TRANSATLANTIC MINING CORP.

(FORMERLY ARCHEAN STAR RESOURCES INC.)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	September 30, 2015 ($)	December 31, 2014 ($)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 12)	523,893	428
Receivables (Note 10)	7,104	542,006
Restricted Cash (Note 6)	297,445	-
Prepaid expenses	7,471	23,740
	835,913	**566,174**
Non-Current Assets		
Equipment	26,619	-
Exploration and evaluation assets (Note 4)	964,302	269,989
Total Assets	**1,826,834**	**836,163**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 11)	647,290	441,752
Long-Term Liabilities		
Due to related parties (Note 5)	332,150	352,354
Total Liabilities	**979,440**	**794,106**
EQUITY		
Share capital (Note 7)	9,710,414	9,047,914
Shares to be issued (Note 7)	3,351,863	1,930,830
Share-based payment reserve (Note 7)	633,496	633,496
Deficit	(12,848,379)	(11,570,183)
Total Equity	**847,394**	**42,057**
Total Liabilities and Equity	**1,826,834**	**836,163**

Nature of operations and going concern (Note 1)
Events after the reporting period (Note 16)

"*Bernie Sostak*", Director
Bernie Sostak

"Rob Tindall", Director
Rob Tindall

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

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the three months ended September 30, 2015	For the three months ended September 30, 2014	For the nine months ended September 30, 2015	For the nine months ended September 30, 2014
MINERAL PROPERTY EXPENSES (Note 4)	$ 379,567	$ 22,746	$ 603,102	$ 105,965
ADMINISTRATION EXPENSES				
Bank charges	697	2,704	2,437	6,410
Corporate communications (recovery)	(10)	8	1,823	2,518
Consulting (recovery)	(101,474)	101,917	14,234	590,128
Filing fees	4,571	13,435	33,604	53,769
Management fees (Note 5)	245,153	-	446,327	29,840
Office	6,470	3,719	23,433	20,082
Professional fees (Note 5)	60,045	52,033	180,649	168,369
Project investigation costs	8,867	26,634	20,234	197,644
Promotion	3,979	-	10,494	20,517
Travel	728	81	41,533	21,983
Total administration expenses	229,026	200,531	774,768	1,111,260
Loss before other items	608,593	223,277	1,377,870	1,217,225
Foreign exchange	(20,698)	(22,872)	(99,674)	11,915
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	587,895	200,405	1,278,196	1,229,140
Basic and diluted loss per common share	$ 0.01	$ 0.00	$ 0.01	$ 0.02
Weighted average number of common shares	82,241,626	78,950,322	88,582,221	78,690,249

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

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014
(Expressed in Canadian dollars)

	Issued Capital		Share-based payment reserve	Deficit	Shares to be issued	Total Equity
	Shares	Amount ($)	($)	($)	($)	($)
Balance, December 31, 2013	77,950,322	8,922,914	633,496	(5,773,920)	607,744	4,390,234
Shares issued for acquisition	1,000,000	130,000	-	-	-	130,000
Share issuance costs - cash	-	(133,469)	-	-	-	(133,469)
Shares to be issued	-	-	-	-	1,139,183	1,139,183
Net and comprehensive loss for the period	-	-	-	(1,229,140)	-	(1,229,140)
Balance, September 30, 2014	78,950,322	8,919,445	633,496	(7,003,060)	1,746,927	4,296,808
Balance, December 31, 2014	78,950,322	9,047,914	633,496	(11,570,183)	1,930,830	42,057
Shares issued for acquisition	2,500,000	312,500	-	-	-	312,500
Shares issued for St. Lawrence lease claim	2,800,000	350,000	-	-	-	350,000
Shares to be issued	-	-	-	-	1,421,033	1,421,033
Net and comprehensive loss for the period	-	-	-	(1,278,196)	-	(1,278,196)
Balance, September 30, 2015	84,250,322	9,710,414	633,496	(12,848,379)	3,351,863	847,394

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

TRANSATLANTIC MINING CORP.
(FORMERLY ARCHEAN STAR RESOURCES INC.)
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the three months ended September 30, 2015 $	For the three months ended September 30, 2014 $	For the nine months ended September 30, 2015 $	For the nine months ended September 30, 2014 $
OPERATING ACTIVITIES				
Net loss for the period	(587,895)	(200,405)	(1,278,196)	(1,229,140)
Net changes in non-cash working capital items:				
Receivables	(1,105)	(2,417)	534,902	(2,522)
Accounts payable and accrued liabilities	90,204	138,351	185,334	14,736
Prepaid expenses	(16,315)	(14,830)	(281,176)	4,076
Advances	-	9,400	-	(86,420)
Net operating cash flows	(515,111)	(69,901)	(839,136)	(1,299,270)
INVESTING ACTIVITIES				
Purchase of equipment	(269)	-	(26,619)	-
Mineral property expenditures	-	-	(31,813)	-
Net investing cash flows	(269)	-	(58,432)	-
FINANCING ACTIVITIES				
Changes in due to/from Bayhorse Silver Inc.	-	-	-	110,668
Loan payable	-	38,815	-	38,815
Shares to be issued	809,953	(32,994)	1,421,033	1,139,183
Share issuance costs	-	2,521	-	(133,468)
Net financing cash flows	809,953	8,342	1,421,033	1,155,198
Increase/(decrease) in cash	294,573	(61,559)	523,465	(144,072)
Cash and cash equivalents, beginning of period (Note 11)	229,320	68,407	428	150,920
Cash and cash equivalents, end of period (Note 11)	523,893	6,848	523,893	6,848

Supplemental non-cash transactions (Note 7)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Transatlantic Mining Corp. (formerly Archean Star Resources Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia). The Company is engaged in the acquisition and exploration of mineral property interests. The Company's registered and head office is located at Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "TCO".

The accompanying consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately the attainment of profitable operations and positive cash flows. Failure to obtain sufficient financing will have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated interim financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and the reported operating results should the Company be unable to continue as a going concern. For the nine months ended September 30, 2015, the Company incurred an operating loss of $1,278,196 (September 30, 2014 - $1,229,140), and as at September 30, 2015 had a working capital deficit of $188,623 (December 31, 2014 – $124,422).

Management's plan includes continuing to pursue additional sources of financing through equity offerings, and where practical, reducing overhead costs.

2. BASIS OF PRESENTATION

These consolidated interim financial statements were approved for issue by the board of directors on November 30, 2015.

Statement of compliance with International Financial Reporting Standards

These consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standard ("IFRS") as issued by International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"). Therefore, these consolidated interim financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

Consolidation

These consolidated interim financial statements include the records of the Company's wholly owned Australian based subsidiary, Archean Star Resources Australia Pty Ltd ("ASA"). All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated in preparing the consolidated interim financial statements.

2. BASIS OF PRESENTATION (continued)

Significant estimates and assumptions

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Significant judgments

The preparation of the consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated interim financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of the functional currency of the parent company and its subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The Company's principal accounting policies are outlined below:

(a) Foreign Currency Translation

The consolidated interim financial statements for the Company and its subsidiary are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiary is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Foreign Currency Translation (continued)

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the consolidated interim statements of comprehensive loss.

(b) Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized 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 corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. 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 eventually vest.

(c) Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the mineral property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

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 exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company’s estimates are renewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit and loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to comprehensive loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provisions as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss and incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and Evaluation Assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes: 1) researching and analysing historical exploration data 2) gathering exploration data through topographical, geochemical and geophysical studies 3) exploratory drilling, trenching and sampling 4) determining and examining the volume and grade of the resource 5) surveying transportation and infrastructure requirements 6) conducting market and finance studies.

Exploration and evaluation costs are charged to profit and loss as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss in the consolidated statements of comprehensive income or loss.

(e) Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income 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 tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Loss per Share

Basic loss per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti- dilute.

(g) Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in net assets that results from transactions and other events from non-owner sources and includes items that are not included in net profit (loss), such as unrealized gains and losses related to available for sale securities, gains and losses on certain derivative instruments and foreign currency and gains and losses resulting from the translation of self-sustaining foreign operations.

The Company has no items that are required to be reported in comprehensive income. Accordingly, net loss equals comprehensive loss.

(h) Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

(i) Impairment of Non-Financial Assets

At each statement of financial position date, in accordance with IAS 36 "Impairment of Assets", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Non-Financial Assets (continued)

The recoverable amount is the greater of an asset's or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(j) Warrants

The Company uses the residual method for accounting for warrants. Under this method warrants are assigned a value equal to the excess of the unit purchase price over the then prevailing market price of the Company's shares. When the units are priced at or below market there is no excess and the warrants are valued at nil.

(k) Segment Reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral exploration segment. As the political risks, likelihood of positive results, assets, liabilities and cash flows of the mineral exploration segment are substantially the same to those of the consolidated Company; no separate analysis has been provided.

(l) Comparative Figures

Certain comparative figures may have been reclassified to conform with current period's presentation.

(m) Accounting Standards Newly Adopted

IFRS 9, Financial Instruments, is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this revised standard and is currently assessing the impact that it will have on its financial statements.

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

4. MINERAL PROPERTY

	Gnaweeda Gold Project ($)	Monitor Project ($)	Total for the nine months ended September 30, 2015 ($)	Total for the year ended December 31, 2014 ($)
Acquisition costs				
Balance, beginning	3,657,414	614,302	4,271,716	3,802,403
Additions	-	350,000	350,000	125,000
Disposition	(3,657,414)	-	(3,657,414)	(3,657,414)
Balance, ending	-	964,302	964,302	269,989

(a) Gnaweeda Gold Project

On November 4, 2009, the Company's newly acquired subsidiary ASA and Teck Australia Pty Ltd. ("Teck") entered into an Option Agreement whereby the Company can earn 100% of Teck's interest in the following Chalice Gold Mines Ltd.'s ("Chalice") tenements ("Gnaweeda Gold Property") located in Western Australia.

Upon Teck acquiring a 70% interest in the Gnaweeda Project, Chalice chose to become a joint venture participant with Teck. However, Chalice will not contribute to the exploration program and its interest in the joint venture will therefore dilute. Teck has earned an 87.07% interest in the tenements.

At any time after ASA exercises the option, Teck has the option to earn back a 75% interest provided that it delivers a notice to ASA and incurs aggregate expenditures of AUD$7.5 million before the fourth anniversary of such notice. If Teck exercises its option, ASA and Teck will form a joint venture to further develop the tenements and share the expenditures (ASA -25% and Teck – 75%). Should Teck elect not to form such a joint venture, it will be entitled to a 10% net profits interest royalty on the tenements.

In order to earn the interest, the Company has to spend AUD$3,200,000 over a four year period as follows:

(i) AUD$200,000 on or before March 31, 2010 (completed)
(ii) AUD$750,000 on or before the 1st anniversary, November 4, 2010 (completed);
(iii) AUD$750,000 on or before the 2nd anniversary, November 4, 2011 (completed);
(iv) AUD$750,000 on or before the 3rd anniversary, November 4, 2012 (completed); and
(v) AUD$750,000 on or before the 4th anniversary, November 4, 2013 (completed).

As at September 30, 2015, ASA spent AUD$2,920,377 (December 31, 2014 - AUD$2,920,377), before 12% charges on the expenditures for administrative services, on the Gnaweeda Gold Property. After the addition of the allowable 12% administration charges, ASA has spent AUD$3,270,822 (December 31, 2014 – AUD$3,270,822) and has completed the property expenditure requirement for the fourth anniversary payment.

4. MINERAL PROPERTY (continued)

(a) Gnaweeda Gold Project (continued)

By spending in excess of AUD$3,200,000 in property expenditures, including the permitted 12% administration fee, on the Gnaweeda Gold Project within the time period as outlined in the option agreement, the Company has earned Teck's approximately 87.07% interest in Gnaweeda, subject to a 75% back in right by Teck, and the Company provided Teck with a notice of exercise of the option.

On July 4, 2014, the Company entered into an agreement with an arm's-length party to dispose of its Gnaweeda property, comprising interests in five tenements in Western Australia. As consideration for the property, the Company received a deposit of AUD $5,000 and received a further AUD $495,000 in the nine months ended September 30, 2015. The Company will receive a further AUD $500,000 upon establishment of a Joint Ore Reserves Committee-compliant mineral resource of at least 150,000 ounces of gold, and AUD $250,000 for every consecutive 50,000 ounces of poured gold sourced from the property, capped at 200,000 ounces of poured gold for a total of AUD$1 million. At December 31, 2014, the Company recognized a receivable of $516,818 (AUD $495,000 plus GST of AUD $50,000) for the payment received after December 31, 2014. The Company realized a loss on sale of the property of $3,191,290, which includes write off of related receivables of $23,480 and prepaid expenses of $8,565.

On December 29, 2014 the Company filed a draft valuation of its Gnaweeda property with the TSXV with respect to the disposition of the property, and obtained TSXV approval on March 31, 2015.

(b) Monitor Property

On February 5, 2013, the Company entered into an option and joint venture agreement with American Cordillera Mining Corporation ("AMCOR"), and Northern Adventures LLC ("NALLC") whereby it has the right to earn 80% of AMCOR's 100% leasehold Interest in a Purchase Option Mining Lease Agreement between AMCOR and NALLC on the Monitor Property, located in Idaho, USA. In order for the Company to earn the 80% interest in the Monitor Property, subject to certain underlying royalties, the Company must:

(i) pay US$25,000 in cash (paid);

(ii) incur property expenditures of US$2.1 million over three years, of which the first US$700,000 is a firm commitment; and

(iii) issue 3,000,000 common shares of the Company in stages, of which 1,000,000 common shares were issued upon TSXV acceptance (issued with a fair value of $130,000) (Note 6), a further 1,000,000 common shares on the first anniversary (issued with a fair value of $125,000) (Note 6), and the final 1,000,000 common shares on the second anniversary (issued with a fair value of $125,000).

On March 12, 2015, the Company signed an amended agreement which confirmed that the first US$700,000 in expenditures has been satisfied, the second US$700,000 in expenditures is extended to February 6, 2016, and the third US$700,000 in expenditures is extended to February 5, 2017. In exchange for this extension, the Company must pay additional consideration of

4. MINERAL PROPERTY (continued)

(b) Monitor Property (continued)

1,500,000 common shares (issued) and $25,000 cash (paid) within 20 days of execution of the amendment.

The Company shall have the right to exercise a buyout clause and thereby purchase a 100% interest in the Property from NALLC, and thereby terminate the Purchase Option Mining Lease Agreement. Upon exercise of this buy-out option, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the property.

If the Company exercises the option AMCOR shall receive a 20% carried interest until such time as the earlier of:

(a) a NI 43-101 compliant Feasibility Study is done; and

(b) The Company has notified AMCOR in writing of its decision to proceed with mining of the property.

At this time, a joint venture shall automatically be deemed to be formed between the Company and AMCOR, where AMCOR will hold a 20% joint venture interest and the Company will hold an 80% joint venture interest in the Monitor claims.

On September 1, 2015, the Company has entered into an agreement to extend the time within which it is required to incur certain expenditures in order to earn an 80% interest in the Monitor Property, Idaho. Under the original Option and Joint Venture Agreement with the property owners, the Company was required, among other things, to incur US$2,100,000 in expenditures on the property, of which US $700,000 was required to be expended by February 22, 2014, US$700,000 was required to be expended by February 22, 2015, and US$700,000 was required to be expended by February 22, 2016. By an amendment agreement with the property owners, the Company's incurrence of the first US$700,000 in expenditures is acknowledged, the date by which the second US$700,000 is required to be expended has be extended to February 6, 2016 and the date by which the final US$700,000 is required to be expended has been extended to February 5, 2017. As consideration for the extension, the Company has agreed to pay US$25,000 and issue to the property owners 1,500,000 common shares.

The Company has entered into a lease agreement with the landowner of the St. Lawrence parcel of patented (private) land on the Montana/Idaho border. The land is adjacent to the Richmond/Monitor project and will provide increased access to the old underground workings. The Company has been granted a permit to access these workings and plans to begin underground exploration in the coming weeks with a view to mining a 10,000 tonne parcel of ore for testing purposes, before the end of 2015. Under the lease agreement the landowner leases to the Company the St. Lawrence property, including all appurtenant mining, surface, access and other rights, for an initial term of 25 years with one option to renew for an additional 25 years. As consideration, the landowner will receive 1,300,000 common shares of the Company and a 1% net smelter returns (NSR) royalty from any production from all of the Monitor/Richmond project lease area. The landowner may terminate the lease after seven years if he has not received during that period NSR or equivalent cash payments totalling at least US$150,000. The landowner may also terminate the lease after three years if the Company has not incurred by that time at least US$100,000 in expenditures on the St. Lawrence

4. MINERAL PROPERTY (continued)

(b) Monitor Property (continued)

property. The landowner will also receive an annual maintenance fee of US$10,000 on each anniversary date of the agreement.

During the year ended December 31, 2014, the Company paid a fine of $50,641 to the US Department of Agriculture ("USDA") to resolve the Forest Service's resource damage claim, which was recognized in comprehensive loss.

(c) Ansongo Manganese Project

On December 10, 2013, the Company signed a non-binding term sheet with Tassiga Ltd. ("Tassiga") pursuant to which the Company proposes to initially acquire a 30% ownership in the Ansongo manganese project ("Ansongo Project"), with a three-year option to acquire up to 70% of the project.

On July 4, 2014, the Company entered into a letter agreement with respect to the acquisition of an interest in the Ansongo Project in Mali, West Africa, which replaces the term sheet of December 10, 2013. Under the new letter agreement, the Company can acquire, by outright purchase and the exercise of options, up to a 58.31% indirect interest in the Ansongo Project by acquiring issued shares of Ansongo Ltd. ("Ansongo"), which owns an indirect 70.419% interest in the project through various subsidiary companies, as follows:

- The Company has agreed to purchase 3,335 Ansongo shares representing an indirect 4.70% interest in the Ansongo project for $1,000,000;

- The Company has the option to purchase a further 18,259 Ansongo shares representing an indirect 25.72% interest in the Ansongo project by:

    - Incurring a minimum of $3,000,000 in exploration and development expenditures on or before June 30, 2016, of which $500,000 is to be incurred within 90 days of TSXV acceptance and a further $500,000 is to be incurred by June 12, 2015; and

    - Issuing to the vendor 30,000,000 common shares of the Company on or before June 30, 2016.

- The Company has the option to purchase a further 19,806 Ansongo shares representing an indirect 27.89% interest in the Ansongo project by :

    - Issuing 2,000,000 common shares of the Company, provided the market price for the Company's shares at the time is at least $0.20 per share. If the market price is not at least $0.20 per share, the payment may be made in cash with the agreement of the parties at the rate of $400,000 or the market price at the date of exercise multiplied by 2,000,000, whichever is the greater.

In addition to the foregoing, if after the exercise of the first option and prior to July 30, 2016, the market price for the Company's shares is $0.50 per share or greater, the Company is required to issue to the vendor an additional 5,000,000 common shares of the Company.

4. MINERAL PROPERTY (continued)

(c) Ansongo Manganese Project (continued)

The vendor of the Ansongo Project is a private company in which Gregor Theiser, a previous director of the Company, is a shareholder. Accordingly, the transaction is not an arm's-length transaction under TSXV policy.

On December 29, 2014, The Company received a notice of termination with respect to its agreement to acquire an interest in the Ansongo Project. Under the terms of the agreement, the amount paid of $582,670 and expenses incurred of $417,330, for a total of $1,000,000 plus 10% interest is to be returned to the Company. The Company is currently assessing its position with respect to the purported termination. As the recovery of the funds is uncertain, the receivable was written off resulting in an impairment charge of $582,670.

Mineral property expenses are as follows:

	For the Period Ended September 30, 2015		
	Gnaweeda Gold Project ($)	**Monitor Property ($)**	**Total ($)**
Acquisition and holding costs	(34,711)	19,022	(15,689)
Assays and analysis	-	10,367	10,367
Drilling contractor	-	377,183	377,183
Field costs and supplies	-	50,239	50,239
Geologists, geophysical contractors, geotechnician	8,295	156,857	165,152
Other rentals	-	14,097	14,097
Travel, accommodation and fuel	-	1,753	1,753
Total	**(26,416)**	**629,518**	**603,102**

	For the Nine Months Ended September 30, 2014		
	Gnaweeda Gold Project ($)	**Monitor Property ($)**	**Total ($)**
Acquisition and holding costs	26,942	10,563	37,505
Administrative	-	2,215	2,215
Assays and analysis	-	3,241	3,241
Geologists, geophysical contractors, geotechnician	252	6,744	6,996
Insurance	1,501	-	1,501
Other rentals	13,589	331	13,920
Shipping	-	5,674	5,674
Travel, accommodation and fuel	-	34,913	34,913
Total	**42,284**	**63,681**	**105,965**

5. RELATED PARTY TRANSACTIONS

The following table summarizes services provided by related parties:

	Nine Months Ended September 30, 2015 ($)	Nine Months Ended September 30, 2014 ($)
Management (a)	135,000	29,840
Professional fees (b)	-	68,811
Consulting (c)	341,327	380,148
	476,327	**478,799**

(a) The Company paid management fees of $90,000 (September 2014 - $Nil) to Rob Tindall, a director and Chief Executive Officer.

The Company paid management fees of $45,000 (September 2014 - $Nil) to Steve Hodgson, a director.

The Company paid management fees of $Nil (September 2014 - $29,840) to AN Consulting, a company controlled by a former Chief Executive Officer.

(b) The Company paid accounting fees of $Nil (September 2014 - $68,811) to Bridgemark Financial Corp. ("Bridgemark"), a company controlled by the former Chief Financial Officer.

(c) The Company paid consulting fees of $341,327 (September 2014 - $Nil) to Bernie Sostak, a director.

The Company paid consulting fees of $Nil (September 2014 - $380,148) to Gregor Theiser, former director and Chief Executive Officer.

At December 31, 2014, the Company wrote off $582,670 receivable (December 31, 2013 - $522,280) receivable from Tassiga, which is related to Gregor Theiser, a former director and Chief Executive Officer (Note 4).

As of September 30, 2015, $332,150 (December 31, 2014 - $352,354) is due to related parties for the services above.

Amounts due to/from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. RESTRICTED CASH

The Company has a refundable performance bond for Monitor Property’s plan of operations as security for drilling activities requirements.

7. ISSUED CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Share Capital transactions

Nine months ended September 30, 2015

During the nine months ended September 30, 2015, the Company received an equivalent of $1,421,033 for share subscriptions.

On March 18, 2015, the Company issued 1,000,000 common shares with a fair value of $125,000 pursuant to the Monitor Property (Note 4).

On April 21, 2015, the Company issued 1,500,000 common shares with a fair value of $187,500 pursuant to the Monitor Property (Note 4).

On September 4, 2015, the Company issued 2,800,000 common shares with fair value of $350,000 pursuant to the Monitor Property (Note 4).

Year ended December 31, 2014

On March 12, 2014, the Company issued 1,000,000 common shares with a fair value of $125,000 pursuant to the Monitor Property agreement (Note 4).

The Company received $1,323,086 (2013 - $607,744) in share subscriptions toward a private placement to issue up to 40,000,000 common shares at a price of $0.10 per share for gross proceeds of up to $4,000,000. As at December 31, 2014, the private placement had not closed.

(c) Stock Options

The Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant.

The option price shall be not less than the discounted market price on the grant date, and the expiry date shall be set by the board at the time of grant of the option.

	Options	Weighted average exercise price ($)
Balance December 31, 2013	**3,286,000**	**0.12**
Expired	(1,000,000)	0.16
Balance December 31, 2014 & September 30, 2015	**2,286,000**	**0.10**

7. ISSUED CAPITAL (continued)

(c) Stock Options (continued)

As at September 30, 2015, the following stock options were outstanding and exercisable:

Number	Weighted Average Exercise Price ($)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
1,786,000	0.10	April 9, 2017	1.52
500,000	0.10	December 14, 2017	2.20
2,286,000	0.10		1.67

These options entitle the holder thereof the right to acquire one common share for each option held. The fair value of each option is estimated on the grant date using the Black-Scholes option valuation model assuming no expected dividends. The range of assumptions used in calculating fair value is as follows.

	December 31, 2013
Risk free interest rate	1.29%
Expected life (in years)	5.00
Expected volatility	154.37%
Expected dividend yield	0%

For the year ended December 31, 2014, the Company recognized $Nil (2013 - $132,239) in compensation expense which was charged to operations.

(d) Warrants

	Warrants	Weighted average exercise price ($)
Balance, December 31, 2013	**22,096,665**	**0.12**
Expired	(583,333)	0.12
Balance, December 31, 2014	**21,513,332**	**0.12**
Expired	(700,000)	0.20
Balance, September 30, 2015	**20,813,332**	**0.12**

7. ISSUED CAPITAL (continued)

(e) Warrants (continued)

As at September 30, 2015, the following warrants were outstanding and exercisable:

Number	Weighted Average Exercise Price ($)	Expiry Date	Weighted Average Remaining Contractual Life (in years)
12,479,999*	0.12	November 22, 2015*	0.14
8,333,333**	0.12	December 14, 2015**	0.20
20,813,332	0.12		0.17

*On October 29, 2013, the expiration date was extended from November 22, 2013 to November 22, 2015.
**On December 12, 2014, the expiry date was extended from December 14, 2014 to December 14, 2015.

8. NON-CASH TRANSACTIONS

<u>During the nine months ended September 30, 2015:</u>

a) The Company issued 2,500,000 common shares at 0.125 cents totaling $312,500 pursuant to the Monitor Property Agreement (Note 4).

b) The Company issued 2,800,000 common shares at 0.125 cents totaling $350,000 pursuant to the Monitor Property Agreement (Note 4).

<u>During the year ended December 31, 2014:</u>

a) The Company issued 1,000,000 common shares at 0.125 cents totaling $125,000 pursuant to the Monitor Property Agreement (Note 4).

9. SETTLEMENT WITH PREVIOUS MANAGEMENT

During the year ended December 31, 2013, the Company entered into a settlement with previous management whereby the previous management agreed to sell, to a third party, common shares of the company and to repay the Company for amounts borrowed and owed. The difference between money received of $125,401 and net owed has been recorded as a net $7,688 gain from settlement.

10. RECEIVABLES

The Company's receivables are broken down as follows:

	September 30, 2015 ($)	December 31, 2014 ($)
Sales tax receivable	7,104	25,188
Receivable for disposition of Gnaweeda Property (Note 4)	-	516,818
Total	**7,104**	**542,006**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	September 30, 2015 ($)	December 31, 2014 ($)
Accounts payable	647,290	421,752
Accrued liabilities	-	20,000
Total	**647,290**	**441,752**

12. CASH AND CASH EQUIVALENTS

	September 30, 2015 ($)	December 31, 2014 ($)
Cash at bank	523,893	428
Total	**523,893**	**428**

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, due to/from related parties, and accounts payable and accrued liabilities. Cash and cash equivalents and receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable is designated as other financial liabilities, which are measured at amortized cost.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

14. MANAGEMENT OF CAPITAL AND FINANCIAL RISK

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and its receivables. This risk is managed through the use of a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's

14. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

receivables relate to sales taxes from the Governments of Canada and Australia and a receivable for the disposition of the Gnaweeda property. The risk associated with its receivables is minimal.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

Currency risk: Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. The Company is exposed to currency exchange rate risk to the extent of its activities in Australia. Management believes the foreign exchange risk derived from currency conversions from the Australian operations is not significant and does not hedge its foreign exchange risk.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Australian dollars:

	September 30, 2015 ($)	December 31, 2014 ($)
Cash and cash equivalents	20,866	11
Receivables	-	516,818
Accounts payable	(40,570)	(122,197)
	(19,704)	394,632

Based on the above net exposures, as at September 30, 2015, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company’s net loss by $985.

Industry risk: The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Interest rate risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not significant as the Company’s assets and liabilities do not bear any interest.

Capital management: The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance, exploration, and development of mineral properties. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents. The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage so the Company

14. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed. The Company is not subject to any externally imposed restrictions on capital. There were no changes in the Company's approach to capital management during the period.

15. SEGMENTED INFORMATION

Operating segments

The Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral properties located in two geographical segments, Australia and USA.

Geographic segments

The following non-current assets, which consist of exploration and evaluation assets are located in the following countries:

	September 30, 2015	December 31, 2014
USA	964,302	269,989
Total	**964,302**	**269,989**

16. EVENTS AFTER THE REPORTING PERIOD

a) On October 9, 2015 the Company, announces that it has now received the approval of the TSX Venture Exchange (the “Exchange”) to its Stock Option Plan (the “Plan”), which received disinterested shareholder approval at the Annual General Meeting held May 29, 2015.

The Plan is a fixed plan that reserves a maximum of 20,692,850 common shares for the issuance of stock options. Shares reserved under Plan options that expire, terminate or otherwise cease to be exercisable will become available for the issuance of future options under the Plan. Options under the Plan may be granted at the Discounted Market Price, as defined in the policy of the Exchange, at the time of the grant. The Plan contains the limitations required by Exchange policy on the number of shares that may be optioned to consultants and persons providing investor relations services, and other restrictions and conditions required by Exchange policy.

b) On October 19, 2015, the Company announced that it has closed a shares for debt transaction resulting in the issue of 32,007,370 common shares at $0.10 per share, thereby eliminating obligations owed to investors under the originally announced private placements in the sum of $3,200,737. Robert Tindall (as to debt of $57,694), Bernie Sostak (as to debt of $216,877.50) and Steve Hodgson (as to debt of $228,650), all related parties of the Company under Exchange policy 5.9, participated in the shares for debt transaction and received 5,032,215 common shares in the aggregate.

As consideration for locating subscribers under the originally announced private placements, the Company has issued to GTG Advice Pty Ltd. of Queensland, Australia, warrants for the purchase of 3,460,611 common shares, exercisable for three years at a price of $0.10 per share.