Mineral Pro Chile, SA ("MPC") up to June 30, 2014, the date the Company relinquished control of MPC.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

d) EQUIPMENT

Equipment is initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognized within provisions. All items of equipment are subsequently carried at depreciated cost less impairment losses, if any. Depreciation is provided on all items of equipment to write off the carrying value of items over their expected useful economic lives. Depreciation is provided on a straight line basis over the estimated useful lives of the equipment at the following annual rates:

- Equipment (United States) – 4 years

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company has not early adopted this new standard and is currently assessing the impact that it will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. CHANGE IN ACCOUNTING POLICY

During the year ended December 31, 2014, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition

costs and exploration and evaluation expenditures directly to the specific exploration and evaluation assets, net of recoveries received.

Under the new policy, exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with development are charged to operations as incurred. As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company included the restated consolidated statement of financial position as at December 31, 2012 in the audited annual consolidated financial statements of December 31, 2014 and 2013.

Management considers this accounting policy to be more in line with the IFRS conceptual framework.

5. EQUIPMENT

	Equipment – United States	Equipment - Discontinued Chile	Total
Cost:			
December 31, 2013	\$ 20,405	\$ 137,994	\$ 158,399
Discontinued operations	–	(137,994)	(137,994)
Foreign exchange	3,348	-	3,348
December 31, 2014	23,753	-	23,753
Foreign exchange	2,215	-	2,215
March 31, 2015	25,968	-	25,968
Amortization:			
December 31, 2013	3,254	20,277	23,531
Charge for the year	5,101	7,666	12,767
Discontinued operations	-	(27,943)	(27,943)
Foreign exchange	1,314	-	1,314
December 31, 2014	9,669	-	9,669
Charge for the period	1,275	-	1,275
Foreign exchange	1,251	-	1,251
March 31, 2015	12,195	-	12,195
Net Book Value:			
December 31, 2014	\$ 14,084	\$ -	\$ 14,084
March 31, 2015	\$ 13,773	\$ -	\$ 13,773

During the periods ended March 31, 2015, \$Nil (2014 - \$3,833) was included in discontinued operations and \$1,275 (2014 - \$1,275) was included in amortization expense.

6. EVALUATION AND EXPLORATION ASSETS

As at March 31, 2015, the Company held interests in three copper exploration properties in Arizona; the Northstar Property along with the Binghampton and Copper Queen properties. The Company also holds interests in uranium exploration properties in Colorado, Utah and Arizona ("Uranium Properties").

Anfield Resources Inc.
Notes to unaudited interim condensed consolidated financial statements
(Expressed in Canadian Dollars - unaudited)
Three month period ended March 31, 2015 and 2014

A summary of acquisition costs included in exploration and evaluation assets are as follows:

	North Star	Aura	Binghampton	Copper Queen	Uranium Properties	Total
Balance December 31, 2012	\$ 574,872	\$ 201,123	\$ 168,061	\$ 392,144	\$ -	\$ 1,336,200
Acquisition costs	-	-	72,750	169,750	8,113	250,613
Depletion	-	(40,225)	-	-	-	(40,225)
Foreign exchange	1,863	-	10,058	23,467	-	35,388
Balance December 31, 2013	576,735	160,898	250,869	585,361	8,113	1,581,976
Acquisition costs	-	-	15,000	35,000	2,114,354	2,164,354
Foreign exchange	40,604	-	21,277	49,646	688	112,215
Impairment	(385,243)	-	-	-	-	(385,243)
Discontinued operations	-	(160,898)	-	-	-	(160,898)
Balance December 31, 2014	\$ 232,096	\$ -	\$ 287,146	\$ 670,007	\$ 2,123,155	\$ 3,312,404
Foreign exchange	21,647	-	25,383	59,226	820	107,076
Balance March 31, 2015	\$ 253,743	\$ -	\$ 312,529	\$ 729,233	\$ 2,123,975	\$ 3,419,480

The following exploration and evaluation expenditures included in comprehensive loss are as follows:

	Three month period ended	
	March 31, 2015	March 31, 2014
Geology and geophysics	\$ 34,838	\$ 81,208
License and filing	-	80,915
Sundry Field	-	58,715
Total for the period	\$ 34,838	\$ 220,838

a) NORTH STAR PROPERTY

On October 26, 2011, the Company entered into an agreement with NPX Metals Inc. to obtain the mining rights to the North Star Property.

The Company has acquired a 100% interest in the North Star Property by completing the following:

- I. Paying \$25,000 cash (paid); and
- II. Issuing 500,000 shares in escrow (issued), (Note 8). The property is subject to a 3% Net Smelter Royalty ("NSR") with the Company having the option to purchase 2% of the NSR at the price of US\$1,000,000 for 1% or US\$2,000,000 for 2%.

During the year ended December 31, 2014, the Company allowed certain claims to lapse, resulting in an impairment charge of \$385,243.

b) AURA MINE PROJECT

During the year ending December 31, 2014, due to persistent challenges in attempting to create a viable and sustainable mining operation at Aura, the Company made the decision not to further pursue the option agreement for the Aura Mine Project held by MPC, resulting in \$Nil (2014 - \$345,331) being presented as a loss on discontinued operations (Note 14).

c) BINGHAMPTON AND COPPER QUEEN PROPERTIES

On May 1, 2012 the Company entered into an agreement with Binghampton Holdings Inc. ("Binghampton") to acquire a 100% interest in mineral claims.

The mineral claims are in two groups: the Binghampton claims and the Copper Queen claims. The Copper Queen claims initially represented 40% of the total of the Copper Queen claims. The optionor had entered a binding agreement to purchase the remaining 60% of the Copper Queen Property within 90 days of the date of the agreement and provide the Company with the right to acquire this holding for additional consideration of US\$275,000. The Company exercised this right and subsequently paid US\$275,000 to the optionor for the remaining 60% of the Copper Queen Property during the year ended December 31, 2012.

Under the terms of the agreement, the Company is required to pay a total of US\$1,450,000 in cash and issue 500,000 shares as follows:

Due date or event	Cash Payments	Shares issuances
On signing (paid)	US\$ 175,000	-
On acceptance of the TSX.V – May 17, 2012 (issued with a fair value of \$112,500)	-	100,000
On Vendor securing final 60% of Copper Queen claims (paid)	275,000	-
On or before May 17, 2013 (i)	250,000	100,000
On or before November 17, 2015 (ii)	250,000	100,000
On or before May 17, 2015 (iii)	250,000	100,000
On or before May 17, 2016	250,000	100,000
Total Consideration	US\$ 1,450,000	500,000

The Company allocated the acquisition costs to the Binghampton and Copper Queen properties based on the number of claims in each property.

In the event that the Company files a NI 43-101 compliant resource estimate, then the Company will be required to make an additional payment of \$250,000 and issue an additional 2,500,000 shares. The Vendor retained a 3% NSR. The Company has the right to purchase all or any part of the NSR for US\$1,000,000 per 1%, at any time.

- (i) 100,000 shares were issued to the optionor during the year ended December 31, 2013 with a fair value of \$112,500. On October 21, 2013, the Company extinguished US\$157,183 of the US\$250,000 due on the 1st anniversary of TSX.V acceptance by issuing 650,000 common shares with a fair value of \$130,000. The remaining US\$92,817 was unpaid at year end 2013 and 2014 (Note 8).
- (ii) 100,000 shares were issued to the optionor on May 16, 2014 with a fair value of \$50,000 (Note 8). On April 9, 2015, the Company signed an amended option agreement, which extended the due date for the second anniversary obligations from May 17, 2014 to November 17, 2015.
- (iii) 100,000 shares were issued to the optionor on May 16, 2015 with a fair value of \$11,000 (Note 15). On April 9, 2015 the option agreement was amended to reflect the deferment of the \$250,000 payment to November 17, 2015 and issue the optionor 1,000,000 common shares in the capital stock of the Company.

On February 7, 2014 and amended on May 14, 2014, the Company entered into an agreement with Blue Zen Memorial Parks Inc. ("Blue Zen") to sell its 100% interest in the Binghampton Copper Queen Properties for initial consideration of \$2,000,000 to be paid to the Company after completion of the due diligence and no later than July 15, 2014. Upon receipt of the \$2,000,000, the Company is obligated to complete the following within 15 months:

- (i) A 10,000 metre drill program on the property;
- (ii) Engagement of a qualified firm and related work to prepare a resource estimate for the property; and
- (iii) Overall management of the project.

Blue Zen shall pay the Company \$200,000 for the first phase of the project, to be paid one month before commencement of work on the property. As at December 31, 2014 and the date of these financial statements, the agreement had not yet closed.

i) UTAH URANIUM PROJECT

In December 2013, the Company announced that its application for mining leases in the state of Utah, USA was accepted and that nine mineral leases on Utah State Trust Land had been granted. The leases cover a total of approximately 5,500 acres. The costs to acquire these leases totaled \$8,113.

ii) MAG PROJECT

On October 29, 2013, the Company entered into an option agreement with MAG Exploration Services Inc. to acquire a 100% interest in 109 mineral claims located in Utah and 24 mineral claims located in Arizona.

Under the terms of the agreement, the Company is required to pay a total of US\$600,000 in cash and issue 1,500,000 shares to be held in escrow for a period of three years from issuance as follows:

Date	Cash Payments	Shares issuances
On acceptance by TSX.V (paid; issued with a fair value of \$510,000) (Note 8)	US\$ 100,000	1,500,000
To be paid on or before July 24, 2015 (i)	150,000	–
To be paid on or before January 24, 2016	150,000	–
To be paid on or before January 24, 2017	200,000	–
Total Consideration	US\$ 600,000	1,500,000

The agreement was approved by the TSX.V on January 24, 2014.

- (i) On April 8, 2015, the Company signed a second option amendment agreement, which extended the first anniversary payment due date from January 24, 2015 to July 24, 2015.

iii) YELLOW ROCK PROJECT

On January 20, 2014, the Company entered into an option agreement with Yellow Rock Resources Inc. ("Yellow Rock") to acquire a 100% interest in 130 unpatented mineral claims located in Utah, for consideration of 1,250,000 common shares to be held in escrow for a period of three years from issuance and US\$500,000 cash payments as follows:

Date	Cash Payments	Shares issuances
On acceptance by TSX.V (paid; issued with a fair value of \$500,000) (Note 8)	US\$ 100,000	1,250,000
To be paid on or before August 6, 2015 (i)	100,000	–
To be paid on or before February 6, 2016	150,000	–
To be paid on or before February 6, 2017	150,000	–
Total Consideration	US\$ 500,000	1,250,000

- (i) The agreement was approved by the TSX.V on February 6, 2014. On April 13, 2015, the Company signed a second option amendment agreement, which extended the first anniversary payment due date from February 6, 2015 to August 6, 2015.

iv) STAKING

During February, 2014 the Company increased its holding in Utah by staking and acquiring an additional 51 new unpatented uranium claims in four areas.

v) ALAMOSA MINING

On May 6, 2014, the Company entered into an option agreement with Alamosa Mining Corp. ("Alamosa") to acquire a 100% interest in 239 mineral claims located in Colorado for consideration of 1,950,000 common shares and US\$600,000 cash payments to pay in installments over a period of three years, as follows:

Date	Cash Payments	Shares issuances
On execution of agreement (paid)	US\$ 100,000	–
On acceptance by TSX.V (issued with a fair value of \$760,500) (Note 8)		1,950,000
To be paid on or before December 6, 2015 (i)	150,000	–
To be paid on or before June 6, 2016	150,000	–
To be paid on or before June 6, 2017	200,000	–
Total Consideration	US\$ 600,000	1,950,000

The agreement was approved by the TSX.V on June 6, 2014.

- (i) On April 8, 2015, the Company signed an amended option agreement, which extended the first anniversary payment due date from June 6, 2015 to December 6, 2015.

vi) SHOOTARING MILL

On August 14, 2014 the Company announced that it has entered into a definitive agreement with Uranium One Americas Inc. ("Uranium One") to acquire the Shootaring Canyon uranium mill (the "Shootaring Mill") located in Utah, and a portfolio of conventional uranium assets. The Company will pay the following consideration to Uranium One:

- 1) Issuance of common shares of the Company equivalent to US\$1,000,000 upon closing;
- 2) Cash payment of US\$2,000,000 to be paid upon the earlier of July 1, 2017 or restart of commercial production at the Shootaring Mill; and
- 3) Cash payment of US\$2,000,000 to be paid upon the earlier of July 1, 2019 or 24 months following the restart of commercial production at the Shootaring Mill.

The Company also agreed to make cash deposits to replace US\$8.9 million in long-term government reclamation bonds that are currently in place over the Shootaring Mill as a surety. A US\$5 million deposit will be made to the current bond-providing institution at closing, and within twenty four months following closing the Company will make an additional deposit to

cover the remaining amount of the reclamation bonds.

The acquisition is conditional upon:

- a) Obtaining approval of an extension of the Utah license by April 30, 2015; and
- b) Obtaining TSX.V approval.

On April 1, 2015, the Company and Uranium One signed an amended agreement to extend the closing date to on or before June 30, 2015.

Concurrent with this agreement, the Company, Uranium One and U.S. Energy Corp. ("US Energy") have entered into an Amended Assignment and Assumption Agreement whereby the Company will assume the obligations of Uranium One relative to Uranium One's agreements with US Energy under revised terms negotiated between the Company and US Energy. These terms state that:

- 1) Upon closing, the Company will issue common shares equivalent to US\$2.5 million to US Energy, to be held in escrow and released over a period of 36 months from closing;
- 2) The Company will pay US\$2.5 million cash following 18 months of commercial production at the Shootaring Mill; and
- 3) The Company will pay US\$2.5 million cash following 36 months of commercial production at the Shootaring Mill.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	December 31, 2014
Trade payables	\$ 816,126	\$ 609,416
Accrued liabilities	45,000	206,000
	\$ 861,126	\$ 815,416

8. SHARE CAPITAL

a) AUTHORIZED SHARE CAPITAL

Unlimited number of common shares without par value.

b) ISSUED SHARE CAPITAL

As at March 31, 2015, the Company had 23,576,822 (December 31, 2014 – 20,313,322) issued and fully paid common shares, of which 1,650,000 (December 31, 2014 – 2,262,500) were held in escrow.

c) SHARES FOR PROPERTY

- i) On June 6, 2014 the Company issued 1,950,000 common shares to Alamosa with a fair value of \$760,500 pursuant to the Alamosa Mining option agreement (Note 6).
- ii) On May 16, 2014 the Company issued 100,000 common shares to Binghampton with a fair value of \$50,000 pursuant to the Binghampton option agreement (Note 6).
- iii) On February 6, 2014, the Company issued 1,250,000 common shares to Yellow Rock with a fair value of \$500,000 pursuant to the Yellow Rock option agreement (Note 6). Under the terms of the escrow agreement the shares will be released as 10% on TSX.V acceptance and 15% every 6 months following TSX.V acceptance. At December 31, 2014, 937,500 common shares are held in escrow related to this agreement.
- iv) On January 24, 2014, the Company issued 1,500,000 common shares with a fair value of \$510,000 pursuant to the MAG Project option agreement (Note 6). Under the terms of the escrow agreement the shares will be released as 10% on TSX.V acceptance and 15% every 6 months following TSX.V acceptance. At December 31, 2014, 1,125,000 common

shares are held in escrow related to this agreement.

d) PRIVATE PLACEMENTS

- a) On January 28, 2015, the Company completed a private placement of 3,263,500 units at \$0.20 for gross proceeds of \$652,700. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.25 per warrant for a term of one year. In connection with the private placement, the Company incurred cash share issuance costs of \$4,760.
- b) On January 23, 2014, the Company completed a private placement of 2,769,665 units at \$0.25 for gross proceeds of \$692,416. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.40 per warrant for a term of one year. The obligation to issue shares of \$330,916 at December 31, 2013 was settled with this private placement. The Company issued 14,000 finder's warrants with a fair value of \$2,734 exercisable at \$0.40 per warrant for a term of one year. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: volatility – 170%; expected life – 1 year; risk-free rate – 1.64%; and dividend yield – 0%.
- c) On February 12, 2014, the Company completed a private placement of 2,370,741 units at \$0.27 for gross proceeds of \$640,100. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.40 per warrant for a term of 18 months. The warrants have a forced conversion clause whereby in the event the Company's shares trade at \$0.80 or higher for 21 days, the warrant holders are obligated to exercise the warrants.
- d) On March 14, 2014, the Company completed a private placement of 1,406,600 units at \$0.50 for gross proceeds of \$703,300. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.65 per warrant for a term of one year.
- e) In connection with the private placements, the Company incurred \$37,374 in share issuance costs, which included the fair value of finder's warrants of \$2,734 and cash share issuance costs of \$34,640.
- f) On May 15, 2014 the Company issued 10,594 shares with a fair value of \$3,708 to extinguish debt of \$3,708 (USD \$3,600).
- g) During the year ended December 31, 2014, the Company issued 225,000 common shares upon exercise of 225,000 warrants at \$0.40 for gross proceeds of \$90,000.
- h) During the year ended December 31, 2014, the Company issued 135,000 common shares upon exercise of 135,000 options at \$0.32 for gross proceeds of \$43,200. The fair value of these options of \$71,866 was reallocated from stock option reserve to share capital upon exercise.

e) WARRANTS

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise price
Balance December 31, 2013	586,672	2.50
Warrants granted	6,561,006	0.45
Warrants exercised	(225,000)	0.40
Warrants expired	(250,000)	2.50

Balance at December 31, 2014	6,672,678	\$ 0.56
Warrants granted	3,263,500	0.25
Warrants expired	(1,420,600)	0.65
Balance at March 31, 2015	8,515,578	\$ 0.43

The weighted average remaining life of the warrants outstanding as at March 31, 2015 is 0.67 years (December 31, 2014 – 0.69 years).

Details of warrants outstanding as at March 31, 2015 are as follows:

Number of warrants outstanding	Exercise price	Expiry
202,034	\$2.50	April 12, 2015
134,638	\$2.50	June 10, 2015
2,295,741	\$0.40	August 12, 2015
2,619,665	\$0.40	January 22, 2016
3,263,500	\$0.25	January 27, 2016
8,515,578		

e) STOCK OPTIONS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX.V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to a maximum of five years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relation activities and consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. With the exception of options granted for Investor Relations, all options granted typically vest on the grant date.

On September 25, 2014, the Company granted 556,932 common share purchase options to directors, consultants, employees and an investor relations consultant of the Company. The options are exercisable at \$0.50 per share and will expire on September 24, 2019. The options vest immediately except for the investor relations options that vest 25% quarterly. The fair value ascribed to the options was determined to be \$217,873 using the Black-Scholes Option Pricing Model and \$181,824 was included in the statement of comprehensive loss for the year ended December 31, 2014.

On March 27, 2014, the Company re-priced 345,400 existing options to \$0.32 per share and maintained the previously set expiry dates. The options have a four month vesting period. The incremental fair value ascribed to the options was determined to be \$42,905 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss for the year ended December 31, 2014.

On February 26, 2014, the Company granted 37,000 common share purchase options to a consultant of the Company. The options are exercisable at \$0.44 per share and will expire on

February 25, 2019. The options vest immediately. The fair value ascribed to the options was determined to be \$18,635 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss for the year ended December 31, 2014.

On February 12, 2014, the Company granted 325,000 common share purchase options to consultants and employees of the Company. The options are exercisable at \$0.33 per share and will expire on February 11, 2019. The options vest immediately. The fair value ascribed to the options was determined to be \$118,850 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss for the year ended December 31, 2014.

On February 3, 2014, the Company granted 941,000 common share purchase options to directors, officers, consultants and employees of the Company. The options are exercisable at \$0.32 per share and will expire on February 2, 2019. The options vest immediately. The fair value ascribed to the options was determined to be \$343,780 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss for the year ended December 31, 2014.

The fair value of these options was estimated on the date of grant using the Black-Scholes Option Pricing Model, with the following assumptions:

	March 31, 2015	December 31, 2014
Expected dividend yield	-	0%
Volatility	-	144% - 148%
Risk-free interest rate	-	1.56% - 1.63%
Expected life	-	5 years

The changes in options during the period ended March 31, 2015 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance December 31, 2013	397,900	1.88
Options granted	1,859,932	0.38
Options exercised	(135,000)	0.32
Options forfeited or expired	(102,500)	1.06
Balance December 31, 2014	2,020,332	\$ 0.37
Options granted	-	-
Options exercised	-	-
Options forfeited or expired	-	-
Balance March 31, 2015	2,020,332	\$ 0.37

The weighted average remaining life of the outstanding options at March 31, 2015 was 3.68 years (December 31, 2014 – 3.92 years).

Details of options outstanding as at March 31, 2015 are as follows:

Number of options outstanding	Exercise price	Expiry
160,000	\$0.32	April 25, 2016
60,000	\$0.32	April 8, 2017
77,900	\$0.32	July 29, 2017
30,000	\$0.32	November 26, 2017
7,500	\$0.32	June 5, 2018

816,000	\$0.32	February 2, 2019
275,000	\$0.33	February 11, 2019
37,000	\$0.44	February 25, 2019
556,932	\$0.50	September 24, 2019
2,020,332		

f) RESERVES**Stock options reserve**

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

Warrants reserve

The warrants reserve records fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign exchange reserve

The foreign exchange reserve recognizes the foreign exchange differences resulting from translation of group entities to the presentation currency that have a different functional currency than the presentation currency.

8. INCOME TAX

The Company did not provide for any income tax expense as no liability is expected.

10. RELATED PARTY TRANSACTIONS AND BALANCES**a) RELATED PARTY BALANCES**

As at March 31, 2015, an amount of \$779,445 (December 31, 2014 – \$976,966) was owed to related parties. These amounts are unsecured, non-interest bearing and has no fixed terms of repayment.

b) RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with companies that are controlled or managed by directors of the Company:

	Three month period ended	
	March 31, 2015	March 31, 2014
Exploration and evaluation expenditures	\$ -	\$ -
Consulting fees (i)	11,111	-
Management fees (i)	96,841	62,801
	\$ 107,952	\$ 62,801

Key management compensation:

	Three month period ended	
	March 31, 2015	March 31, 2014
Share based payments	\$ -	\$ -
Administration fees (i)	8,413	-
Consulting fees (i)	11,111	-
Management fees (i)	96,841	30,000

		\$ 116,365	\$ 30,000
(i)	These expenses are included in general and administrative expenses in the statement of comprehensive loss.		

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties. The Company's assets and liabilities are geographically segmented as follows:

	Canada	United States	Total
December 31, 2014			
Exploration and evaluation assets	\$ –	\$ 3,312,404	\$ 3,312,404
Equipment	–	14,084	14,084
Other assets	63,599	–	63,599
Liabilities	(1,385,343)	(407,039)	(1,792,382)
	\$ (1,321,744)	\$ 2,919,449	\$ 1,597,705
March 31, 2015			
Exploration and evaluation assets	\$ –	\$ 3,419,480	\$ 3,419,480
Equipment	–	13,773	13,773
Other assets	94,621	–	94,621
Liabilities	(1,195,569)	(445,002)	(1,640,571)
	\$ (1,100,948)	\$ 2,988,251	\$ 1,887,303

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. There were no changes during the year to management's approach to capital management. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations.

13. FINANCIAL INSTRUMENTS

a) FAIR VALUE

The carrying values of cash, accounts payable and due to related parties approximate their fair values due to the relatively short period to maturity of those financial instruments. Financial

instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy. 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 included in Level 1 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.

As at March 31, 2015 and December 31, 2014, the financial instruments recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

b) CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets included in the statement of financial position are as follows:

	March 31, 2015	December 31, 2014
Fair value through profit and loss:		
Cash	\$ 66,468	\$ 7,492

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2015	December 31, 2014
Non-derivative financial liabilities:		
Trade payables	\$ 816,126	\$ 609,416
Due to related parties	779,445	976,966
	\$ 1,595,571	\$ 1,586,382

c) FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest

rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low as the foreign currencies held are in the functional currency of the entities.

Commodity Risk

Commodity risk is the risk that the value of future cash flows and profits will fluctuate based on the prices of commodities. The Company is exposed to changes in the price of commodities. Changes in the price of commodities will impact the Company's ability to obtain financing to explore its mineral properties.

As at March 31, 2015, the Company has no contracts or agreements in place to mitigate these price risks.

14. DISCONTINUED OPERATIONS

During the year ending December 31, 2014, due to persistent challenges in attempting to create a viable and sustainable mining operation at Aura, the Company made the decision to abandon the Aura Mine Project and MPC altogether (Note 6).

15. SUBSEQUENT EVENTS

a) Shootaring Mill

On April 1, 2015, the Company and Uranium One signed an amended agreement to extend the closing of the Shootaring Mill acquisition to on or before June 30, 2015.

b) Expiration of warrants

Subsequent to March 31, 2015, 202,034 warrants expired unexercised.

c) Shares issued

On May 15, 2015 100,000 shares were issued @ \$0.11 with a fair value of \$11,000 pursuant to the Company's Copper Queen option agreement.