Luna Gold Corp.

Condensed Consolidated Financial Statements (Unaudited)
March 31, 2015 – First Quarter
(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Luna Gold Corp.

Condensed Consolidated Statements of Comprehensive Income (loss)

For the three months ended March 31, 2015 and 2014 (Unaudited)

(amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

	Note	2015	2014
Revenue			
Gold sales		**$ 25,947**	$ 25,897
Operating expenses			
Production costs		**(18,633)**	(15,649)
Depletion and amortization		**(1,494)**	(1,283)
Gross profit		**5,820**	8,965
Exploration		**(334)**	(368)
General and administrative		**(2,031)**	(2,249)
Share-based compensation	8	**68**	(216)
Operating profit		**3,523**	6,132
Foreign exchange loss		**(1,410)**	(123)
Financial instruments (loss) gain	11	**(3,512)**	3,083
Finance income		**162**	205
Finance cost	10	**(2,114)**	(297)
(Loss) income before income taxes		**(3,351)**	9,000
Income tax expense		**-**	(1,507)
Net (loss) income and comprehensive (loss) income		**$ (3,351)**	$ 7,493
Net (loss) income per common share			
Basic		**$ (0.02)**	$ 0.07
Fully diluted		**$ (0.02)**	$ 0.07
Weighted average shares outstanding (000's)			
Basic		**141,478**	111,432
Fully diluted		**141,478**	111,434
Total shares issued and outstanding (000's)		**141,478**	121,979

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

Luna Gold Corp.

Condensed Consolidated Statements of Financial Position

As at March 31, 2015 and December 31, 2014 (Unaudited)

(expressed in thousands of U.S. dollars)

	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents		**$ 3,769**	$ 3,694
Restricted cash	6(a)	**1,873**	6,690
Accounts receivable and prepaid expenses	3	**4,089**	4,408
Current portion of derivative asset	11	**2,896**	2,887
Other financial assets	11(c)	**1,298**	1,408
Inventory	4	**17,845**	26,399
		31,770	45,486
Property, plant and equipment	5	**70,736**	71,562
Derivative asset	11	**709**	1,390
Other financial assets	11(c)	**3,474**	3,541
Other assets		**11,915**	13,274
Total assets		**$ 118,604**	$ 135,253
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 8,903**	$ 13,020
Current portion of long-term debt	6	**39,123**	46,237
Current portion of derivative liabilities	11	**7,886**	5,004
Current portion of other liabilities	7	**1,661**	5,146
		57,573	69,407
Long-term debt	6	**-**	72
Derivative liabilities	11	**2,084**	2,494
Other liabilities	7	**10,829**	11,166
Restoration provision		**3,369**	3,947
Total liabilities		**73,855**	87,086
Shareholders' equity			
Share capital		**176,007**	176,007
Contributed surplus		**15,761**	15,828
Deficit		**(147,019)**	(143,668)
Total shareholders' equity		**44,749**	48,167
Total liabilities and shareholders' equity		**$ 118,604**	$ 135,253

Approved by the Board of Directors

"Steven Krause" Director   "Wayne Kirk" Director

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

Luna Gold Corp.

Condensed Consolidated Statements of Changes in Shareholders' Equity and Deficit

For the three months ended March 31, 2015 and 2014 (Unaudited)

(expressed in thousands of U.S. dollars)

		Attributable to equity holders of the Company								
	Note	**Shares (000's)**		**Share capital**		**Contributed surplus**		**Deficit**		**Total**
Balance at December 31, 2014		141,478	$	176,007	$	15,828	$	(143,668)	$	48,167
Net income for the period		**-**		**-**		**-**		**(3,351)**		**(3,351)**
Share-based compensation		**-**		**-**		**(116)**		**-**		**(116)**
Restricted share units		**-**		**-**		**49**		**-**		**49**
Balance at March 31, 2015		**141,478**	**$**	**176,007**	**$**	**15,761**	**$**	**(147,019)**	**$**	**44,749**
Balance at December 31, 2013		105,028	$	141,171	$	14,547	$	(22,177)	$	133,541
Net loss for the period		-		-		-		7,493		7,493
Share-based compensation		-		-		316		-		316
Issue of share capital, net		16,950		16,783		-		-		16,783
Balance at March 31, 2014		121,978	$	157,954	$	14,863	$	(14,684)	$	158,133

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

Luna Gold Corp.

Condensed Consolidated Statements of Cash Flows

For the three months ended March 31, 2015 and 2014 (Unaudited)

(expressed in thousands of U.S. dollars)

	Note	2015	2014
Cash flows from operating activities			
Net (loss) income		**$ (3,351)**	$ 7,493
Items not affecting cash			
Income tax expense		**-**	1,507
Depletion and amortization		**1,494**	1,283
Recognition of other liabilities		**(179)**	(62)
Unrealized foreign exchange losses (gains)		**2,890**	(219)
Unrealized losses (gains) from financial instruments		**2,733**	(2,681)
Share-based compensation		**(68)**	216
Finance income		**(162)**	(205)
Finance cost		**2,114**	297
		5,471	7,629
Change in non-cash operating working capital			
Decrease (Increase) in accounts receivable and prepaid expenses		**340**	(1,473)
Decrease in inventory		**8,479**	1,846
Decrease in accounts payable and deferred revenue		**(4,936)**	(3,610)
		9,354	4,392
Cash flows from investing activities			
Payments for mineral properties		**(252)**	(1,044)
Payments for property, plant and equipment		**(3,254)**	(2,628)
Sandstorm contribution to Phase 1 expansion		**-**	887
Long-term tax credit receivable		**(1,399)**	(822)
Proceeds from notes receivable and marketable securities		**212**	275
		(4,693)	(3,332)
Cash flows from financing activities			
Repayment of debt		**(7,894)**	(144)
Transfer from restricted cash		**4,817**	-
Payment of interest on debt		**(1,094)**	(411)
Proceeds from issuance of common shares, net of issue costs		**-**	16,783
		(4,171)	16,228
Increase in cash and cash equivalents		**490**	17,288
Cash and cash equivalents - beginning of year		**3,694**	5,984
Effect of exchange rate changes on cash		**(415)**	185
Cash and cash equivalents - end of year		**$ 3,769**	$ 23,457

1 Nature of operations and going concern

Luna Gold Corp. (the "Company") is engaged in the operation, exploration, acquisition and development of gold properties. The Company currently has one producing gold mine, several brownfields exploration projects and several exploration projects located in the Luna Greenfields district in northeast Brazil.

The Company's primary listing is on the Toronto Stock Exchange ("TSX"). The Company's registered office is at 800 – 543 Granville Street, Vancouver, BC, V6C 1X8, Canada.

The condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has temporarily ceased mining operations and filed for a care and maintenance permit. Additional capital is required to construct a hard rock processing facility and increase the tailings storage facility to be able to process the majority of the material included in the Aurizona resource. The Company is not in compliance with certain debt covenants which may require the Company to repay its outstanding debt immediately. The Company's ability to continue as a going concern is dependent upon securing additional financing to repay its outstanding debt. If financing cannot be achieved, the Company will not have the ability to meet its debt obligations. Additionally, if the lenders of the Corporate Facility request early repayment, the Company must raise additional capital or evaluate strategic alternatives. The Company has entered into a forbearance agreement with the lender of the Corporate Facility whereby they have agreed to refrain from exercising rights or remedies until May 15, 2015. The Company expects to receive an extension to this forbearance to provide enough time to complete the transactions discussed below. Without successful approval of additional financing, the Company does not expect to remedy its default under its covenants under the Corporate Facility.

On May 7, 2015, the Company entered into a definitive agreement for a C$30.0 million financing by Pacific Road Resources Funds (the "Pacific Road Financing") consisting of a C$20.0 million debenture and a C$10.0 million private placement equity financing. This proposed Pacific Road Financing is subject to a number of conditions, including (i) a concurrent restructuring (the "Sandstorm Restructuring") of the Company's gold stream and credit facilities with Sandstorm Gold Ltd. ("Sandstorm"), (ii) regulatory approvals including the approval of the Toronto Stock Exchange and, (iii) the approval of Luna's shareholders in accordance with the policies of the Toronto Stock Exchange.

On May 7, 2015, the Company entered into a definitive agreement with Sandstorm to restructure the gold stream and credit facilities with Sandstorm (note 7(b)) which, if completed, would satisfy the conditions of the Pacific Road Financing.

If the Pacific Road Financing and Sandstorm Restructuring is not completed or approved and the Forbearance Agreement is not extended, the lender of the Corporate Facility would be entitled to exercise their rights under the Corporate Facility. The Company has no assurance that such actions will be successful. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

These condensed consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption is not appropriate. If the going concern assumption is not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

2 Basis of presentation and statement of compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and accordingly should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014. The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements.

The condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on May 13, 2015.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

3 Accounts receivable and prepaid expenses

	March 31, 2015	December 31, 2014
Sandstorm Phase 1 expansion receivables	**$ 1,689**	$ 1,689
Value-added tax receivables	**1,236**	1,623
Prepaid expenses	**1,164**	1,096
	$ 4,089	$ 4,408

4 Inventory

	March 31, 2015	December 31, 2014
Ore in stockpiles	**$ 6,083**	$ 7,194
Work in progress	**1,181**	1,925
Finished goods	**4,421**	9,847
Consumable stores	**6,160**	7,433
	$ 17,845	$ 26,399

5 Property, plant and equipment

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs	Total
Cost at December 31, 2014	$ 83,167	$ 66,356	$ 69,443	$ 218,966
Additions	-	316	336	652
Cost at March 31, 2015	**$ 83,167**	**$ 66,672**	**$ 69,779**	**$ 219,618**
Accumulated amortization and impairment at December 31, 2014	(49,982)	(58,955)	(38,467)	(147,404)
Depletion and amortization for the period	(1,426)	-	(52)	(1,478)
Accumulated amortization and impairment at March 31, 2015	**$ (51,408)**	**$ (58,955)**	**$ (38,519)**	**$ (148,882)**
Net book value as at December 31, 2014	33,185	7,401	30,976	71,562
Net book value as at March 31, 2015	**$ 31,759**	**$ 7,717**	**$ 31,260**	**$ 70,736**

In December 2012, as amended on July 8, 2014, the Company entered into a definitive agreement (the "Amendment Agreement") with Sandstorm to contribute to funding the Phase I expansion at the Aurizona mine. Sandstorm agreed to contribute 17% of the required Phase I expansion capital expenditures to a maximum of $10.0 million. Sandstorm's contributions are accounted for as a reduction of property, plant, and equipment.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

The Company provided a completion guarantee in respect of the Amendment Agreement whereby the Company must produce in excess of 57,500 ounces of gold over any consecutive six month (as elected by the Company) period by December 15, 2016. If the Company fails to achieve this, then the Company is required to pay Sandstorm an amount equal to the following:

- (62,500 ounces of gold less the amount of ounces of gold produced over the elected six months) divided by 32,500 multiplied by $10.0 million, with interest thereon at Prime plus 2% per annum.

The Company does not expect to produce the required ounces by December 15, 2016. Accordingly, a liability has been recognized in other liabilities for the estimated amount payable pursuant to the completion guarantee (note 7).

6 Long-term debt

	March 31, 2015	December 31, 2014
Corporate Facility (a)	**$ 15,889**	$ 23,573
Sandstorm Debt Facility (b)	**22,929**	22,255
Finame	**254**	390
Finance leases	**51**	91
Total long-term debt	**39,123**	46,309
Less: current portion	**(39,123)**	(46,237)
	$ -	$ 72

a) Corporate Facility

In March 2013, the Company's wholly owned subsidiary, Aurizona Goldfields Corporation ("AGC"), entered into a $30.0 million corporate secured revolving facility (the "Corporate Facility") with Société Générale (Canada Branch) and Mizuho Corporate Bank Ltd.

The Corporate Facility matures on June 30, 2016 and carries an interest rate of LIBOR plus 4.25%. The principal amount of the Corporate Facility is repayable in quarterly instalments of $3.0 million until the maturity date, when the remaining outstanding amount will be due in full. The Company has provided security for the Corporate Facility in the form of a first ranking lien in favour of the Lenders, subject to permitted liens, over all the present and future assets of the Company and its subsidiaries.

Pursuant to the terms of the Corporate Facility, the Company is required to maintain a project life coverage ratio of greater than 1.50, a fixed charge coverage ratio of greater than 1.35, a current ratio of at least 1.10, and a reserve tail ratio of greater than 30% over the life of the loan. The Company is not in compliance with these requirements. Accordingly, the Company has classified its debt as a current liability. In addition, pursuant to the Corporate Facility, the Company was required to place $6.7 million in cash into a reserve account. During the three months ended March 31, 2015, $4.8 million was used to re-pay principal amounts of the Corporate Facility, leaving $1.9 million in the reserve account. This amount has been included on the statement of financial position as restricted cash. The Company has entered into a forbearance agreement with its Lenders (note 1).

b) Sandstorm Debt Facility

In September 2013, AGC drew down $10.0 million of a Debt Facility with Sandstorm Gold Ltd. ("Sandstorm"). The purpose of this loan was to provide additional working capital for the Company during the Phase I Expansion period. During the year ended December 31, 2014, the Company drew down a further $10.0 million.

The Sandstorm Debt Facility carries an interest rate of 12% per annum, is guaranteed by the Company and its subsidiary MASA, and is fully due and payable on June 30, 2017 (the "Maturity Date"). Under the terms of the agreement, Sandstorm has agreed to grant an interest free period of up to 16 months on the portion of the Sandstorm Debt Facility that funds brownfield exploration. As at March 31, 2015, the Company has accrued $3.0 million of interest due at the Maturity Date.

Under the terms of this agreement, the principal amount and all accrued and unpaid interest, or any portion thereof (the "Exchange Notice Amount"), may, at the option of Sandstorm, be exchanged for common shares of the Company at any time after June 30, 2015 and before the Maturity Date, upon notice to the Company by Sandstorm (the "Exchange Notice Date"), at an exchange price equal to the volume weighted average closing price of the Company's common shares on the TSX over the five trading days immediately prior to the Exchange Notice Date. From the Exchange Notice Date, the Company, at its election, shall have the lesser of 180 days or the days existing to Maturity Date to either (i) exchange the Exchange Notice Amount for common shares of the Company at an exchange price equal to the volume weighted average closing price of the Company's common shares on the TSX over the five trading days immediately prior to the Exchange Notice Date, or (ii) pay in cash the Exchange Notice Amount to Sandstorm. If Sandstorm exercises its option, the Company may elect to issue the shares or settle the conversion amount in cash.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Sandstorm may not acquire shares which would result in it owning more than 20% of the issued and outstanding common shares of the Company, whether purchased pursuant to the exercise of the exchange option or in the open market, without the prior approval of the TSX.

The Company provided security for the Sandstorm Debt Facility in the form of a third ranking lien in favour of Sandstorm, subject to a gold pledge agreement, a mineral rights pledge agreement, a machinery and equipment pledge and a guarantee by MASA. As the Company is not currently in compliance with the terms of the Corporate Facility (note 6(a)), the Company is also not compliant with the terms and conditions of the Sandstorm Debt Facility. Accordingly, the carrying value of the Sandstorm Debt Facility has been classified as a current liability. The Company has entered into negotiations to rectify its non-compliance.

7 Other liabilities

	March 31, 2015	December 31, 2014
Sandstorm transaction (a) (b)	**$ 7,141**	$ 7,321
Deferred revenue (c)	**1,283**	5,013
Phase I completion guarantee (note 5)	**4,066**	3,978
	12,490	16,312
Current portion	**(1,661)**	(5,146)
	$ 10,829	$ 11,166

(a) Sandstorm transaction

In May 2009, the Company entered into a definitive agreement with Sandstorm Gold Ltd. ("Sandstorm") under which the Company agreed to sell an effective 17% interest in certain reserves and resources of the Aurizona mine to Sandstorm for cash proceeds of $17.8 million and 5,500,000 Sandstorm common shares.

Of the $17.8 million payment, $9.5 million has been recorded as a reduction of property, plant and equipment and is amortized over the life of the reserve as part of depletion expense. The remaining $8.3 million is recorded as other liabilities and is amortized on a unit of sales basis as a credit to revenues.

As gold is delivered, the Company receives a payment in an amount equal to the lesser of $400 per ounce and the prevailing spot gold market price. The $400 per ounce received for gold delivered to Sandstorm is subject to an increase of 1% per annum beginning February 2014. Currently, the Company is receiving $408 per ounce on gold delivered to Sandstorm.

Sandstorm has been granted a charge on the assets and undertakings of Aurizona that is subordinate to any existing and future bank indebtedness.

If the Company decides to further develop an underground mine at Aurizona, Sandstorm will have the right to purchase an effective 17% interest in the underground mine, whereby 17% of the gold produced will be delivered to Sandstorm at a per-ounce price equal to the lesser of $500 and the prevailing market price, subject to an increase of 1% per annum beginning on the third anniversary from the date that the underground mine begins commercial production. In addition, Sandstorm will be required to contribute to capital expenditures to construct and develop the underground mine, and towards all actual drilling and other costs incurred to complete the required technical report determining the economic viability of the applicable underground mine option.

b) Sandstorm Stream Agreement Restructuring Proposal

The Company has entered into a definitive agreement with Sandstorm Gold Ltd. outlining a restructuring of its gold stream (note 7(a) and the Sandstorm Debt Facility agreement (note 6(b)). The Sandstorm Restructuring is subject to a number of conditions, including (i) a concurrent equity raise with gross proceeds to Luna of at least CA$20.0 million, (ii) regulatory approvals such as the approval of the Toronto Stock Exchange, (iii) the approval of Luna's shareholders, and (iv) the negotiation and execution of definitive agreements for the Sandstorm Restructuring. Until the conditions are satisfied there can be no assurances that the Sandstorm Restructuring will be completed. On May 7, 2015, the Company entered into the Pacific Road Financing arrangement (note 1), which includes CA $20.0 million in debt and CA $10.0 million in equity investment by Pacific Road. Subject to the execution of definitive agreements, the Company anticipates completion of the Sandstorm Restructuring on or around June 30, 2015, assuming the conditions can be met.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Restructuring Terms

i) Gold Stream Restructuring

Under the terms of the Sandstorm Restructuring, the Gold Stream would be terminated and replaced by two net smelter return royalties ("NSR") (the "Aurizona Project NSR" and the "Greenfields NSR") and a convertible debenture. The Aurizona Project NSR would cover the entire Aurizona project, including the 43-101 compliant Resources, and all adjacent exploration upside that would be processed through the Aurizona mill net of certain third party refining costs. The Aurizona Project NSR would be a sliding scale royalty based on the price of gold as follows:

- 3% if the price of gold is less than or equal to $1,500 per ounce;
- 4% if the price of gold is between $1,500 per ounce and $2,000 per ounce; and
- 5% if the price of gold is greater than $2,000 per ounce.

The Greenfields NSR would cover the 190,073 hectares of exploration ground held by Luna and would be a 2% NSR. Luna would have the right to purchase one-half of the Greenfields NSR for $10.0 million at any time prior to commercial production. Sandstorm would hold a right of first refusal on any future streams or royalties on the Aurizona Project and Greenfields. Under the Proposed Restructuring, Sandstorm would also receive a $30.0 million debenture bearing interest at a rate of 5% per annum (the "Debenture"). The Debenture would be payable in three equal annual tranches of $10.0 million plus accrued interest beginning January 1, 2018. Luna would have the right to convert principal and interest owing under the Debenture into common shares of Luna, so long as Sandstorm does not own more than 20% of the outstanding common shares of Luna.

ii) Sandstorm $20.0 million Debt Facility Agreement

Under the Sandstorm Debt Facility amendment, the maturity date of the Debt Facility would be extended from June 30, 2017 to June 30, 2021, the interest rate would be revised to 5% per annum, payable in cash on the maturity date, and Luna would be subject to a default rate of interest equal to 10% per annum.

(c) Deferred revenue

Deferred revenue represents proceeds from the sale of gold received prior to delivery of the gold to the customer. This amount will be recognized in revenue in April 2015 when the related gold is delivered to the customer and has been included in the current portion of other liabilities.

8 Share-based compensation

The Company provides share-based compensation to its directors, officers, employees, or consultants through grants of stock options and restricted share units.

a) Stock options

	March 31, 2015	
	Number of shares (000's)	**Weighted average exercise price CAD**
Outstanding - beginning of period	**7,619**	**2.29**
Granted	**-**	**-**
Exercised	**-**	**-**
Forfeited/Expired	**(1,521)**	**1.71**
Outstanding - end of period	**6,098**	**2.44**

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

At March 31, 2015, the following stock options were outstanding:

Number of shares (000's)	Vested (000's)	Price per share CAD	Expiry Date
1,858	1,858	1.55 – 3.15	Jul – Sep 2015
1,130	1,130	2.30 – 3.25	Apr – Oct 2016
1,591	1,563	2.10 – 3.55	Mar – Nov 2017
694	383	1.55 – 3.01	Apr – Aug 2018
825	178	1.08 – 1.16	Mar – Jun 2019
6,098	5,112		

	March 31, 2015
Weighted average exercise price for exercisable options	**CAD 2.67**
Weighted average share price for options exercised	**-**
Weighted average years to expiry for exercisable options	**1.8 years**

For the three months ended March 31, 2015, the total share-based compensation charges related to options granted to employees and directors was a recovery of $0.1 million (2014 – expense of $0.3 million).

9 Segmented information

The Company operates in a single segment, the mining and production of gold and brownfield exploration at the Aurizona mine. In addition, the Company has greenfield exploration and corporate activities. The exploration activities include the Luna Greenfields district, located in the same geographical area as the Aurizona mine, and the corporate activities include the evaluation and acquisition of new mineral properties, treasury and finance, regulatory reporting and corporate administration.

10 Finance cost

	2015	2014
Interest expense	**$ (1,764)**	$ (735)
Accreted interest – debt instruments	**(231)**	(125)
Accreted interest – restoration provision	**(119)**	(88)
	(2,114)	(948)
Less: interest capitalized	**-**	651
	$ (2,114)	$ (297)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

11 Financial instruments

a) Derivative assets and liabilities

The Company's derivative asset balance consists of:

	March 31, 2015	December 31, 2014
Gold forward contracts	**$ 3,605**	$ 4,277
Less: current portion	**(2,896)**	(2,887)
	$ 709	$ 1,390

The Company's derivative liability balance consists of:

	March 31, 2015	December 31, 2014
Foreign exchange forward contracts	**$ 9,970**	$ 7,498
Less: current portion	**(7,886)**	(5,004)
	$ 2,084	$ 2,494

As required by the Corporate Facility, the Company entered into gold forward and foreign exchange forward contracts until June 2016. The Company has gold forward contracts outstanding to sell 1,914.51 ounces of gold per quarter at a price of $1,566.98 per ounce and foreign exchange forward contracts outstanding to buy $6.0 million per quarter of BRL at exchange rates ranging from BRL:USD 2.04843 to 2.36400 until June 2016.

Subsequent to quarter end, the Company closed all its gold forward contracts and used the proceeds to close out certain BRL / USD forward contracts. Total cash proceeds of $3.6 million from the gold forward contracts and the $1.9 million restricted cash were used to close out the June 15, 2016, March 8, 2016 and part of the December 15, 2015 and September 8, 2015 BRL / USD forward contracts.

b) Financial instruments gain (loss)

	2015	2014
Unrealized loss on gold forward contracts	**$ (671)**	$ (2,025)
Realized gain on gold forward contracts	**804**	404
Unrealized (loss) gain on foreign exchange contracts	**(2,472)**	2,434
Realized loss on foreign exchange contracts	**(1,390)**	(2)
Unrealized gain on marketable securities	**193**	2,272
Realized gain on marketable securities	**24**	-
	$ (3,512)	$ 3,083

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

c) Fair value classification of financial instruments

The following table provides the fair value of each classification of financial instrument:

	March 31, 2015	December 31, 2014
Financial assets:		
Loans and receivables:		
Cash and cash equivalents	**$ 3,769**	$ 3,694
Restricted cash	**1,873**	6,690
Sandstorm Phase I expansion receivables	**1,689**	1,689
Notes receivable	**3,719**	3,821
Held for trading:		
Marketable securities and share consideration	**1,053**	1,129
Derivative asset	**3,605**	4,277
Total financial assets	**$ 15,708**	$ 21,300
Financial liabilities:		
Held for trading:		
Derivative liabilities	**$ 9,970**	$ 7,498
Other:		
Accounts payable and accrued liabilities	**8,903**	13,020
Long-term debt, including current portion	**39,123**	46,309
Total financial liabilities	**$ 57,996**	$ 66,827

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at March 31, 2015, marketable securities and share consideration is valued using level 1 inputs and derivatives are valued using level 2 inputs. For disclosure purposes, the fair value of the notes receivable and long term debt are determined using level 2 inputs.

The carrying values of cash and cash equivalents, trade receivables, Sandstorm phase I expansion receivable and accounts payable and accrued liabilities approximate their fair value due to their short terms to maturity. The carrying values of notes receivable and long term debt approximate their fair value based on market rates of interest and current credit spreads.

The marketable securities and share consideration receivable are designated at fair value through profit and loss. Fair value is measured based on the market value of the related common shares at each reporting date, and changes in fair value are recognized in net income. The carrying value of these instruments is included in other financial assets.

Derivative assets and liabilities are determined using a discounted cash flow model based on forward curves for gold prices and foreign exchange rates and discount rates reflecting the risks associated with the asset or liability, including the Company's or counterparty credit risk as applicable.