Southern Sun Minerals Inc.
Consolidated Financial Statements
30 June 2015
(Expressed in Canadian dollars)

JAMES STAFFORD

James Stafford, Inc.
Chartered Professional Accountants
Suite 350 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Telephone +1 604 669 0711
Facsimile +1 604 669 0754
www.JamesStafford.ca

Independent Auditor's Report

To the Shareholders of
Southern Sun Minerals Inc.

We have audited the accompanying consolidated financial statements of **Southern Sun Minerals Inc.** which comprise the consolidated statements of financial position as at 30 June 2015 and 2014 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Southern Sun Minerals Inc. as at 30 June 2015 and 2014 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Other Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Southern Sun Minerals Inc. to continue as a going concern.

James Stafford

Chartered Professional Accountants
Vancouver, Canada
27 October 2015

Southern Sun Minerals Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at 30 June 2015	As at 30 June 2014
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**25,293**	169,369
Trade and other receivables	5	**1,040**	2,217
Prepaid expenses		**-**	811
		26,333	172,397
Exploration and evaluation properties	6	**-**	217,312
Total assets		**26,333**	389,709
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	7	**46,981**	8,279
Related party loans	12.3	**10,999**	-
		57,980	8,279
Equity (Deficiency)			
Common shares	8	**689,073**	689,073
Reserves	8	**85,453**	78,226
Deficit		**(806,173)**	(385,869)
Total equity (deficiency)		**(31,647)**	381,430
Total equity (deficiency) and liabilities		**26,333**	389,709

Nature of operations and going concern (Note 1), **Commitments and contingency** (Note 16) and **Subsequent events** (Note 17)

APPROVED BY THE BOARD:

"Harry Barr" *"John Oness"*

Harry Barr John Oness

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

Southern Sun Minerals Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	**Year ended 30 June 2015**	Year ended 30 June 2014
		$	$
Administration expenses			
Bank charges and interest		**330**	474
Investor relations	12.1	**3,750**	5,428
Office and miscellaneous	12.1	**19,036**	19,468
Professional fees	12.1	**111,120**	123,185
Rent	12.1	**19,834**	37,654
Share-based payment	8.6	**7,227**	8,860
Transfer agent fees		**18,750**	44,512
Travel, lodging and food		**4,951**	5,759
Loss before other items		**(184,998)**	(245,340)
Other items			
Interest income	15	**4**	2,827
Foreign exchange loss		**(3,420)**	(3,514)
Valuation allowance on exploration and evaluation properties	6	**(231,890)**	-
Net loss and comprehensive loss for the year		**(420,304)**	(246,027)
Loss per share			
Basic and diluted	9	**(0.073)**	(0.063)

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

Southern Sun Minerals Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	**Year ended 30 June 2015**	Year ended 30 June 2014
		$	$
OPERATING ACTIVITIES			
Loss for the year		**(420,304)**	(246,027)
Adjustment for:			
Share-based payment	8.6	**7,227**	8,860
Valuation allowance on exploration and evaluation properties	6	**231,890**	-
Changes in operating working capital:			
Decrease in trade and other receivables	5	**1,177**	5,878
Decrease in prepaid expenses		**811**	9,189
Increase in trade and other payables	7	**38,702**	(9,254)
Cash used in operating activities		**(140,497)**	(231,354)
INVESTING ACTIVITIES			
Exploration and evaluation properties expenditures	6	**(14,578)**	(28,312)
Cash used in investing activities		**(14,578)**	(28,312)
FINANCING ACTIVITIES			
Related party loans	12.3	**10,999**	-
Cash provided by financing activities		**10,999**	-
Decrease in cash and cash equivalents		**(144,076)**	(259,666)
Cash and cash equivalents, beginning of year		**169,369**	429,035
Cash and cash equivalents, end of year		**25,293**	169,369

Supplemental cash flow information (Note 15)

Southern Sun Minerals Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)

	Number of common shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$
Balances, 1 July 2013	9,050,502	500,073	54,594	14,772	(139,842)	429,597
Business acquisition	1,740,000	174,000	-	-	-	174,000
Shares issued for mineral properties	500,000	15,000	-	-	-	15,000
Share-based payments	-	-	8,860	-	-	8,860
Net loss for the year	-	-	-	-	(246,027)	(246,027)
Balances, 30 June 2014	11,290,502	689,073	63,454	14,772	(385,869)	381,430
Share-based payments	-	-	7,227	-	-	7,227
Net loss for the year	-	-	-	-	(420,304)	(420,304)
Balances, 30 June 2015	**11,290,502**	**689,073**	**70,681**	**14,772**	**(806,173)**	**(31,647)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Southern Sun Minerals Inc. (the "Company" or "SSI") was incorporated on 2 June 2011 under the laws of the province of British Columbia and is a mineral exploration company focused on the acquisition, exploration and development of primarily gold, silver and base metal properties. The Company will attempt to bring the properties to production. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

The head office and principal address is located at Suite 101, 2148 West 38th Avenue, Vancouver, British Columbia, V6M 1R9.

1.1 Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 30 June 2015, the Company had cash and cash equivalents of $25,293 (2014: $169,369). Existing funds on hand at 30 June 2015 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the coming year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, developing its properties and/or generating profits from operations or the disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

Name	Country of Incorporation	% Equity interest at 30 June 2015	2014
Rock Star Resources Inc.	Canada	100%	100%
Rock Star Resources US, Inc.	USA	100%	100%

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 10, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with using accounting policies in full compliance with International Accounting Standards ("IFRS") and International Accounting Standards (IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended 30 June 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3.2 Comparative figures

Certain comparative figures have been reclassified in accordance with the current year's presentation.

3.3 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

3.4 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.5 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3.6 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties. A gain or loss may be incurred upon settlement of the decommissioning obligation.

3.7 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include short term investments in equities of other entities. The fair value is determined by reference to bid prices at the close of business on the reporting date.

Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.8 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.9 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.10 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.11 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.12 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.13 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options, as determined using the Black-Scholes Option Pricing Model, which incorporates all market vesting conditions are expensed to profit or loss. The corresponding amount is recorded to the stock options reserve. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.14 Foreign currency translation

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.15 Earnings (loss) per share

Basic per share amounts are calculated by dividing the earnings or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of share purchase warrants and stock options.

3.16 Adoption of new and revised standards and interpretations

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended 30 June 2015:

- IFRS 7 *'Financial Instruments: disclosures'* clarifies whether a servicing contract is for continuing involvement in a transferred financial asset. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IFRS 9, *'Financial Instruments'*: The IASB has undertaken a three-phase project to replace IAS 39 *'Financial Instruments: Recognition and Measurement'* with IFRS 9 *'Financial Instruments'*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

  - Financial assets meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
  - Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
  - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
  - The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the "business model" test and "cash flow characteristics" test.
  - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

  The amendments are effective for annual periods beginning on or after 1 January 2018.

- IFRS 10 *'Consolidated Financial Statements'* clarifies the conditions for a parent to present consolidated financial statements for investment entities, and treatment for loss of control of a subsidiary that does not contain a business. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IAS 1 '*Presentation of Financial Statements*' is an amendment to clarify certain aspects focused on the areas of clarification of the concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.

3.17 Changes in accounting policies

Effective 1 July 2014, the Company adopted the following standards, amendments and interpretations:

- IFRS 10, '*Consolidated Financial Statements*' which replaces consolidation requirements in IAS 27 (as amended in 2008) and Standing Interpretations Committee ("SIC") 12.

- IFRS 11, '*Joint Arrangements*' which replaces IAS 31 and SIC 13.3.11.

- IAS 24 '*Related Party Disclosures*' is an amendment to clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.

- IFRS 12, '*Disclosure of Interests in Other Entities*' which replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

- IFRS 13, '*Fair Value Measurement'* which replaces fair value measurement guidance in other IFRS.

- IAS 19 (Amendment), *'Employee Benefits'* which revises recognition and measurement of post-employment benefits.

- IAS 27 (Amendment), '*Separate Financial Statements*' which prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28 (Amendment), '*Investments in Associates and Joint Ventures*' which prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The adoption of the above standards, amendments and/or interpretations did not result in a material impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars)

4. BUSINESS COMBINATION

On 2 July 2013, the Company purchased all of the issued and outstanding common shares of Rock Star Resources Inc. (the "Subsidiary") in consideration for 1,740,000 common shares of the Company, valued at $0.10 per share totaling $174,000 to acquire the Galleon Property (Note 8).

The acquisition was accounted for at fair value using the purchase method of accounting for business combinations and operating results from acquired facilities are recognized subsequent to the date of acquisition. The total purchase consideration has been allocated as follows:

	$
Value of net assets acquired:	
Cash and cash equivalents	53,993
Amounts receivable	72
Exploration and evaluation property (Note 6)	175,731
Trade payables and accrued liabilities	(55,796)
Purchase price	174,000

5. TRADE AND OTHER RECEIVABLES

The Company's amounts receivable consist of Goods and Services Tax / Harmonized Sales Tax ("GST/HST") receivable due from the government taxation authorities.

6. EXPLORATION AND EVALUATION PROPERTIES

The Galleon Property

The Galleon Property is located in the Bonnifield Mining District of Alaska. All claims are located in the Fairbanks and Nenana Recording Districts in Alaska.

The Company's exploration and evaluation properties expenditures on the Galleon Property for the years ended 30 June 2015 and 2014 are summarized as follows:

Year ended 30 June	**2015**	2014
	$	$
EXPLORATION AND EVALUATION COSTS		
Balance, beginning of the year	**217,312**	-
Acquisition through subsidiary (Note 4)	-	175,731
Shares issued as considerations (Note 8)	-	15,000
Acquistion cost	**2,500**	21,659
Maintenance	**12,078**	4,922
Valuation allowance (Note 15)	**(231,890)**	-
Balance, end of year	-	217,312
Total costs	-	217,312

(Expressed in Canadian dollars)

The Company entered into an agreement with Anglo Alaska Gold Corporation ("Anglo") dated 16 September 2013 (the "Option") and as amended on 28 November 2014 in which the Company assumed responsibility of payments that were required to be made to Anglo, as per the Galleon Option Agreement, and has the sole and exclusive right, privilege and option to purchase 100% interest in and to certain claims located on the Galleon Property.

In order to earn a 100% interest in the Galleon Property, the Company, at its option, can issue shares and make payments and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Within 10 days upon signing	(paid)	USD$2,500	-	-
On or before 30 November 2013	(issued) (Note 8)	-	500,000	-
On or before 30 August 2014	(not issued)(Note 16)	-	100,000	-
On or before 14 December 2015		USD$2,500	-	-
On or before 14 December 2016		USD$2,500	-	-
On or before 30 November 2017	(paid)	USD$75,000	-	-
On or before 31 December 2017	(completed)	-	-	USD$200,000
On or before 30 November 2018		USD$45,000	-	-
On or before 31 December 2018		-	-	USD$50,000
On or before 30 November 2019		USD$45,000	-	-
On or before 31 December 2019		-	-	USD$300,000
		US$172,500	600,000	USD$550,000

The property is subject to a 1% net smelter return royalty ("NSR") and the Company has the right to purchase 1% of the NSR for US$1,000,000.

As at 30 June 2015, due to prevailing junior resource market conditions, the uncertainty associated with the Company's ability to exploit any future economic benefits from the property and the Company not having sufficient funds to spend on its exploration program, the Company recorded a valuation allowance of $231,890 (2014 - $Nil) with respect to the Galleon Property.

7. TRADE AND OTHER PAYABLES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative activities. These are broken down as follows:

As at 30 June	**2015**	2014
	$	$
Trade payables	**17,121**	315
Due to related parties (Note 12.2)	**14,860**	1,464
Accrued liabilities	**15,000**	6,500
Total trade and other payables	**46,981**	8,279

(Expressed in Canadian dollars)

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

As at 30 June 2015, the Company had 11,290,502 common shares outstanding (2014: 11,290,502 common shares) and no preferred shares outstanding (2014: Nil).

8.2 Common shares issuances

No common shares were issued during the year ended 30 June 2015.

During the year ended 30 June 2014, the Company issued common shares as follows:

- On 23 October 2013, the Company issued 1,740,000 common shares at a price of $0.10 per common share for the acquisition of the Subsidiary (Notes 4 and 15.2).
- On 28 November 2013, 500,000 common shares at a price of $0.03 per common share were issued to Anglo, pursuant to the Option to acquire the 100% interest in the Galleon Property (Notes 6 and 15.2).

8.3 Shares in escrow

During the year ended 30 June 2015, 2,652,600 (2014: 2,210,502) of the Company's common shares were released from escrow. As at 30 June 2015, a total of 3,978,900 (2014: 6,631,500) of the Company's common shares remained in escrow. These shares have been excluded from the calculation of the weighted number of common shares outstanding (Note 9).

8.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the years ended 30 June 2015 and 2014:

	30 June 2015		30 June 2014	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of year	**215,050**	**0.10**	215,050	0.10
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**(215,050)**	**(0.10)**	-	-
Forfeited	**-**	**-**	-	-
Outstanding, end of year	**-**	**-**	215,050	0.10

(Expressed in Canadian dollars)

8.5 Stock options

Effective 23 October 2014, the Company has adopted a stock option plan whereby it is authorized to grant options to executive officers and directors, employees and/or consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. The aggregate maximum number of common shares issuable under the plan is 2,258,100 common shares. The aggregate number of options granted to one optionee in a 12-month period is limited to 5% of the issued common shares of the Company.

The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Directors grant such options.

The following is a summary of the changes in the Company's stock option activities for years ended 30 June 2015 and 2014:

	30 June 2015		30 June 2014	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
		$		$
Outstanding, beginning of year	**945,000**	**0.11**	600,000	0.10
Granted	**-**	**-**	395,000	0.12
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	-	-
Cancelled	**(60,000)**	**(0.12)**	(50,000)	(0.12)
Outstanding, end of year	**885,000**	**0.11**	945,000	0.11

The weighted average fair value of the options granted during the year ended 30 June 2015 was estimated at $Nil (2014: $0.046) per option at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	30 June 2015	30 June 2014
Risk free interest rate	-	1.26%
Expected life	-	5 years
Expected volatility	-	178.86%
Expected dividend per share	-	0.00%

(Expressed in Canadian dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at 30 June 2015:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
Options				
$0.10	600,000	600,000	2.80	$0.10
$0.12	285,000	285,000	3.83	$0.12
Total	**885,000**	**885,000**	**3.32**	**$0.11**

8.6 SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which $7,227 was recognized in the year ended 30 June 2015 (2014: $8,860):

Grant date	Fair value	**Amount vested to 30 June 2015**	Amount vested to 30 June 2014
	$	**$**	$
29 April 2014	16,087	**7,227**	8,860
Total	16,087	**7,227**	8,860

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

Year ended 30 June	**2015**	2014
	$	$
Net loss for the year	**420,304**	246,027
Weighted average number of shares – basic and diluted	**5,799,983**	3,886,235
Loss per share, basic and diluted	**(0.073)**	(0.063)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share purchase warrants and convertible debentures, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and agent compensation warrants were anti-dilutive for the years ended 30 June 2015 and 2014.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS

10.1 Categories of financial instruments

	30 June 2015	30 June 2014
	$	$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	**25,293**	169,369
Total financial assets	**25,293**	169,369
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**17,121**	315
Due to related parties	**14,860**	1,464
Related party loans	**10,999**	-
Total financial liabilities	**42,980**	1,779

10.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 30 June 2015, the Company does not have any Level 3 financial instruments.

(Expressed in Canadian dollars)

As at 30 June 2015	**Level 1**	**Level 2**	**Total**
	$	**$**	**$**
Financial assets at fair value			
Cash and cash equivalents	**25,293**	**-**	**25,293**
Total financial assets at fair value	**25,293**	**-**	**25,293**

As at 30 June 2014	Level 1	Level 2	Total
	$	$	$
Financial assets at fair value			
Cash and cash equivalents	169,369	-	169,369
Total financial assets at fair value	169,369	-	169,369

There were no transfers between Level 1 and 2 in the years ended 30 June 2015 and 2014.

10.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies and amounts receivable are due from the Government of Canada and financial institutions. As a result, the Company is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no steady source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 30 June 2015, the Company had a working capital deficit of $31,647 (2014: $164,118 – working capital) (Note 1.1).

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

Currency Risk

The Company is exposed to currency risk by incurring certain expenditures and holding assets denominated in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's operations.

Commodity price risk

The Company is not exposed to commodity price risk as it is still in exploration stage.

11. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements.

The Company is dependent on external financing to fund its activities. In order to carry out its planned business strategy, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

As at 30 June 2015, the Company's capital structure consists of the equity of the Company (Note 8). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at 30 June 2015, the Company's available capital resources, consisting of cash and cash equivalents, totaled $25,293 (2014: $169,369). As at 30 June 2015, the Company's total payables are $57,980 (2014: $8,279). The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future.

12. RELATED PARTY TRANSACTIONS

For the year ended 30 June 2015, the Company had transactions with the following companies related by way of directors or shareholders in common:

- Pacific North West Capital Corp. ("PFN"), a company with management and directors in common with the Company. PFN provides office and consulting services to the Company.

(Expressed in Canadian dollars)

- Onestar Consulting Inc. ("Onestar"), a company with a director in common with the Company. Onestar provides consulting services on a month – to – month basis.

12.1 Related party expenses

The Company's related party expenses are summarized as follows:

Year ended 30 June	**2015**	2014
	$	$
Accounting	**-**	4,800
Investor relations	**3,750**	-
Office and administration	**18,009**	17,061
Rent	**19,834**	37,654
Consulting	**28,834**	27,786
Total related party expenses	**70,427**	87,301

12.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due to related parties:

As at 30 June	**2015**	2014
	$	$
Onestar	**7,875**	-
PFN	**5,220**	1,464
CEO	**1,765**	-
Total amount due to related parties (Note 7)	**14,860**	1,464

12.3 Related party loans

The Company's related party loans are summarized as follows:

As at 30 June	**2015**	2014
	$	$
On 17 June 2015, a loan in the amount of $10,999 was received from the CEO of the Company. No repayments have been made on the loan as at 30 June 2015. The loan bears interest at a rate of Nil% per annum on any unpaid principal balance, is unsecured and has no fixed terms of repayment. The Company may repay the principal amount due at any time without premium or penalty.	**10,999**	-
Total related party loans	**10,999**	-

(Expressed in Canadian dollars)

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of key management for the years ended 30 June 2015 and 2014 were as follows:

Year ended 30 June	2015	2014
	$	$
Short-term benefits	22,500	-
Share-based payments (Note 8)	1,177	1,866
Total key management personnel compensation	23,677	1,866

14. TAXES

14.1 Provision for income taxes

Year ended 30 June	2015	2014
	$	$
Loss before tax	(420,304)	(246,027)
Statutory tax rate	26.00%	26.00%
Expected tax recovery	109,279	63,967
Non-deductible items	(1,968)	(8,146)
Change in prior year provision to actual	(556)	(1,593)
Change in future tax rates	-	1,073
Change in valuation allowance	(106,755)	(55,301)
Tax recovery for the year	-	-

14.2 Deferred tax balances

As at 30 June	2015	2014
	$	$
Tax loss carry-forwards	138,119	89,145
Share issue costs	4,863	7,374
Mineral properties	56,804	(3,488)
	199,786	93,031
Valuation allowance	(199,786)	(93,031)
Deferred tax assets (liabilities)	-	-

(Expressed in Canadian dollars)

14.3 Expiry dates

The Company's recognized and unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

As at 30 June	2015
	$
Non-capital losses	
2031	**708**
2032	**6,705**
2033	**97,741**
2034	**235,568**
2035	**190,506**
Total non-capital losses	**531,228**
Total resource-related deduction, no expiry	**218,476**

15. SUPPLEMENTAL CASH FLOW INFORMATION

15.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

Year ended 30 June	2015	2014
	$	$
Interest paid (received)	(4)	(2,827)
Taxes paid (received)	-	-
Total cash payments (receipts)	(4)	(2,827)

15.2. Non-cash financing and investing activities

Year ended 30 June	2015	2014
	$	$
Common shares issued as considerations for the Galleon property (Notes 6 and 8)	-	15,000
Common shares issued for acquisition of the subsidiary (Notes 4 and 8)	-	174,000
Total	-	189,000

During the year ended 30 June 2015, the Company recorded a valuation allowance of $231,890 (2014 - $Nil) with respect to the Galleon Property Project (Note 6).

16. COMMITMENTS AND CONTINGENCY

The Company has certain commitments to make payments or issue common shares related to the exploration and evaluations property agreements (Note 6).

The Company is in default with respect to certain terms of the exploration and evaluation property option agreements (Note 6).

17. SUBSEQUENT EVENTS

On 22 October 2015, the Company announced a non-brokered private placement for up to 15,000,000 units raising gross proceeds of up to $225,000 at a purchase price of $0.015 per unit, pursuant to a discretionary waiver obtained from the TSX Venture Exchange on 22 October 2015 from the $0.05 per share minimum pricing requirements.

Each unit will consist of one common share at a price of $0.015 per unit and one non-transferable share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 24 months from closing at a price of $0.05 per share.

18. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the year ended 30 June 2015 were approved and authorized for issue by the Board of Directors on 27 October 2015.