



# 2015

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2015 (Unaudited)  
(expressed in Canadian Dollars)

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**WELLGREEN PLATINUM LTD.  
(AN EXPLORATION STAGE COMPANY)**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2015  
(UNAUDITED)**

*(Expressed in Canadian Dollars)*

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2015, have been prepared by management and approved by the Company's Audit Committee. Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, if an auditor has not performed a review of a company's interim financial statements, the financial statements must be accompanied by a notice indicating that the statements have not been reviewed by an auditor. The Company's independent auditor, Manning Elliott LLP, has not performed a review of these financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of British Columbia for a review of interim financial statements by an entity's auditor.

**WELLGREEN PLATINUM LTD.** (an exploration stage company)  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	Note	September 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	\$ 3,432,040	\$ 10,495,642
Amounts receivable	4	161,776	243,503
Exploration deposits	7(g)	-	118,278
Loans receivable	13	456,722	908,418
Prepaid expenses	5	261,872	149,483
		<b>4,312,410</b>	<b>11,915,324</b>
<b>Non-Current Assets</b>			
Assets classified as held for sale	8	7,253,734	7,239,127
Equipment	6	400,503	283,772
Exploration and evaluation mineral properties	7	43,564,569	39,279,320
		<b>51,218,806</b>	<b>46,802,219</b>
<b>TOTAL ASSETS</b>		<b>\$ 55,531,216</b>	<b>\$ 58,717,543</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and other liabilities	9	\$ 2,895,998	\$ 2,844,412
Flow through share premium liability	9	923,230	1,573,295
Due to related parties	13	25,250	128,617
		<b>3,844,478</b>	<b>4,546,324</b>
<b>Non-Current Liabilities</b>			
Liabilities classified as held for sale	8	668,644	656,821
<b>TOTAL LIABILITIES</b>		<b>4,513,122</b>	<b>5,203,145</b>
<b>EQUITY</b>			
Share capital	11	105,159,128	105,138,928
Reserves		12,888,391	11,840,815
Deficit		(67,029,425)	(63,465,345)
<b>TOTAL EQUITY</b>		<b>51,018,094</b>	<b>53,514,398</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 55,531,216</b>	<b>\$ 58,717,543</b>

Commitments (Note 20)

Contingencies (Note 21)

Subsequent event, financing package (Note 22)

Approved on behalf of the Audit Committee on November 12, 2015:

"Myron Manternach"

Myron Manternach, Director

"Mike Sylvestre"

Mike Sylvestre, Director

*The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.*

**WELLGREEN PLATINUM LTD.** (an exploration stage company)**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars) (Unaudited)

		Three Months Ended		Nine Months Ended	
		September 30, 2015	September 30, 2014	September 30 , 2015	September 30, 2014
	Note				
<b>OPERATING EXPENSES</b>					
Consulting		\$ 3,894	\$ 37,006	\$ 55,084	\$ 164,100
Depreciation		6,026	6,327	16,767	19,925
Foreign exchange loss (gain)		12,696	(1,234)	25,458	(14,362)
Insurance		11,824	12,603	35,451	37,895
Interest part XII.6 Tax	11	17,580	5,237	58,055	16,830
Office		117,859	70,104	336,582	177,732
Professional fees		201,233	93,754	498,026	305,576
Property maintenance		8,088	18,830	49,311	64,351
Regulatory fees		12,184	28,904	77,004	84,102
Relations and business development		177,419	175,887	591,371	539,154
Salaries and wages		511,150	533,020	1,597,755	1,449,846
Share-based payments	12	207,013	175,434	1,009,799	1,839,769
Loss before non-operating items		(1,286,966)	(1,155,872)	(4,350,663)	(4,684,918)
<b>NON-OPERATING INCOME (EXPENSE)</b>					
Accretion expense		(3,941)	-	(11,823)	-
Flow through share premium		464,120	33,336	650,065	148,228
Gain on recovery of exploration deposits	7(g)	-	-	58,202	-
Interest income		24,510	15,734	90,140	24,066
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		<b>(802,277)</b>	<b>(1,106,802)</b>	<b>(3,564,079)</b>	<b>(4,512,624)</b>
<b>NET LOSS PER COMMON SHARE, BASIC AND DILUTED</b>					
		\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.05)
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>					
		112,368,061	93,707,978	112,366,772	86,558,303

*The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.*

**WELLGREEN PLATINUM LTD.** (an exploration stage company)  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars) (Unaudited)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Net loss	\$ (3,564,079)	\$ (4,512,624)
Add (deduct) items not affecting cash		
Accrued investment income	(5,026)	(6,675)
Accretion expense	11,823	-
Depreciation	16,767	19,925
Flow through share premium income amortization	(650,065)	(148,228)
Gain on recovery of exploration deposit	(58,202)	-
Share-based payments	1,009,799	1,839,769
	(3,238,983)	(2,807,833)
Changes in non-cash working capital balances		
Decrease in amounts receivable	81,727	78,294
Decrease (increase) in prepaid expenses	(112,389)	75,695
Decrease in accounts payable	(69,483)	(1,440,691)
Reclamation deposit	-	2,901
Cash Used in Operating Activities	(3,339,128)	(4,091,634)
<b>INVESTING</b>		
Shelter purchases and leasehold improvements	(165,595)	-
Exploration expenditures	(4,088,714)	(2,332,170)
Proceeds on recovery of exploration deposits, net	176,480	-
Cash Used in Investing Activities	(4,077,829)	(2,332,170)
<b>FINANCING</b>		
Payments on related party liability	(103,367)	(54,029)
Payments received on loans receivable	456,722	-
Proceeds from exercise of warrants	-	992,909
Proceeds from share issuance, net of issue costs	-	6,811,289
Cash Provided by Financing Activities	353,355	7,750,169
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,063,602)	1,326,365
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,495,642	1,934,682
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 3,432,040	\$ 3,261,047

Supplemental cash flow information (Note 19)

*The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.*

**WELLGREEN PLATINUM LTD.** (an exploration stage company)  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars) (Unaudited)

	Number of Common Shares	Common Shares Amount	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
<b>As at January 1, 2014</b>	<b>80,682,295</b>	<b>\$ 87,948,382</b>	<b>\$ 9,781,718</b>	<b>\$ -</b>	<b>\$ (57,874,514)</b>	<b>\$ 39,855,586</b>
Private Placement - January 9, 2014	1,199,700	659,820	-	-	-	659,820
Equity Financing - June 24, 2014	10,615,650	6,900,172	-	-	-	6,900,172
Shares issued from warrants exercised	1,203,636	992,909	-	-	-	992,909
Stock Appreciation Rights exercise	7,139	17,253	(17,253)	-	-	-
Share issue costs	-	(804,216)	-	-	-	(804,216)
Share-based payments	-	-	1,874,985	-	-	1,874,985
Net loss for the nine months ended September 30, 2014	-	-	-	-	(4,512,624)	(4,512,624)
<b>As at September 30, 2014</b>	<b>93,708,420</b>	<b>\$ 95,714,320</b>	<b>\$ 11,639,450</b>	<b>\$ -</b>	<b>\$ (62,387,138)</b>	<b>\$ 44,966,632</b>
<b>As at January 1, 2015</b>	<b>112,358,390</b>	<b>\$ 105,138,928</b>	<b>\$ 11,840,815</b>	<b>\$ -</b>	<b>\$ (63,465,345)</b>	<b>\$ 53,514,398</b>
Shares issued from stock appreciation rights exercised	9,671	24,859	(25,879)	-	-	(1,020)
Share issue costs	-	(4,659)	-	-	-	(4,659)
Share-based payments	-	-	1,073,455	-	-	1,073,455
Net loss for the nine months ended September 30, 2015	-	-	-	-	(3,564,080)	(3,564,080)
<b>As at September 30, 2015</b>	<b>112,368,061</b>	<b>\$ 105,159,128</b>	<b>\$ 12,888,391</b>	<b>\$ -</b>	<b>\$ (67,029,425)</b>	<b>\$ 51,018,094</b>

*The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.*

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Wellgreen Platinum Ltd. (the “Company”), a public company incorporated in British Columbia, is listed on the Toronto Stock Exchange (“TSX”) trading under the symbol WG, and in the United States on the OTC-QX under the symbol WGPLF. The Company maintains its head office at 700 West Pender Street, Suite 915, Vancouver, British Columbia, Canada, V6C 1G8.

The Company is in the exploration stage and its principal business activity is the exploration and development of platinum group metals (PGM) and nickel mineral properties in North America. The Company is focused on exploring and developing its Wellgreen PGM and nickel project, located in the Yukon Territory, Canada.

Major expenditures are required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration and evaluation mineral properties are dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete exploration, development and construction, and future profitable production or proceeds from the disposition of mineral properties in part or in whole. The Company has completed a Preliminary Economic Assessment Technical Report dated March 18, 2015 on its Wellgreen project but has not yet completed a pre-feasibility or feasibility study to determine whether the project contains ore reserves that are economically recoverable.

At September 30, 2015, the Company had approximately \$3.4 million in cash and cash equivalents, working capital of approximately \$0.5 million, and a cumulative deficit of \$67 million. The Company incurred a net loss for the three and nine months ended September 30, 2015 of \$0.8 million and \$3.6 million respectively. Subsequent to the end of the third quarter, on November 4, 2015 Wellgreen Platinum Ltd. entered into definitive agreements with investors including Resource Capital Fund VI L.P. (“RCF”) and Australind Limited (“Australind”), an affiliate of Alverstoke Group LLC (“Alverstoke”), in respect of a financing package made up of equity and a net smelter return, that provided, on the closing date of November 10, 2015, the Company with total gross proceeds of US\$8.7 million or approximately C\$11.4 million (note 22).

The Company will require additional sources of equity, joint venture partnership, royalty and/or debt financing to fund ongoing operating costs and exploration and development of its mineral properties. In the event that the Company is not able to obtain adequate additional funding to continue as a going concern, material adjustments would be required to both the carrying value and classification of assets and liabilities on the condensed consolidated statement of financial position. Due to many external factors including commodity prices and capital market conditions, it is not possible to predict whether future financing will be successful or available at all.

The Company’s exploration activities are subject to government legislation and policies relating to prospecting, exploration, development, production, construction, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration activities, the Company is required to hold certain permits. There is no assurance that the Company’s existing permits will be renewed or that new permits for potential development will be granted.

Management reviews the carrying value of the Company’s interest in each property and, where necessary, exploration and evaluation mineral properties are written-down to their estimated recoverable amount



or written-off. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and require an impairment provision to the carrying value of exploration properties and related assets.

Due to operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing to fund on-going planned exploration and development activities and reach profitable levels of operation. These factors form a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Management believes that the Company will be able to continue as a going concern for the foreseeable future and realize its assets and discharge its liabilities and commitments in the normal course of business; therefore, these condensed consolidated interim financial statements for the three and nine months ended September 30, 2015, with comparative figures for the three and nine months ended September 30, 2014, have been prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## **2. BASIS OF PREPARATION**

### **Statement of compliance**

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's audited consolidated annual financial statements for the year ended December 31, 2014.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale and fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

In preparing these condensed consolidated interim financial statements for the three and nine months ended September 30, 2015, the Company followed the same accounting policies and methods of computation as in Note 3 of the Company's audited consolidated annual financial statements for the year ended December 31, 2014.

### **Approval of the financial statements**

These condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015, were reviewed and approved by the Audit Committee, on behalf of the Board of Directors of the Company, on November 12, 2015.

**Measurement basis** - These condensed consolidated interim financial statements are prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in the Company's functional currency, which is the Canadian dollar, unless otherwise stated.

**Basis of consolidation** - The condensed consolidated interim financial statements include the accounts of the Company and its 100% owned subsidiaries. All material intercompany balances and transactions have been eliminated. Details of the Company's subsidiaries are as follows:

	Principal Activity	Place of incorporation and operation	Ownership interest September 30, 2015	September 30, 2014
0905144 B.C. Ltd.	Exploration	BC, Canada	100%	100%
1043704 B.C. Ltd.	Exploration	BC, Canada	100%	N/A
Ursa Major Minerals Inc. ("URSA")	Exploration	ON, Canada	100%	100%
PCNC Holdings Corp.	Exploration	Canada	100%	100%
Pacific Coast Nickel Corp., U.S.A.	Inactive	U.S.A.	100%	100%
Pacific Nickel Sudamerica S.A.	Inactive	Uruguay	100%	100%

#### **Future changes in accounting standards, which are not yet effective at September 30, 2015**

##### **IFRS 15 – Revenue from Contracts with Customers**

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

##### **IFRS 9 – Financial Instruments**

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

### **3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents of the Company are comprised of bank balances and short term money market instruments with original maturities of one year or less. The Company's cash and cash equivalents are denominated in the following currencies:

**WELLGREEN PLATINUM LTD.** (an exploration stage company)  
Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2015  
(Unaudited) (Expressed in Canadian Dollars)

	September 30, 2015	December 31, 2014
Cash		
Denominated in Canadian dollars	\$ 3,417,069	\$ 10,481,302
Denominated in US dollars	14,971	14,340
	<b>\$ 3,432,040</b>	<b>\$ 10,495,642</b>

#### 4. AMOUNTS RECEIVABLE

	September 30, 2015	December 31, 2014
Goods and services tax ("GST") receivable	\$ 157,374	\$ 239,100
Other receivables	4,402	4,403
	<b>\$ 161,776</b>	<b>\$ 243,503</b>

#### 5. PREPAID EXPENSES

	September 30, 2015	December 31, 2014
General business and other services contracts	\$ 30,539	\$ 10,000
Geological service contracts	10,000	43,116
Insurance	16,817	52,268
Mobilization services	200,000	-
Relations and business development	4,516	44,099
	<b>\$ 261,872</b>	<b>\$ 149,483</b>

#### 6. EQUIPMENT

	Computer Equipment	Computer Software	Exploration Equipment	Shelter	Leasehold Improvements	Total
<b>Cost</b>						
Balance, December 31, 2014	\$ 1,572	\$ 59,087	\$ 218,977	\$ 325,000	\$ -	\$ 604,636
Additions for the period	-	-	-	125,000	40,595	165,595
<b>Balance, September 30, 2015</b>	<b>1,572</b>	<b>59,087</b>	<b>218,977</b>	<b>450,000</b>	<b>40,595</b>	<b>770,231</b>
<b>Accumulated depreciation</b>						
Balance, December 31, 2014	(1,572)	(59,087)	(109,306)	(150,899)	-	(320,864)
Depreciation for the period	-	-	(16,966)	(30,875)	(1,023)	(48,864)
<b>Balance, September 30, 2015</b>	<b>(1,572)</b>	<b>(59,087)</b>	<b>(126,272)</b>	<b>(181,774)</b>	<b>(1,023)</b>	<b>(369,728)</b>
<b>Carrying value</b>						
As at December 31, 2014	\$ -	\$ -	\$ 109,671	\$ 174,101	\$ -	\$ 283,772
<b>Balance, September 30, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,705</b>	<b>\$ 268,226</b>	<b>\$ 39,572</b>	<b>\$ 400,503</b>

## 7. EXPLORATION AND EVALUATION MINERAL PROPERTIES

	EXPLORATION AND EVALUATION MINERAL PROPERTIES						
	Yukon	Ontario					Total
	Wellgreen	Stumpy Bay	Porter Baldwin	Porter	Shining Tree	Fox Mountain	
<b>Acquisition costs</b>							
Balance, December 31, 2014	\$ 15,910,096	\$ 318,811	\$ 477,114	\$ 119,468	\$ 442,873	\$ 109,373	\$ 17,377,735
Property acquisition costs	-	-	-	-	-	-	-
Total Acquisition costs, September 30, 2015	15,910,096	318,811	477,114	119,468	442,873	109,373	17,377,735
<b>Exploration and evaluation</b>							
Balance, December 31, 2014	21,677,521	90,000	-	48,000	-	86,063	21,901,584
Camp and site services	1,249,346	-	-	-	-	-	1,249,346
Geology, resource, and land	424,448	9,000	-	12,000	-	10,546	455,994
Drilling	1,863,423	-	-	-	-	-	1,863,423
Engineering	406,107	-	-	-	-	-	406,107
Environmental and permitting	309,630	-	-	-	-	-	309,630
First Nations and Community	750	-	-	-	-	-	750
Expenditures January 1 to September 30, 2015	4,253,704	9,000	-	12,000	-	10,546	4,285,250
Total Expenditures, September 30, 2015	25,931,225	99,000	-	60,000	-	96,609	26,186,834
<b>Total</b>	<b>\$ 41,841,321</b>	<b>\$ 417,811</b>	<b>\$ 477,114</b>	<b>\$ 179,468</b>	<b>\$ 442,873</b>	<b>\$ 205,982</b>	<b>\$ 43,564,569</b>

## **Exploration and Evaluation Mineral Properties**

### **Wellgreen Property, Yukon Territory, Canada**

The Company's 100% owned Wellgreen property (which includes Wellgreen, Quill and Burwash mineral leases and claims) is a platinum group metals and nickel project. The Wellgreen Property is located in southwestern Yukon Territory, Canada, next to the paved Alaskan highway, approximately 35 kilometres northwest of Burwash Landing, and about 400 kilometres by paved highway northwest of Haines or Skagway, two year-round accessible, deep sea ports in Alaska.

### **Ontario, Canada mineral properties (a - f) acquired through the purchase of Ursa Major Minerals Inc. in July 2012**

#### **(a) Shakespeare Property**

The Company owns a 100% interest in the nickel, copper, and PGM Shakespeare Property subject to the vendor's 1.5% net smelter returns ("NSR") royalty and certain mineral processing rights. The Company also holds a 75% to 81% beneficial interest in various surrounding mineral claims to the Shakespeare Property.

At December 31, 2014, the assets and liabilities relating to the Shakespeare property were reclassified and separately disclosed on the statement of financial position as "Assets classified as held for sale" and "Liabilities classified as held for sale", and remain so as at September 30, 2015, see Note 8 for details.

#### **(b) Stumpy Bay Property**

A 75% interest in certain claims known as the Stumpy Bay Property (with Glencore Xstrata holding the remaining 25% interest), located in Shakespeare and Baldwin Townships, Ontario. The vendors retained a 2% NSR royalty, and the Company has the right to purchase one half of this royalty for \$750,000. In addition, the annual payment by the Company to the holders of the advance royalties on the Stumpy Bay Property of \$30,000 per year commenced on March 21, 2006, and on May 28, 2010, a \$200,000 cap on advance royalty payments was implemented. The Company entered into a settlement agreement with the royalty holders dated May 11, 2015 (the "Stumpy Bay Settlement Agreement") pursuant to which the Company agreed to pay the royalty holders \$75,000 in full and final settlement of the final advance royalty payments owed by the Company to the royalty holders in connection with the Stumpy Bay Property. The Company paid \$75,000 to the royalty holders on May 13, 2015, and as a result, the Company no longer has a liability or obligation for any advance royalties to the royalty holders with respect to the Stumpy Bay Property.

#### **(c) Porter Baldwin Property**

A 100% interest in staked mining claims in the Agnew Lake area that are contiguous with the Shakespeare Property.

#### **(d) Porter Property**

The Company owns a 100% interest in certain mineral claims known as the Porter Property, located in Shakespeare, Dunlop and Porter Townships, Ontario. The vendors have retained a 2% NSR royalty, and the Company has the right to purchase one half of this royalty for \$1,000,000. Advance annual royalties of \$24,000 per year commenced on January 15, 2007. The advance royalty can be retracted and

extinguished by paying the royalty holders, \$150,000 (in cash or shares, at the Company's sole discretion), by way of notice at least 60 days prior to any annual payment date.

**(e) Shining Tree Property**

The Company owns a 100% interest in certain mineral claims known as the Shining Tree property, located in Fawcett Township, Ontario. The vendor has retained a 1% NSR royalty, and the Company has the right to purchase one-half of this royalty for \$500,000.

**(f) Fox Mountain Property**

The Company owns a 100% interest in staked mining claims in the Thunder Bay Mining Division of Ontario, and pursuant to a November 19, 2010, purchase agreement owns a 100% interest in certain mining claims located in the Thunder Bay Mining Division of Ontario. The seller of a portion of these claims has retained a back in right to convert to a joint venture (seller 51%) or a 2% NSR royalty.

**(g) Cerro Chato, Molles North, Molles South, Quebracho and Polanco, Uruguay**

The Company has, as non-core holdings, two (formerly five) prospecting licences in Uruguay to which the Company performed some initial exploration activities on the properties. However, no further work is on-going, and the Company has terminated three licences in February 2015 and in respect thereof recovered exploration deposits of \$176,480, net of expenses, against a book value of \$118,278, resulting in a gain of \$58,202 in the three months ended March 31, 2015. The Company is in the process of terminating its remaining two prospecting licences in order to recover the exploration deposits relating to those licences. The balance of mineral property costs previously capitalized for this property had been written-off as an impairment charge to operations as of December 31, 2013.

## 8. ASSETS HELD FOR SALE

During the fourth quarter of 2014, the Company's management team decided to focus its efforts on the development of its core asset, the Wellgreen Property, and consequently, the Company initiated a formal sales process of its non-core Shakespeare property. Management has performed an assessment of the fair-value-less-cost-to-sell and has determined that there was no impairment of the Shakespeare property, which was reclassified to assets held for sale in the fourth quarter of 2014, and remains held for sale as at September 30, 2015. As at September 30, 2015, and December 31, 2014, the following Shakespeare Property assets and liabilities were classified as held for sale:

	<b>September 30, 2015</b>		<b>December 31, 2014</b>	
Reclamation deposit	\$	668,265	\$	664,561
Shakespeare mineral property		6,585,469		6,574,566
<b>Total assets classified as held for sale</b>	<b>\$</b>	<b>7,253,734</b>	<b>\$</b>	<b>7,239,127</b>
Provision for mine closure reclamation	\$	668,644	\$	656,821
<b>Total liabilities classified as held for sale</b>	<b>\$</b>	<b>668,644</b>	<b>\$</b>	<b>656,821</b>

## 9. ACCOUNTS PAYABLE AND OTHER LIABILITIES, AND FLOW THROUGH SHARE PREMIUM

	September 30, 2015	December 31, 2014
Trade accounts payable	\$ 2,098,499	\$ 2,114,784
Accrued expenses	451,569	221,698
Royalties payable	345,930	507,930
	<b>\$ 2,895,998</b>	<b>\$ 2,844,412</b>

Trade accounts payables and accrued expenses consist of amounts outstanding for trade and other purchases related to exploration and operating activities, and are normally due on 30 to 90 day terms.

The current liability for flow through share premium amounting to \$923,230 as at September 30, 2015 (\$1,573,295 at December 31, 2014), is a non-cash item, which is amortized as other income, as the related funds are spent on qualifying exploration.

The Company may also be subject to interest on flow-through proceeds ("Part XII.6 tax") renounced under the look-back rules, in accordance with regulations in the *Income Tax Act* (Canada). This tax is expensed as incurred.

## 10. PROVISION FOR CLOSURE AND RECLAMATION

The Company has provided a letter of credit in the amount of \$668,265 collateralized by a cash deposit to the Ontario Ministry of Northern Development and Mines under the terms of a Closure Plan on the Shakespeare Property for stage one direct-ship-ore mining, which ceased operations in January 2012 (Note 8). The Company's provision for closure and reclamation costs are based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. The Company has estimated its total provision for closure and reclamation to be \$668,642 at September 30, 2015, (\$656,821 as at December 31, 2014) based on a discounted total future liability of approximately \$766,294 at an inflation rate of 2.0% and a discount rate of 2.4%.

As at December 31, 2014, and September 30, 2015, both the reclamation deposit and provision for mine closure reclamation have been classified as assets and liabilities held for sale (see Note 8).

## 11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common voting shares without par value.

The change in the Company's issued and outstanding share capital during the period are summarized in the condensed interim consolidated statements of changes in equity.

As of September 25, 2015, per approval by shareholders at the Company's Annual General Meeting, the Company is authorized to issue an unlimited number of preferred non-voting shares, without par value, of which none have been issued nor outstanding.

## **12. SHARE-BASED COMPENSATION PLAN AND SHARE-BASED PAYMENTS AND WARRANTS**

The Company has two equity-based compensation plans in place: (i) a stock option plan that was approved by the Company's shareholders on November 30, 2012, (the "2012 Option Plan"); and (ii) a Share-Based Compensation Plan which was approved by the Company's shareholders on December 17, 2013, (the "Share-Based Compensation Plan", as amended and approved by the Company's shareholders on September 25, 2015 and together with the 2012 Option Plan, the "Equity Compensation Plans"). Since the implementation of the Share-Based Compensation Plan, the 2012 Option Plan has remained in force and effect solely to govern the stock options previously issued under the 2012 Option Plan. The Share-Based Compensation Plan authorizes the Company's Board of Directors to grant options, stock appreciation rights ("SARs"), SARs in tandem with options, performance share units ("PSUs"), bonus shares and restricted share units ("RSUs") (together the "Awards") to directors, officers, employees and consultants (each, an "Eligible Person") of the Company.

All Awards granted by the Company, or to be granted by the Company, since the implementation of the Share-Based Compensation Plan have been, and will be, issued under, and governed by, the terms of the Share-Based Compensation Plan. Subject to the adjustment provisions provided for in the Share-Based Compensation Plan and the applicable rules of the TSX, the aggregate number of common shares issuable under the Share-Based Compensation Plan, plus the aggregate number of common shares issuable pursuant to the exercise of outstanding stock options granted under the 2012 Option Plan, must not exceed 12.5% "rolling amount" of the total issued and outstanding common shares at the time of any Award grant.

The terms of the Equity Compensation Plans include the following:

- (i) The maximum number of common shares reserved for issuance to any one Eligible Person, at any time under the Equity Compensation Plans will not exceed 5% of the issued and outstanding common shares to Eligible Person; and
- (ii) The aggregate number of shares reserved for issuance to insiders, within any 12 month period, must not exceed 10% of the Company's issued and outstanding shares; and
- (iii) the maximum number of bonus shares that may be issued under the Share-Based Compensation Plan in a calendar year may not exceed 2% of the issued and outstanding common shares as of January 1 of such calendar year; and
- (iv) The aggregate number of common shares reserved for issuance to non-employee directors at any time, under the Share-Based Compensation Plan and under the 2012 Option Plan, shall not exceed (i) for all non-employee directors, a maximum of 1% of the issued and outstanding common shares, and (ii) on an individual non-employee director basis, grants of common shares and/or Awards per non-employee director in any one calendar year having a maximum aggregate value of \$100,000 at the time of the grant of common shares or Awards (other than grants of common shares or Awards under the Share-Based Compensation Plan to a non-employee director in the year of his or her initial appointment to the board of directors); and



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- (v) the exercise price per common share under each option will not be less than the trading price at which the common shares traded on the TSX as of close of market on the day immediately prior to the date such option is granted.

The following table summarizes the option and SAR transactions during the nine months ended September 30, 2015:

	Number of Options	Weighted Avg Exercise Price	Number of SARs	Weighted Avg Exercise Price
Outstanding, December 31, 2014	3,641,000	\$ 1.44	3,732,500	\$ 0.57
Granted	-	-	2,235,000	0.61
Forfeited	-	-	(52,500)	0.59
Exercised	-	-	(75,000)	0.57
Outstanding, September 30, 2015	3,641,000	\$ 1.44	5,840,000	\$ 0.59

The following table summarizes the options outstanding as at September 30, 2015:

Exercise Price		Number of Options		Expiry Date
		Outstanding	Exercisable	
\$	2.25	215,000	215,000	December 12, 2016
\$	3.68	170,000	170,000	February 3, 2017
\$	3.09	70,000	70,000	April 4, 2017
\$	2.67	50,000	50,000	May 9, 2017
\$	1.15	375,000	375,000	August 7, 2017
\$	1.16	729,000	729,000	August 7, 2017
\$	1.14	12,000	12,000	August 16, 2017
\$	1.65	125,000	125,000	September 24, 2017
\$	1.24	500,000	500,000	October 17, 2017
\$	1.14	800,000	800,000	November 2, 2017
\$	1.25	595,000	595,000	November 5, 2017
		3,641,000	3,641,000	

The weighted average remaining useful life of the outstanding 9,481,000 options and SARs was 3.0 years at September 30, 2015.

### Stock Appreciation Rights

On February 3, 2015, the Company granted, in aggregate, 2,235,000 SARs to certain employees, directors, officers and other Company personnel. The SARs are settled with the Company's common shares and have been granted pursuant to the terms of the Share-Based Compensation Plan. 1,835,000 SARs are exercisable at \$0.61 for a term of five years expiring on February 3, 2020, and vest as to 25% on each of the grant date, September 10, 2015, December 10, 2015, and September 10, 2016. 400,000 SARs issued

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to independent directors are exercisable at \$0.61 for a term of five years expiring on February 3, 2020, and vest as to 30% on each of the grant date and on September 10, 2015, and 40% on December 10, 2015.

<b>Appreciation Rights</b>			
	<b>Exercise Price</b>	<b>Outstanding</b>	<b>Exercisable</b>
\$	0.57	3,625,000	3,625,000
\$	0.61	2,215,000	1,147,500
		5,840,000	4,772,500

For the three and nine months ended September 30, 2015, share-based payments for stock options, SARs and warrants were recorded as follows:

	<b>Three Months Ended September 30, 2015</b>	<b>Three Months Ended September 30, 2014</b>	<b>Nine Months Ended September 30, 2015</b>	<b>Nine Months Ended September 30, 2014</b>
<b>Consolidated Statement of Operations</b>				
Share-based payments	\$ 207,013	\$ 175,434	\$ 1,009,799	\$ 1,839,769
<b>Consolidated Statement of Financial</b>				
Wellgreen property exploration	15,790	(39,776)	63,657	(20,296)
<b>Total</b>	<b>\$ 222,803</b>	<b>\$ 135,658</b>	<b>\$ 1,073,456</b>	<b>\$ 1,819,473</b>

The SARs granted on February 3, 2015, were valued using a Black-Scholes valuation model with the following assumptions:

	<b>February 3, 2015</b>
<b>Stock Appreciation Rights Grant</b>	
Risk-free interest rate	0.54%
Expected life of options in years	4.00
Expected volatility	71%
Expected dividend yield	0%
Forfeiture rate	5%

For the nine months ended September 30, 2015, the Company charged \$1,009,799 to operations as share-based payments and capitalized \$63,657 to the Wellgreen property.

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**Share Purchase Warrants**

The following table summarizes the warrant transactions for the nine months ended September 30, 2015:

	<b>Number of Warrants</b>	<b>Weighted Avg Exercise Price</b>
Outstanding, December 31, 2014 and September 30, 2015	26,557,244	\$ 0.95

At September 30, 2015, there were 26,557,244 (December 31, 2014: 26,557,244) warrants outstanding enabling holders to acquire common shares of the Company at prices ranging from \$0.60 to \$2.00 per share, with a weighted average exercise price of \$0.95, and remaining useful life of 1.15 years, as at September 30, 2015 as follows:

<b>Exercise Price</b>	<b>Number of Warrants</b>	<b>Expiry Date</b>	<b>Accelerator Price</b> <sup>2</sup>
\$ 0.65	254,323 <sup>1</sup>	June 24, 2016	\$ 1.35
\$ 0.90	10,615,650	June 24, 2016	\$ 1.35
\$ 2.00	2,533,604	September 29, 2016	\$ 2.80
\$ 2.00	1,250,000	September 29, 2016	\$ 2.80
\$ 0.80	2,757,703	December 31, 2016	\$ 1.20
\$ 0.80	1,059,700	January 9, 2017	\$ 1.20
\$ 0.60	8,086,264 <sup>3</sup>	June 21, 2017	\$ 0.90
	26,557,244		

<sup>1</sup> Upon exercise, each of these warrants entitles the holder thereof to one common share of the Company and one common share purchase warrant to purchase one common share of the Company, exercisable at \$0.90 and with an expiry date that is 24 months after the date the initial warrant is exercised.

<sup>2</sup> Each warrant is exercisable for one share, subject to the right of the Company to accelerate the expiry date of the warrants to a period of 30 days if, at any time, the closing price of the Company's common shares equals or exceeds the accelerator price for a period of ten (10) consecutive trading days.

<sup>3</sup> Pursuant to TSX approval on September 17, 2015, the 8,086,264 warrants outstanding have been amended such that the expiry date has been extended from September 21, 2015, to September 21, 2017, and the exercise price has been amended from \$0.90 to \$0.60. In addition, an accelerator provision has been added to the warrants that provides the Company with the right to accelerate the expiry of the warrants to a date that is not less than 30 days following delivery of written notice by the Company to the holders of the warrants if the closing price of the Company's common shares on the TSX equals or exceeds \$0.90 for a period of 10 consecutive trading days. Of the 8,086,264 warrants, 2,750,925 warrants are held by insiders of Wellgreen Platinum, and the amendments to such warrants was subject to the receipt of disinterested shareholder approval, which was obtained at the Company's 2015 AGM on September 25, 2015.

The extension of the September 17, 2015 warrants was valued at \$296,959 using the Black-Scholes valuation model with the following assumptions:

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<b>Non-Insider (5,335,339 Warrants)</b>	
Risk-free interest rate	0.60%
Expected life of warrants in years	2.02
Expected volatility	56%
Expected dividend yield	0%
<b>Insider (2,750,925 Warrants)</b>	
Risk-free interest rate	0.54%
Expected life of warrants in years	1.74
Expected volatility	57%
Expected dividend yield	0%

### 13. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by the transacting parties.

A summary of expense by nature for the three and nine months ended September 30, 2015, and the three and nine months ended September 30, 2014, is as follows:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2015</b>	<b>September 30, 2014</b>
Consulting fees	\$ -	\$ -	\$ -	\$ 93,750
Director fees	25,250	31,200	74,050	52,559
Salaries and wages	316,750	323,926	1,039,450	856,934
	<b>\$ 342,000</b>	<b>\$ 355,126</b>	<b>\$ 1,113,500</b>	<b>\$ 1,003,243</b>

As at September 30, 2015, amounts due to related parties totalled \$25,250 (December 31, 2014 - \$128,617) and was comprised of \$25,250 (December 31, 2014 - \$14,400) for director fees, \$Nil (December 31, 2014 - \$25,017) owing to directors and officers for travel expenses and \$Nil (December 31, 2014 - \$89,200) for bonuses declared. The amounts due to related parties are non-interest bearing and are due upon demand.

<b>Management Loans Receivable (Principal and Interest)</b>	<b>Amount</b>
Balance, December 31, 2014	\$ 908,418
Less: Principal and interest paid	(455,847)
Add: Interest accrued	4,152
<b>Balance, September 30, 2015</b>	<b>\$ 456,723</b>

In connection with the Company's September 20, 2013, \$5.9 million equity private placement (the "September 2013 Private Placement"), at \$0.70 per unit, the Company advanced loans (the "Loans") in the aggregate amount of \$892,500 to members of the Company's senior management team in order to retain a long-term commitment to the Company and to assist them to increase their share ownership in the Company by significantly participating in the September 2013 Private Placement for the total amount of the Loans. The Loans bear interest at a rate prescribed by the Canada Revenue Agency, which is currently 1%. During the three months ended March 31, 2015, pursuant to the amended loan agreements, each of the Loan recipients repaid in cash, 50% of the principal amount of their respective Loan, together with accrued interest thereon, to the Company, resulting in the Company receiving, in aggregate, \$454,043 in principal and interest payments on the Loans receivable. The balance of the Loans (principal and interest) receivable as at September 30, 2015, is \$456,722, and effective as of September 30, 2015, this remaining balance is due upon demand by the Company.

Under the terms of the amended loan agreements, as a result of the Loan repayments that occurred during the three months ended March 31, 2015, the Company's security was reduced by a corresponding 50%, resulting in the discharge and release of a total of 637,500 shares and 637,500 warrants that the Loan recipients subscribed for under the September 2013 Private Placement, while the remaining balance of shares and warrants continue to be held by the Company as security.

## 14. KEY MANAGEMENT COMPENSATION

The key management of the Company comprises executives and non-executive directors and senior management, whose remuneration is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2015	2014	2015	2014
Remuneration and short-term benefits	\$ 342,000	\$ 355,126	\$ 1,113,500	\$ 1,003,243
Share-based payment compensation	74,525	203,337	570,820	1,093,301
	<b>\$ 416,525</b>	<b>\$ 558,463</b>	<b>\$ 1,684,320</b>	<b>\$ 2,096,544</b>

## 15. FINANCIAL INSTRUMENTS

The Company's financial assets and financial liabilities are categorized as follows:

	September 30, 2015	December 31, 2014
Fair value through profit or loss		
Cash and cash equivalents	\$ 3,432,040	\$ 10,495,642
Loans and receivables		
Loan receivable	456,722	908,418
	<b>\$ 3,888,762</b>	<b>\$ 11,404,060</b>
Other financial liabilities		
Trade accounts payable and advanced royalties payable	\$ (2,444,430)	\$ (2,160,278)
Due to related parties	(25,250)	(128,617)
	<b>\$ (2,469,680)</b>	<b>\$ (2,288,895)</b>

**Fair Value** - The estimated fair values of cash and cash equivalents, accounts payable and due to related parties approximate their respective carrying values due to the immediate or short period to maturity. The available for sale investments are carried at fair values based on the published or electronic market price quotation.

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - Significant unobservable (no market data available) inputs which are supported by little or no market activity.

<b>As at September 30, 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Financial assets with recurring fair value measurements</i>				
Cash and cash equivalents	\$ 3,432,040	\$ -	\$ -	\$ 3,432,040
<b>As at December 31, 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Financial assets with recurring fair value measurements</i>				
Cash and cash equivalents	\$ 10,495,642	\$ -	\$ -	\$ 10,495,642

## 16. FINANCIAL RISK MANAGEMENT DISCLOSURES

**Credit Risk** - The Company does not currently generate any revenues from sales to customers nor does it hold derivative type instruments that would require a counterparty to fulfil a contractual obligation. The Company does not have any asset-backed commercial instruments. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents, amounts receivable and loans receivable. To minimize the credit risk the Company places cash and cash equivalents with the high credit quality financial institutions. The Company holds shares issued as part of the placement as collateral for the loans receivable. The Company considers its exposure to credit risk to be insignificant.

**Liquidity Risk** - Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash and cash equivalent balances and or through additional financings to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2015, the Company has cash and cash equivalents of \$3.4 million and financial liabilities of \$2.4 million which have contractual maturities of 90 days or less.

**Foreign Exchange Risk** - The Company has operations in Canada and undertakes transactions in Canadian and American currencies. The Company has very limited exposure to foreign currency risk arising from transactions denominated in a foreign currency. The Company's reporting and functional currency is Canadian dollars. The Company holds cash denominated in United States dollars ("USD"), a 10% strengthening (weakening) of the USD will have an insignificant impact on total assets and loss. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

**Interest Rate Risk** - The Company manages its interest rate risk by obtaining commercial deposit interest rates available in the market by the major Canadian financial institutions on its cash and cash equivalents.

**Market risk** - Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company, at this time, has very limited exposure to market risk in trading its investments. However, in the future when the Company has larger investments in the market, unfavorable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral exploration is subject to risks associated with fluctuations in commodity, mineral resource, and mineral resource sector public company prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **17. CAPITAL RISK MANAGEMENT**

The Company considers its capital structure to consist of share capital, share options, SARs and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative returns on capital criteria for management.

The exploration and evaluation mineral properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include: share equity, joint venture partnerships, royalty and/or debt financings; and sale of interests in existing assets. In order to carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company will require additional sources of equity, joint venture partnership, royalty and/or debt financing to fund ongoing operations and the exploration and development of its mineral properties. In the event that the Company is not able to obtain adequate additional funding to continue as a going concern, material adjustments would be required to both the carrying value and classification of assets and liabilities on the consolidated statement of financial position. It is not possible to predict, due to many external factors including commodity prices and equity market conditions, as to whether future financing will be successful or available at all.

There were no changes in the Company's approach to capital management during the three and nine months ended September 30, 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

## 18. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in Canada and formerly in South America. The Company has terminated prospecting licences in South America recovering the majority of its exploration deposits, with some residuals amounts outstanding.

<b>September 30, 2015</b>	<b>Canada</b>	<b>South America</b>	<b>Total</b>
Current assets	\$ 4,312,410	\$ -	\$ 4,312,410
Non-current assets	51,218,806	-	51,218,806
Total assets	55,531,216	-	55,531,216
Current liabilities	(3,844,478)	-	(3,844,478)
Non-current liabilities	(668,644)	-	(668,644)
Total liabilities	\$ (4,513,122)	\$ -	\$ (4,513,122)

<b>December 31, 2014</b>	<b>Canada</b>	<b>South America</b>	<b>Total</b>
Current assets	\$ 11,797,046	\$ 118,278	\$ 11,915,324
Non-current assets	46,802,219	-	46,802,219
Total assets	58,599,265	118,278	58,717,543
Current liabilities	(4,535,360)	(10,964)	(4,546,324)
Non-current liabilities	(656,821)	-	(656,821)
Total liabilities	\$ (5,192,181)	\$ (10,964)	\$ (5,203,145)

## 19. SUPPLEMENTAL CASH FLOW INFORMATION

	<b>Nine Months Ended September</b>	<b>Nine Months Ended September</b>
<b>Non-cash Financing and Investing Activities:</b>		
Mineral property expenditures included in accounts payable	\$ 1,682,721	\$ 468,304
Capitalized depreciation of equipment	32,098	31,905
Capitalized share-based payments in mineral property expenditures	63,657	(20,296)

## 20. COMMITMENTS

The Company entered into an exploration cooperation and benefits agreement in August 2012 with Kluane First Nation in the Yukon to support Wellgreen Platinum's exploration program and environmental studies for the development of the Wellgreen property.



On November 20, 2014, and December 24, 2014, the Company completed flow-through private placements for \$9.1 million and \$2.7 million, respectively, thus committing to spend this amount by December 31, 2015, on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the *Income Tax Act* (Canada). The Company indemnifies the subscribers of flow-through shares from any tax consequences arising should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. As at September 30, 2015, the Company has expended approximately \$5.4 million towards its commitment created from the flow through private placements in November and December of 2014.

The Company has entered into lease agreements for office space, equipment and for various exploration site assets which are aggregated as follows:

<b>Year</b>	<b>Amount \$</b>
2015	103,908
2016	237,490
2017	237,490
2018	142,638
2019	137,786
2020	137,786

The Company’s exploration activities are subject to various provincial, federal, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to continue to make in the future, filings and expenditures to comply with such laws and regulations.

## **21. CONTINGENCIES**

The Company accrues for liabilities when it is probable and the amount can be reasonably estimated.

The Company is currently reviewing a potential financial liability for the reclamation of land related to mining conducted on the Wellgreen property in the 1970s, prior to the Company’s acquisition of the property. The Company is in discussions with the Yukon and Canadian Government and the third party involved in the prior operation of the property, to determine the plan for assessing the reclamation work that will need to be conducted. Once an assessment is conducted, there is a potential that a portion of the financial cost for reclamation will need to be incurred by the Company. The financial effect and timing of the reclamation work is indeterminable at the current time, and no amounts have been accrued.

## **22. SUBSEQUENT EVENT, \$11.4 MILLION FINANCING PACKAGE**

On November 10, 2015, the Company announced the completion of its financing with investors including Resource Capital Fund VI L.P. (“RCF”) and Australind Limited (“Australind”), an affiliate of Alverstoke Group LLC (“Alverstoke”), which provided the Company with total gross proceeds of US\$8.7 million or

approximately \$11.4 million. The aggregate financing package, which was initially announced on November 4, 2015, consisted of a US\$2.5 million or \$3.3 million non-brokered equity private placement and the sale of a 1.0% Net Smelter Returns Royalty on future production from the Wellgreen property ("NSR Royalty") for gross proceeds of US\$6.2 million or \$8.1 million. Pursuant to the private placement portion of the financing, 13,060,000 units of the Company (the "Units") were issued at a price of \$0.25 per Unit, for total gross proceeds of US\$2.5 million or \$3.3 million. Each Unit consists of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.40 for a period of 36 months, until November 10, 2018.

The terms of the agreements with RCF and Australind provide each party with the right to have one of their representatives on the Company's Board of Directors, and the investors the right to participate in future financings to maintain their respective equity interests. In addition, the NSR Royalty contains a provision for the Company to pay any Canadian withholding tax required to be remitted by the holders of the NSR Royalty, and the Company granted a security interest over the quartz mineral claims and leases that are subject to the NSR Royalty.