BRILLIANT SANDS INCORPORATED

A Montana Corporation

1575 Delucchi Lane - Suite 115
Reno, Nevada 89502
Telephone: 775-829-4507
Facsimile: 775-337-9441
www.brilliantsands.com
Federal EIN: 82-0305765
NAICS Code: 212399 (All Other Nonmetallic Mineral Mining)
SIC Code: 1400 (Mining and Quarrying of Nonmetallic Minerals, except Fuels)

Issuer's Quarterly Report

for the nine months ended September 30, 2015

ISSUER'S EQUITY SECURITIES

COMMON STOCK
$0.001 Par Value Per Share
200,000,000 Shares Authorized
30,336,325 Shares Issued as of September 30, 2015

PREFERRED STOCK
$0.10 Par Value Per Share
15,000,000 Shares Authorized
0 Shares Issued as of September 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 September 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. 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 September 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	September 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	September 30, 2015
Number of shares authorized	200,000,000
Number of shares outstanding	30,336,325
Freely tradable shares (public float)	4,759,248
Total number of beneficial shareholders	7
Total number of shareholders of record	989

The CUSIP number for our common stock is: 10954P109. The trading symbol for the Company's common stock assigned by the Financial Industry Regulatory Authority, Inc. (FINRA®) is BRSD.

Item 3. Interim financial statements

A copy of the unaudited Financial Statements of the Company for the nine months ended September 30, 2015, including the Balance Sheet, Statements of Operations and Comprehensive Income, 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 nine months ended September 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 nine months ended September 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 nine months ended September 30, 2015 (unaudited)*

4.1 Management's discussion and analysis for the nine months ended September 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 28 day of October, 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 28th day of October, 2015

Kim Neal

Kim Neal, Vice President, Finance

BRILLIANT SANDS
INCORPORATED

Brilliant Sands Incorporated

Financial Statements

For the Nine Months Ended September 30, 2015 and 2014

(unaudited)

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

		September 30, 2015 (unaudited)		December 31, 2014 (audited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	7,675	$	59,677
Investments - available for sale		61,190		1,114,210
Prepaid expenses and deposits		17,355		17,472
Related party receivable		39,154		39,154
Mineral data held for sale (Note 5)		250,000		250,000
Total Current Assets		375,374		1,480,513
MINERAL PROPERTIES AND INTERESTS		1,695,681		1,888,853
OTHER ASSETS				
Reclamation bond		13,191		13,191
Total Other Assets		13,191		13,191
TOTAL ASSETS	$	2,084,246	$	3,382,557
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	519,824	$	21,640
Accrued payroll liabilities		181,829		139,910
Accrued interest - related parties		41,395		39,701
Convertible debt, related party		50,000		50,000
Payable to related parties		220,218		267,553
Total Current Liabilities		1,013,266		518,804
TOTAL LIABILITIES		1,013,266		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; 30,336,325 and 29,661,064 shares issued and outstanding, respectively		30,336		29,661
Additional paid in capital		6,976,024		6,840,079
Accumulated deficit		(5,739,097)		(2,733,351)
Accumulated other comprehensive loss		(196,283)		(1,272,636)
Total Stockholders' Equity		1,070,980		2,863,753
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	2,084,246	$	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) (UNAUDITED)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
OPERATING EXPENSES (INCOME)				
Exploration expense	$ 408,882	$ 67,862	641,240	$ 124,578
Payroll and related	85,114	150,737	226,655	158,851
Professional fees and consulting	66,994	42,751	205,369	156,426
General and administrative	169,054	32,535	326,582	154,051
Abandonment of mineral properties and interests	11,000	25,000	222,827	25,000
Loss (gain) on mineral properties and interests	(5,000)	-	3,757	(2,311,875)
TOTAL OPERATING EXPENSES (INCOME)	736,044	318,885	1,626,430	(1,692,969)
INCOME (LOSS) FROM OPERATIONS	(736,044)	(318,885)	(1,626,430)	1,692,969
OTHER INCOME (EXPENSE)				
Miscellaneous other income (expense)	-	3	-	(1,946)
Interest expense	(3,129)	(3,129)	(8,630)	(8,750)
Gain (loss) on investments available for sale	(563,635)	(266,615)	(1,370,687)	(382,999)
TOTAL OTHER INCOME (EXPENSE)	(566,764)	(269,741)	(1,379,317)	(393,695)
NET INCOME (LOSS)	$ (1,302,808)	$ (588,626)	(3,005,747)	$ 1,299,274
OTHER COMPREHENSIVE INCOME (LOSS)				
Change in unrealized gain (loss) on investments available for sale	(159,802)	(720,332)	(294,334)	(1,717,916)
Reclassification of realized (gain) loss on investments available for sale	563,635	266,615	1,370,687	382,999
COMPREHENSIVE INCOME (LOSS)	$ (898,975)	$ (1,042,343)	(1,929,394)	$ (35,643)
NET INCOME (LOSS) PER COMMON SHARE, BASIC AND DILUTED	$ (0.04)	$ (0.04)	$ (0.10)	$ 0.09
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	29,999,368	13,940,954	29,833,199	14,005,896

See accompanying notes to the financial statements.

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

		Nine Months Ended		
		September 30, 2015		September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (loss)	$	(3,005,747)	$	1,299,274
Adjustments to reconcile net loss to net cash used by operating activities:				
(Gain) Loss on investments available for sale		1,370,687		382,999
(Gain) Loss on mineral property and interests		3,757		(2,311,875)
Abandonment of mineral properties and interests		222,827		25,000
Stock based compensation		28,017		131,250
Stock issued for Investor Relations		85,000		-
Stock issued for legal expenses		-		31,425
Changes in operating assets and liabilities				
Decrease (increase) in:				
Prepaid expenses and deposits		117		15,748
Related parties receivable		-		12,586
Interest receivable on note receivable		-		592
Increase (decrease) in:				
Accounts payable and accrued liabilities		498,187		(29,384)
Accrued payroll liabilities		41,919		(69,857)
Accrued interest - related parties		1,694		(28)
Payable to related parties		(47,335)		27,642
Net cash used by operating activities		(800,877)		(484,628)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of mineral properties and interest		(10,000)		(6,000)
Advances under notes receivable - related party		-		(125,000)
Payments received under notes receivable - related party		-		165,000
Proceeds from sale/lease of mining property		5,000		12,000
Proceeds from sale of investments - available for sale		740,275		386,262
Net cash provided by investing activities		735,275		432,262
CASH FLOWS FROM FINANCING ACTIVITIES:				
Common stock issued for cash		13,600		-
Net cash provided by financing activities		13,600		-
Net change in cash and cash equivalents		(52,002)		(52,366)
Cash and cash equivalents, beginning of year		59,677		83,055
Cash and cash equivalents, end of period	$	7,675	$	30,689
Noncash investing and financing activities:				
Common stock issued for acquisition of mineral data from Prize Mining Co.	$	-	$	1,350,000
Investment - available for sale exchanged for mineral interest		9,655		17,128
Common stock issued for amended agreement		85,000		
Common stock issued for mineral interest		10,000		-
Investment available for sale exchanged for common stock in		-		-
accordance with exchange agreement		-		815,082

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 ("U.S. GAAP").

These unaudited interim financial statements have been prepared by management in accordance with U. S. GAAP and are presented in U.S. dollars. These unaudited interim financial statements do not include all note disclosures required by U.S. GAAP on an annual basis, and therefore should be read in conjunction with the annual audited financial statements included in the Company's Form S-1 filed with the Securities and Exchange Commission.

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 as of September 30, 2015 and September 30, 2014 because they were anti-dilutive:

	September 30, 2015	September 30, 2014
Options	3,164,032	2,313,698
Warrants	1,554,030	1,554,030
Convertible Debt	33,223	33,223
	4,751,285	3,900,951

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 as of September 30, 2015 and December 31, 2014. See "Note 3 – Investments – Available for Sale" for further details.

<u>Fair Value Measurements</u>

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.

As of September 30, 2015 and 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 September 30, 2015 and December 31, 2014.

NOTE 3 - INVESTMENTS – AVAILABLE FOR SALE

The following summarizes the equity securities available for sale at September 30, 2015.

	Number of Shares	Basis	Fair Value (Level 1 Inputs)	Unrealized Gain (Loss)
Teras Resources, Inc.	1,239,000	$ 204,472	$ 46,190	$ (158,282)
Strategic Resources International Inc.	100,000	53,000	15,000	(38,000)
		$ 257,472	$ 61,190	$ (196,282)

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 nine months ended September 30, 2015, the Company had the following transactions relating to its investment in Teras:

- Sold 12,373,500 shares for net cash proceeds of $740,275. A loss on investment available for sale of $1,370,687 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 as of September 30, 2015 and 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 - September 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)	-	(11,000)	-		(222,827)
Balance - September 30, 2015	$	44,000	-	-	-	5,500	$	49,500

Frac Sand Properties

On December 17, 2014 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. The Company has engaged Morton Jagodich to begin the NI 43-101 and anticipates completion of the reports by the end of 2015. As of October 14, 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. The Company has engaged Morton Jagodich to the Preliminary Economic Assessment process and anticipated completion during the first quarter of 2016. As of October 14, 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 October 14, 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 nine months ended September 30, 2015 were $607,032.

<u>King Solomon</u>
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 nine months ended September 30, 2015 were $11,393.

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 nine months ended September 30, 2015 and 2014 were $919 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 nine months ended September 30, 2015 and 2014 were $11,755 and $12,463, respectively.

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.

Total exploration expenses for the Four Mile project for the nine months ended September 30, 2015 and 2014 were $450 and $20, respectively.

Gold Star

In June 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 (payment received July 2015)
- 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.

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 nine months ended September 30, 2015 and 2014 were $17 and $13,480, respectively.

On August 19, 2015 the Company abandoned its interest in the Klondike Pass property. The Company recognized a loss on abandonment of $11,000 during the nine months ended September 30, 2015.

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. As a result, management determined the shares had no value. The mining claims had no carrying value at the time of the transaction.

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) Fair value of the Teras Shares was $9,655
    - 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 nine months ended September 30, 2015 and 2014 were $2,261 and $19,316, 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. The Company recognized a loss on abandonment of $211,827 during the nine months ended September 30, 2015.

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.

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. 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.

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 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

As of September 30, 2015 and 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% and mature on July 21, 2016 and August 4, 2016.

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 as of September 30, 2015 and 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 $41,395 and $39,673 as of September 30, 2015, and 2014, respectively. Interest expense related to the outstanding notes was $7,584 and $7,584 as of September 30, 2015 and 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 nine months ended September 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.
- 500,000 shares valued at $.17 per share (total of $85,000) in connection with an amended contract with an investor relations firm.

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.

As of September 30, 2015 and 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 nine months ended September 30, 2015 and the year ended 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 nine months ended September 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	600,000	0.17
Exercised	-	-
Expired	(216,336)	0.45
Outstanding and exercisable September 30, 2015	3,164,032	$ 0.33

The weighted average contractual term of the options granted during the nine months ended September 30, 2015 and at December 31, 2014 was 4.37 years and 4.69 years, respectively. As of the nine months ended September 30, 2015, all of the options were fully vested. At September 30, 2015, the stock options had an intrinsic value of $4,667 based upon the market price of the Company's stock on that date.

Expenses related to the granting and vesting of stock options were $28,017 and $0 for the nine months ended September 30, 2015 and 2014, respectively.

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

	2015	**2014**
Dividend yield	-	-
Expected volatility	69.13% - 100%	75.81% - 100%
Risk-free interest rate	1.33%	0.84% - 2.17%
Expected life (years)	4.75	4.25 – 7.67

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 – 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 nine months ended September 30, 2015 and 2014, the Company incurred $0 and $52,500, 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 nine months ended September 30, 2015 and 2014 the Company incurred $0 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. Expenses for the nine months ended September 30, 2015 were $9,663.

Payable to Related Party

As of September 30, 2015 and December 31, 2014, the Company had $17,313 and $69,813, respectively, due to an officer of the Company for consulting services.

As of September 30, 2015 and 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.

As of September 30, 2015, the Company had $40,305 due to 1824455 Alberta Ltd., for sampling and consulting services.

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.

As of September 30, 2015 and 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.

As of September 30, 2015 and December 31, 2014, the Company had $2,902 due from a former shareholder for repayment of shares issued in error.

NOTE 10 – SUBSEQUENT EVENTS

The Company evaluated subsequent events through October 12, 2015 and there are no events to report at this time

BRILLIANT SANDS INCORPORATED

Management's Discussion and Analysis
For the nine months ended September 30, 2015

Prepared by:
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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 nine months ended September 30, 2015 and should be read in conjunction with the unaudited 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.

Forward-Looking Statements

This quarterly report includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements.

Forward-looking statements may include statements about:

- our ability to achieve commercial production on any of our projects;
- the amount of frac sand we are able to excavate and process, which could be adversely affected by, among other things, operating difficulties and unusual or unfavorable geologic conditions;
- the volume of frac sand we are able to buy and sell;
- the price at which we are able to produce and sell frac sand;
- changes in the price and availability of natural gas, diesel fuel or electricity;
- changes in prevailing economic conditions;
- unanticipated ground, grade or water conditions;
- inclement or hazardous weather conditions;
- environmental hazards;
- difficulties in obtaining or renewing environmental permits;
- industrial accidents;
- changes in laws and regulations (or the interpretation thereof) related to the mining and hydraulic fracturing industries, silica dust exposure or the environment;
- the outcome of litigation, claims or assessments, including unasserted claims;
- inability to acquire or maintain necessary permits or mining or water rights;
- facility shutdowns in response to environmental regulatory actions;
- inability to obtain necessary production equipment or replacement parts;

- reduction in the amount of water available for processing;
- technical difficulties or failures;
- labor disputes;
- late delivery of supplies;
- difficulty collecting receivables;
- inability of our customers to take delivery;
- fires, explosions or other accidents;
- cave-ins, pit wall failures or rock falls;
- our ability to borrow funds and access capital markets;
- changes in the political environment of the drilling basins in which we and our customers operate;
- changes in railroad infrastructure, price, capacity and availability, including the potential for rail line washouts;
- anticipated trends and challenges in our business and the markets in which we operate;
- expected future financial performance;
- expectations regarding our operating expenses;
- our ability to anticipate market needs or develop new or enhanced products to meet those needs;
- our ability to expand into other sectors of the storage market, beyond protection storage;
- our ability to compete in our industry and innovation by our competitors;
- our ability to protect our confidential information and intellectual property rights;
- our ability to successfully identify and manage any potential acquisitions;
- our ability to remediate any material weakness in our internal controls identified by our independent registered public accounting firm;
- our ability to maintain or broaden our business relationships and develop new relationships with strategic alliances, suppliers, customers, distributors or otherwise; and
- our ability to manage growth.

All forward-looking statements involve risks, assumptions and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. These risks, assumptions and uncertainties are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. In light of these risks, uncertainties and assumptions, the forward-looking events might not occur.

Our mining, processing and production facilities are subject to risks normally encountered in the frac sand and gold 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 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 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, profits 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;
- reduce funds available for exploration, with the result that depleted minerals are not replaced

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Forward-looking statements in this Quarterly Report are based on management's beliefs and opinions at the time the statements are made. The forward-looking statements contained in this Quarterly Report are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Quarterly Report are made as of the date of this Quarterly Report and we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise, except as required by applicable securities laws.

Overview

From July 2006 to December 2014, we were an independent exploration stage mining company in the business of acquiring, exploring and developing mineral natural resource properties, primarily gold and silver. From February 2010 to September 2014, we had worked with another company to develop what had been our largest asset, known as the Cahuilla project, pursuant to two Exploration Earn-In Agreements with Teras Resources Inc. We were also engaged in maintaining, exploring and developing its other mineral projects. We currently have five exploration stage projects in our gold and silver property portfolio.

Our December 2014 acquisition of three properties in Canada from 1824455 Alberta Ltd., which we refer to as 182, transformed us into a company focused on becoming a leading producer, transporter, marketer and distributor of frac sand. Since the acquisition, we have devoted the vast majority of our time and efforts in our transition from an exploration stage gold and silver mining company to becoming a leading producer and supplier of monocrystalline sand, a specialized mineral that is used as a proppant to enhance the recovery rates of hydrocarbons from oil and natural gas wells.

In January 2014, we acquired the Muskox Data Inventory from Prize Mining Corporation. The Muskox Data consists of several years' worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered Intrusion in Nunavut, Canada. The Muskox intrusion is believed to be one of the most promising targets for platinum group elements. We are currently analyzing and preparing the data for various licensing and other commercial opportunities.

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.

Factors Impacting Comparability of Our Financial Results

Our historical results of operations are not indicative of results of operations and cash flows to be expected in the future, principally for the following reasons:

- ***We completed our acquisition of frac sand properties from 182 in December 2014***. In December 2014, we acquired three properties from 182, transforming us into a company focused on becoming a leading producer, transporter, marketer and distributor of frac sand. As a result of the acquisition, our business plan has transitioned from advancing exploration stage precious metals projects in Nevada to advancing our frac sand projects in Canada.

- ***Our historical financial results include capital expenditures and other costs related to assets outside of our current and anticipated business plan.*** For the periods in the years ended December 31, 2014, we had capital expenditures that related to our gold and silver projects. Since the 182 transaction, we have shifted our focus to the frac sand business.

- ***We terminated certain gold and silver projects during 2014 and 2015***. As a result, we expect reductions in our royalty payments, claim maintenance fees and exploration expenses related to these projects.

- ***We expect to incur additional general and administrative expenses as an SEC reporting company***. We expect to incur additional expenses following the effective date of the registration statement of which this prospectus is a part. These expenses are associated with compliance under the Exchange Act.

Critical Accounting Policies

See Note 2 to the financial statements contained in this Quarterly Report for a complete summary of the significant accounting policies used in the presentation of our financial statements. The summary is presented to assist the reading in understanding the financial statements. The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America "U.S. GAAP".

Our critical accounting policies are as follows:

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 currently expensed and will be capitalized and amortized on a unit of production basis over proven and probable reserves when and if we have proven and probable reserves.

Review of Carrying Value of Property for Impairment

Mineral properties and exploration assets are assessed annually for impairment. If it is determined that the undiscounted expected future cash flows from the asset are less that the asset's carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset. Factors considered by management in performing the assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors.

Management determined that as of December 31, 2014, the estimated fair value of the Muskox Data had decreased. We 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.

Revenue Recognition

Revenue is recognized when the services are rendered and collection of payment is deemed probable.

Recently Issued Accounting Standards

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. We have elected to apply the amendments as of December 31, 2014.

Results of Operations

Three and Nine Months Ended September 30, 2015 Compared to the Three and Nine Months Ended September 30, 2014

Operating Expenses (Income). Total operating expenses increased $3.3 million to $1.6 million for the nine months ended September 30, 2015, as compared to operating income of $1.7 million for the nine months ended September 30, 2014. Total operating expenses increased \$0.4 million to \$0.7 million for the three months ended September 30, 2015, as compared to operating income of \$0.3 million for the three months ended September 30, 2014. The increases were primarily due to a gain on mining properties and interests primarily related our receipt and disposition of common shares of Teras Resources in connection with our earn in agreements offset by a loss on mineral properties related to the abandonment of a gold and silver project and costs related to exploration work on our frac sand projects.

Other Income (Expense). Other expenses increased \$985,622, or 250.4%, to \$1.4M for the nine months ended September 30, 2015 from \$394,000 for the nine months ended September 30, 2014. Other expense increased \$297,023, or 110.1%, to \$566,764 for the three months ended September 30, 2015 from \$269,740 for the three months ended September 30, 2014. The increases were primarily related to loss on investments available for sale of \$1,370,687 for the nine months ended September 30, 2015 due to lower prices received for the sale of Teras common shares compared to the book value of the Teras common shares on our financial statements.

Exploration Expense. Exploration expenses increased \$516,660, or 414.7%, to \$641,240 for the nine months ended September 30, 2015 from \$124,578 for the nine months ended September 30, 2014. Exploration expenses increased \$341,020, or 502.5%, to \$408,880 for the three months ended September 30, 2015 from \$67,860 for the three months ended September 30, 2014. The increases were due to the initiation of exploration work on the McClelland and Alberta projects.

Payroll and related expenses. Payroll and related expenses increased \$67,804, or 42.7%, to \$226,660 for the nine months ended September 30, 2015 from \$158,850 for the nine months ended September 30, 2014. Payroll and related expenses decreased \$65,620, or 43.3%, to \$85,114 for the three months ended September 30, 2015 from \$150,740,000 for the three months ended September 30, 2014. The increase/decrease was due to additional obligations we incurred for expenses that were previous paid by Teras Resources in connection with our earn-in agreements and the September 2013 bonus program, respectively.

Professional fees and consulting. Professional and consulting fees increased approximately \$48,940, or 31.3%, to \$205,370 for the nine months ended September 30, 2015 from \$158,850 for the nine months ended September 30, 2014. Professional and consulting fees increased approximately \$24,240, or 56.7%, to \$66,990 for the three months ended September 30, 2015 from \$42,750 for the three months ended September 30, 2014. The increases were due to additional obligations we incurred for expenses that were previous paid by Teras Resources in connection with our earn-in agreements.

General and Administrative. General and administrative expenses increased \$172,531, or 112%, to \$326,580 for the nine months ended September 30, 2015 from \$154,050 for the nine months ended September 30, 2014. General and administrative expenses increased \$136,520, or 419.6%, to \$169,050 for the three months ended September 30, 2015 from \$32,540 for the three months ended September 30, 2014. The increases were due to the acquisition of Teras common shares.

Liquidity and Capital Resources

As of the date of this Quarterly Report, there is limited historical financial information regarding our company upon which to base an evaluation of our performance.

Development of our frac sand properties and plans for further growth of the company depend on our ability to obtain additional capital through the issuance of additional debt or equity and through the generation of revenue. None of our properties has commenced commercial production, and we have no history of earnings or cash flow from our operations. While we may attempt to generate additional working capital through the operation, development, sale or possible joint venture development of our properties, there is no assurance that any such activity will generate funds that will be available for operations.

At September 30, 2015, we had cash of $7,675 and total current assets of approximately $375,374. We are currently spending between $60,000 and $75,000 per month for our ongoing corporate functions. In addition, we are preparing our budgets for exploration or development of our frac sand properties.

As of the date of this Quarterly Report, we do not believe that we have sufficient working capital to make the royalty and other payments required on our properties, to conduct preliminary exploration programs and to satisfy our cash requirements for the twelve months following the date of this Quarterly Report. We will need to obtain additional funds, either through equity offerings or debt, to fund our general and administrative expenses, make the royalty payments required on our properties and conduct exploration programs on our properties. Failure to obtain such additional financing will result in the loss by us of our interests in our mineral properties. We have no agreements or understandings with any person for additional financing.

Net cash used by operating activities increased to $(800,877) in the nine months ended September 30, 2015 from approximately $(484,628) in the nine months ended September 30, 2014. A significant component of cash provided by (used in) operating activities is a loss on investments available for sale.

Net cash provided by investing activities primarily relate to capital expenditures relating to mineral interests and proceeds from the sale of common shares of Teras Resources. Net cash provided by investing activities was approximately $735,275 in the nine months ended September 30, 2015 compared to $432,262 during the nine months ended September 30, 2014. Included in the nine months ended September 30, 2015 are an increase in the sale of Teras common shares.

Net cash provided by financing activities was $13,600 in the nine months ended September 30, 2015 related to the sale of shares of our common stock, and $0 in the nine months ended September 30, 2014.

Off-Balance Sheet Arrangements

At September 30, 2015 and 2014, we did not have any off-balance sheet arrangements.

Corporate Overview

We were incorporated as the Helena and Livingston Smelting and Reduction Company in the State of Montana in May 1888. We changed our name to "Helena Silver Mines, Inc." in June 1970 and to "Consolidated Goldfields Corporation" in July 2006 in connection with our acquisition of Dome Copper, Inc., a Colorado corporation engaged in the mining business. At the time of the transaction, Dome Copper had fifteen projects consisting of unpatented claims and mining leases.

From July 2006 to December 2014, we were an independent exploration stage mining company in the business of acquiring, exploring and developing mineral natural resource properties, primarily gold and silver. From February 2010 to September 2014, we had worked with another company to develop what had been our largest asset, known as the Cahuilla project, pursuant to two earn-in agreements. We were also engaged in maintaining, exploring and developing its other mineral projects. We currently have five exploration stage projects in our gold and silver property portfolio.

In February 2010, we entered into an earn-in agreement regarding what was then our largest asset, the Cahuilla project, with Teras Resources Inc., a Canadian company engaged in the acquisition, exploration and development of mineral resource properties. We entered into a second earn-in agreement with Teras Resources for the balance of the project in September 2011. The agreements provided for various financial and operational milestones for the project. Over the course of the agreement, the parties met their various obligations, including the issuance by Teras Resources of 24,300,000 of its common shares to us, and Teras Resources earned the right to acquire Cahuilla. The transfer of Cahuilla to Teras Resources was completed in September 2014.

In December 2014, we acquired three properties in Canada and began our strategy to become a leading producer and supplier of frac sand in Canada. The transaction included an initial cash payment of approximately $43,000 and the issuance of 7,833,334 shares of our common stock, an additional 7,833,334 shares of our common stock held in escrow to be released under certain conditions, an additional cash payment of $43,000 within the 45 days after closing and an additional cash payment of CAD$175,000 to be paid concurrently with the completion of a financing transaction by us. Since our acquisition of the frac sand properties, our immediate priorities have been to finance the developments of these properties to begin the process to bring them into production. Following this transaction, we changed our name to "Brilliant Sands Incorporated" to reflect our evolution from a junior gold-silver company to a more diversified mining company with interests in other minerals.

In January 2014, we acquired the Muskox Data Inventory from Prize Mining Corporation. The Muskox Data consists of several years' worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered Intrusion in Nunavut, Canada. The Muskox intrusion is believed to be one of the most promising targets for platinum group elements. We are currently analyzing and preparing the data for various licensing and other commercial opportunities.

Market Opportunity

Relationship to Oil and Gas Industry

Over the past decade, oil and gas companies in North America have focused a great deal on unconventional oil and natural gas reservoirs through advanced techniques, such as horizontal drilling and hydraulic fracturing. A hydraulic fracturing job on one well can require a few thousand tons of sand. As a result, North American demand for proppant has increased rapidly. We believe that the market for frac sand will continue to grow based on the expected long-term development of these plays.

The oil and natural gas proppant industry is based on businesses involved in the mining or manufacturing of the materials used in the drilling and completion of oil and natural gas wells. Hydraulic fracturing is the most widely used method for stimulating increased production from wells. The process consists of pumping fluids, mixed with granular proppants, into the geologic formation at pressures sufficient to create fractures in the rock. The fractures create channels through which the hydrocarbons can flow more freely from the formation into the wellbore and then to the surface. Alternatives to frac sand include ceramic beads and resin-coated silica, but they can be more costly to produce.

Raw frac sand is a naturally occurring mineral that is mined and processed. It is a high-purity quartz sand with very durable and very round grains. It is a crush-resistant material produced for use by the petroleum industry. It is used in the hydraulic fracturing process known as "fracking" to produce petroleum fluids, such as oil, natural gas and natural gas liquids from rock units that lack adequate pore space for these fluids to flow to a well.

While the specific extraction method utilized depends primarily on the geologic setting, most raw frac sand is mined using conventional open-pit bench extraction methods. The composition, depth and chemical purity of the sand also dictate the processing method and equipment utilized. After extraction, the raw frac sand is washed, dried and sorted according to mesh size.

Most frac sand is shipped in bulk from the processing facility to customers by truck, rail or barge. For bulk frac sand, transportation costs often represent a significant portion of the customer's overall product cost. As a result, facility location and logistics capabilities are among the most important considerations for producers, distributors and customers.

We intend to use the significant mining industry experience of our management team to take advantage of what we believe are favorable, long-term market dynamics as we execute our growth strategy, which includes the development of our frac sand properties. We intend to remain focused on the frac sand market as we believe it offers attractive long-term growth fundamentals.

Business Strategy

The primary components of our business strategy are:

We believe the frac sand market offers attractive long-term growth fundamentals, and we intend to position ourselves as a producer of quality frac sand located in the provinces of Alberta and Manitoba. Over the past several years, the demand for frac sand in the United States and Canada has grown significantly, primarily as a result of increased horizontal drilling, technological advances that allowed for the development of many unconventional resource formations, increased proppant use per well and cost advantages over other proppants such as resin coated sand and ceramic alternatives. In particular, the demand for natural Tier 1 and Tier 2 frac sand, such as the type we intend to mine and sell from our properties, is very strong among end users who are focused on the extraction of oil and liquids-rich natural gas. We believe frac sand supply will continue to be constrained by a variety of factors, including but not limited to:

- the difficulty in finding reserves suitable for use as frac sand, which are largely limited to select areas of the United States and Canada and which must meet the technical specifications of the American Petroleum Institute ("API");
- challenges associated with locating contiguous reserves of frac sand sufficient to justify the capital investment required to develop a mine and processing plant; and
- securing necessary permits required for operations.

We may selectively pursue favorable acquisitions in our areas of operation that we believe will allow us to realize growth and operational efficiencies. We also intend to maintain financial strength and flexibility to enable us to pursue our growth strategy, including acquisitions, organic growth and asset optimization opportunities as they arise.

Competitive Strengths

We believe that we are well positioned to successfully execute our business strategy. Our frac sand properties are located near other projects have proven successful in developing frac sand projects. Our properties are located relatively closely to many potential customers in the Canadian oil and natural gas industry. As transportation is a large cost in the frac sand industry, location near our potential customer base can allow us to achieve revenues at a lower cost than many of our competitors. In addition, we believe that there is limited availability of Tier 1 and Tier 2 sand because the current Canadian industry sources are focusing on the growing U.S. market demand. This provides an opportunity to a potential producer focused on the Canadian oil and gas industry.

Our directors have more than 70 years of combined industry experience. They have managed numerous mining projects and businesses and successfully led acquisitions and exits in the industry.

The Projects

McClelland

The McClelland property is located 60 kilometers north of Fort McMurray and accessible by road as well as being near power and water supply. The McClelland property is strategically located near the Alberta Basins, which we believe gives us a competitive advantage to suppliers that are further away. We expect the McClelland property to enable us to produce and sell frac sand to the Canadian oil and gas companies with Canadian dollars. The McClelland property is 83,778 acres. The property has undergone initial sampling and testing.

Alberta

The Alberta Project is strategically located in the heart of three Alberta Basins, which could provide a competitive advantage of being within trucking distance to the well-head, which could enable us to sell any sand directly from the mine site with substantially reduced costs. The property is accessible by both rail and road as it sits on top of infrastructure. Faster delivery, no need for long distance rail and reduced weather or congestion delays could result in our being able to sell the sand on favorable terms and potentially favorable margins compared to competitors. The Alberta Project is also a large land position at 87,000 acres. Sampling and further land acquisition is currently underway.

Washow

The Washow property is located in Manitoba, north of Winnipeg, and accessible by road as well as being near power and water supply. The Washow property is less than 100 kilometers from rail and lies in an area known for the only "Northern White" sand in Canada, which is Tier 1 sand. The Washow property is strategically located near the Alberta basins which could allow us to access that market at a reduced cost compared to many competitors as it is located approximately half the distance to the Alberta Basins than the U.S. suppliers in Wisconsin. Our current land position at Washow is 1,000 acres.

Permits

In order to conduct our frac sand operations, we are required to obtain permits from various local, state and federal government agencies. The various permits may include permits for mining, construction, air quality, water discharge and quality, noise, dust and reclamation. Prior to receiving these permits, we must comply with the regulatory requirements imposed by the issuing governmental authority. In some cases, we also must have certain plans pre-approved, such as site reclamation plans, prior to obtaining the required permits. A decision by a governmental agency to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility. Expansion of our existing operations also is predicated upon securing the necessary environmental and other permits and approvals.

Competition

The frac sand market is a highly competitive market that is comprised of a small number of large, national producers and a larger number of small, regional or local producers. Competition in the frac sand industry has increased in recent years due to favorable pricing and demand trends, and we expect competition to continue to increase if those trends continue. Suppliers compete based on price, consistency and quality of product, site location, distribution capability, customer service, reliability of supply, breadth of product offering and technical support. We believe the leading producers of frac sand include Emerge Energy Services LP, Hi-Crush Partners LP, Unimin Corporation, Fairmount Minerals, Ltd. and U.S. Silica Holdings, Inc. In recent years there has also been an increase in the number of small producers servicing the frac sand market. Due to increased demand, existing or new frac sand producers could expand their frac sand production capacity, thereby increasing competition.

Environmental and Occupational Health and Safety Regulations

We will be subject to stringent and complex Canadian laws and regulations governing the discharge of materials into the environment or otherwise relating to protection of worker health, safety and the environment. These regulations include compliance obligations for air emissions, water quality, wastewater discharges and solid and hazardous waste disposal, as well as regulations designed for the protection of worker health and safety and threatened or endangered species. Compliance with these environmental laws and regulations may expose us to significant costs and liabilities and cause us to incur significant capital expenditures in our operations.

We may be obligated to obtain permits or approvals in our operations from various federal, state and local authorities. These permits and approvals can be denied or delayed, which may cause us to delay or interrupt our operations and limit our growth and revenue. Moreover, failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of remedial obligations, and the issuance of injunctions delaying or prohibiting operations. Private parties may also have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage. There is no assurance that this degree of compliance will continue in the future. In addition, the clear trend in environmental regulation is to place more restrictions on activities that may affect the environment, and thus, any changes in, or more stringent enforcement of, these laws and regulations that result in more stringent and costly pollution control equipment, waste handling, storage, transport, disposal or remediation requirements could have a material adverse effect on our operations and financial position.

Gold and Silver Projects

Our gold and silver property portfolio is comprised of five projects in Nevada. Since our acquisition of the frac sand properties, we have, and we may continue to, pursue dispositions or joint venture transactions for our gold and silver properties, but we do not intend to expend substantial time or resources on these projects at the current time. We either terminated or sold four gold and silver projects in 2015.

King Solomon

We entered into Exploration and Mining Lease with Option to Purchase Agreements in November and December 2014 with Mountain Gold Claims, LLC Series ("MGCLLC"), an affiliate of Thomas Callicrate, a former director and officer, and then a greater than 5% shareholder of ours. The property consists of a two adjoining claim blocks for a total of 66 unpatented mining claims situated in Nye County, Nevada. 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. The deposit is 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. Currently, MGCLLC controls 38 unpatented lode mining claims. MGCLLC has negotiated general lease terms with the adjoining claim block with respect to 28 lode claims. Our exploration expenses for the King Solomon project for the nine month period ended September 30, 2015 were $413.

Pyramid Mine

The Pyramid Mine, a high-grade silver, gold, lead and zinc 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 giving the Company the option to purchase a 1.5% net smelter return royalty on the unpatented mining claims of the Pyramid Mine. Our exploration expenses for the Pyramid Mine for the nine month period ended September 30, 2015 and 2014 were $919 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. Our exploration expenses for the Koegel Hills project for the nine month period ended September 30, 2015 and 2014 were $11,755 and $12,463, respectively.

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. Our exploration expenses for the Four Mile Basin project for the nine month period ended September 30, 2015 and 2014 were $450 and $20, respectively.

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

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. Our exploration expenses for the Gold Star project for the nine month period ended September 30, 2015 and 2014 were $901 and $20,589, respectively.

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.

During 2015 we either terminated or sold the following gold and silver projects:

- Fisher Canyon, the Company terminated the Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement in May 2015;
- Klondike Pass project, the Company terminated the Exploration and Option to Purchase Agreement in August 2015; and
- Kibby Flats, the Company entered into a Stock-for-Property Exchange Agreement to purchase the Kibby Flats project in exchange for 400,000 shares of common stock in a private company.

We expensed a total of $641,240 and $124,578 for exploration for the nine month period ended September 30, 2015 and 2014 respectively. In addition, we regularly make filings with the counties in which our claims are located, demonstrating our intent to hold the claims or sites and/or notifying the authorities when labor or improvements were performed or made on for the mining claims. We also make regular filings with and pay fees to the U.S. Department of the Interior, Bureau of Land Management, or the BLM, relating to its mining claims.

Muskox Data Inventory

In January 2014, we acquired the Muskox Data Inventory from Prize Mining Corporation. The Muskox Data consists of several years' worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered 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 Mining began working on the project in 1998 and spent over

$18 million on the project through 2004. In addition, Prize Mining accumulated data from its joint venture partners Anglo American and Silvermet Mining in the 2000's valued at roughly $10 million.

The purchase price for the Muskox Data was $1 million, paid by the issuance of 3,703,334 shares of our common stock. In addition, we agreed to pay an additional $50,000 in cash in satisfaction of certain potential Canadian tax obligations incurred by Prize Mining as a result of the transaction, which were later determined to be not applicable. Feisal Somji, our Chairman of the Board, is CEO, director and shareholder of Prize Mining.

The Muskox intrusion is believed to be one of the most promising targets for platinum group elements. We believe demand for the Muskox Data will be significant as we believe mining companies direct their attention to the Muskox intrusion. We are currently analyzing and preparing the data for various licensing and other commercial opportunities.

Environmental and Occupational Health and Safety Regulations

We will be subject to stringent and complex Canadian laws and regulations governing the discharge of materials into the environment or otherwise relating to protection of worker health, safety and the environment. These regulations include compliance obligations for air emissions, water quality, wastewater discharges and solid and hazardous waste disposal, as well as regulations designed for the protection of worker health and safety and threatened or endangered species. Compliance with these environmental laws and regulations may expose us to significant costs and liabilities and cause us to incur significant capital expenditures in our operations.

We may be obligated to obtain permits or approvals in our operations from various federal, state and local authorities. These permits and approvals can be denied or delayed, which may cause us to delay or interrupt our operations and limit our growth and revenue. Moreover, failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of remedial obligations, and the issuance of injunctions delaying or prohibiting operations. Private parties may also have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage. There is no assurance that this degree of compliance will continue in the future. In addition, the clear trend in environmental regulation is to place more restrictions on activities that may affect the environment, and thus, any changes in, or more stringent enforcement of, these laws and regulations that result in more stringent and costly pollution control equipment, waste handling, storage, transport, disposal or remediation requirements could have a material adverse effect on our operations and financial position.