NEVADA EXPLORATION INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED OCTOBER 31, 2015

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended October 31, 2015.

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	October 31, 2015	April 30, 2015 (Audited)
ASSETS		
Current assets		
Cash	$ 151,563	$ 29,674
Accounts receivable (Note 3)	9,733	4,649
Prepaid expenses (Note 4)	7,933	7,948
Short term investments (Note 5)	3,401	5,102
Total current assets	172,630	47,373
Non-current assets		
Equipment (Note 7)	135,742	138,643
Intangible assets (Note 8)	3,960	-
Exploration and evaluation assets (Note 9)	3,930,232	3,442,023
Deposits and bonds (Note 10)	37,269	28,894
Total non-current assets	4,103,243	3,609,560
Total assets	$ 4,279,833	$ 3,656,933
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 11 and 6)	$ 125,353	$ 448,578
Short term demand loan (Note 13)	-	30,000
Current portion of finance lease obligations (Note 12)	5,801	10,630
Total current liabilities	131,154	489,208
Non-current liabilities		
Finance lease obligations (Note 12)	31,273	28,855
Total liabilities	162,427	518,063
Equity		
Capital stock (Note 14)	16,890,039	16,368,731
Reserves (Note 14)	1,819,707	1,163,289
Deficit	(14,592,340)	(14,393,150)
Total equity	4,117,406	3,138,870
Total liabilities and equity	$ 4,279,833	$ 3,656,933

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board on December 18, 2015:

"John Larson" Director *"Wade Hodges"* Director

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended October 31, 2015	Three Months Ended October 31, 2014	Six Months Ended October 31, 2015	Six Months Ended October 31, 2014
INCOME				
Project management and consulting	$ 45,257	$ -	$ 46,501	$ -
EXPENSES				
Amortization (Note 7)	5,672	4,763	11,037	9,427
General exploration costs	1,017	905	1,216	1,209
Interest and bank charges	1,750	618	2,416	1,021
Investor relations	40,876	-	41,776	-
Office expenses and other	9,628	14,542	21,021	27,951
Professional fees and consulting (Note 6)	33,667	27,588	67,305	54,409
Project management and consulting	8,298	27,588	8,298	-
Rent	6,971	16,609	13,671	33,377
Salaries (Note 15)	11,288	61,709	37,547	95,823
Share-based payments (Note 6 and 14)	107,970	-	107,970	-
Travel	1,331	1,207	3,096	1,207
Total operating expenses	(228,468)	(127,941)	(315,353)	(224,424)
Loss from operations	(183,211)	(127,941)	(268,852)	(224,424)
OTHER ITEMS				
Gain on salary settlement (Note 6)	71,363	-	71,363	-
Unrealized gain (loss) on marketable securities	-	-	(1,701)	-
Write-off of exploration and evaluation assets (Note 8)	-	-	-	(1,349,346)
Total other items	71,363	-	(69,662)	(1,349,346)
Net loss for the period	(111,848)	(127,941)	(199,190)	(1,573,770)
OTHER COMPREHENSIVE INCOME				
Currency translation adjustment	169,604	101,027	450,975	71,533
Comprehensive income (loss) for the period	57,756	(26,914)	$ 251,785	$ (1,494,237)
Basic and diluted loss per common share	(0.00)	(0.01)	$ (0.01)	$ (0.12)
Weighted average number of common shares outstanding	26,006,592	13,033,620	19,059,701	12,918,871

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					
	Shares (Note 14)	Amount (Note 14)	Options (Note 14)	Warrants (Note 14)	Currency Translation	Total Reserves	Deficit	Total Equity
Balance, May 1, 2014	12,806,590	$ 16,122,776	$ 840,490	$ 128,376	$ 317,988	$ 1,286,854	$ (13,088,950)	$ 4,320,680
Private placement	283,010	141,505	-	-	-	-	-	141,505
Share issuance costs - finders' fee	-	(2,000)	-	-	-	-	-	(2,000)
Relative fair value of unit warrants issued	-	(46,892)	-	46,892	-	46,892	-	-
Share issuance costs - finders' warrant	-	(793)	-	793	-	793	173,271	-
Options expired	-	-	(173,271)	-	-	(173,271)	-	-
Currency translation adjustment	-	-	-	-	79,533	79,533	-	79,533
Net loss for the period	-	-	-	-	-	-	(1,573,770)	(1,573,770)
Balance, October 31, 2014	13,089,600	$ 16,214,596	$ 667,219	$ 176,061	$ 397,521	$ 1,240,801	$ (14,489,449)	$ 2,965,948
Balance, May 1, 2015	13,374,600	$ 16,368,731	$ 500,342	$ 47,685	$ 615,262	$ 1,163,289	$ (14,393,150)	$ 3,138,870
Private placement	14,100,000	705,000	-	-	-	-	-	705,000
Relative fair value of unit warrants issued	-	(287,597)	-	287,597	-	287,597	-	-
Share issuance costs	-	(44,226)	-	(30,052)	-	(30,052)	-	(74,278)
Shares for debt – bridge financing	939,150	46,958	-	-	-	-	-	46,958
Relative fair value of unit warrants issued	-	(18,932)	-	18,932	-	18,932		-
Share issuance costs	-	(4,896)	-	-	-	-	-	(4,896)
Shares for debt – management settlement	2,500,000	125,000	-	-	-	-	-	125,000
Share-based payments	-	-	107,970	-	-		-	107,970
Currency translation adjustment	-	-	-	-	271,971	271,971	-	271,971
Net loss for the period	-	-	-	-	-	-	(126,210)	(126,210)
Balance, October 31, 2015	30,913,750	$ 16,890,039	$ 608,312	$ 324,162	$ 887,233	$ 1,819,707	$ 14,592,340	$ 4,117,406

On August 28, 2015, the Company's common shares were consolidated on the basis of one post-consolidated common share for every ten pre-consolidated common shares. The numbers of the shares presented in these consolidated financial statements have all been adjusted to reflect the impact of this share consolidation.

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

	Six Months Ended October 31, 2015	Six Months Ended October 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (199,190)	$ (1,573,770)
Items not affecting cash:		
Amortization	11,037	9,427
Write-off of exploration and evaluation assets	-	1,349,346
Share-based payments	107,970	-
Unrealized loss on marketable securities	1,701	-
Changes in non-cash working capital items:		
Accounts receivable	(5,084)	(804)
Prepaid expenses	15	(515)
Accounts payable and accrued liabilities	(223,863)	144,718
Net cash used in operating activities	(307,414)	(71,598)
CASH FLOWS FROM INVESTING ACTIVITIES		
Website under construction	(3,960)	-
Deposits	5,750	-
Exploration and evaluation expenditures	(199,910)	(116,088)
Net cash used in investing activities	(198,120)	(116,088)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	705,000	141,505
Share issuance cost	(79,173)	(2,000)
Short-term loan received (Note 13)	16,958	-
Redemption (purchase) of bonds (Note 10)	(14,125)	54,199
Repayment of finance lease obligations (Note 12)	(6,171)	(4,644)
Net cash provided by financing activities	622,489	189,060
Effect of foreign exchange	4,934	1,815
Change in cash for the period	121,889	3,189
Cash, beginning of period	29,674	22,603
Cash, end of period	$ 151,563	$ 25,792

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the "Company" or "NGE") was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties. On July 14, 2010, the Company amalgamated with its subsidiary 2107189 Ontario Inc. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The amounts shown for mineral properties and related deferred exploration costs represent costs incurred to date and do not reflect present or future values. The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and future profitable production.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "NGE" and the Company's head office is located at Suite 1500 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company's registered and records office is located at 25th Floor, 700 W. Georgia St., Vancouver, BC V7Y 1B3.

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on October 31, 2015.

Going concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business. There are material uncertainties related to adverse conditions and events that cast substantial doubt on the Company's ability to continue as a going concern.

During the period ended October 31, 2015, the Company incurred a comprehensive income of $251,785 (2014 – loss of $1,494,237) and as at that date, the Company had accumulated deficit of $14,592,340 (April 30, 2015 – $14,393,150), a working capital of $41,476 (April 30, 2015 – working capital deficiency of $441,835) and negative cash flows from operations of $307,414 (2014 - $71,598). These factors create material uncertainties that may cast substantial doubt upon the Company's ability to continue as a going concern.

As is common with junior mining companies, the Company continues to seek capital through various means including the issuance of equity and/or debt to finance its on-going and planned exploration activities and to cover administrative costs.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Recovery of the carrying value of the mining claims and related deferred exploration expenditures are dependent upon the discovery of economically recoverable resources, the ability of the Company to develop necessary financing to continue exploration and development, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering into agreements with others to explore and develop the properties and upon future profitable production or proceeds from disposition of such properties.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

On August 28, 2015, the Company's common shares were consolidated on the basis of one post-consolidated common share for every ten pre-consolidated common shares. The numbers of the shares presented in these consolidated financial statements have all been adjusted to reflect the impact of this share consolidation.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. These condensed consolidated interim financial statements should be read in conjunction with the Company's financial statements for the year ended April 30, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual audited consolidated financial statements as at and for the year ended April 30, 2015 as filed on SEDAR at www.sedar.com.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary Pediment Gold LLC. The financial statements of the Company's subsidiary have been consolidated from the date that control commenced. All inter-company balances and transactions, and income and expenses have been eliminated upon consolidation.

The financial statements include the financial statements of Nevada Exploration Inc. and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
Pediment Gold LLC	USA	US dollar	100%	Exploration company

Use of judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

i) the carrying value and the recoverability of exploration and evaluation assets;
ii) the estimated useful lives of equipment and the related amortization;
iii) impairment of equipment; and
iv) valuation of share-based payments and warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of the Company's wholly-owned subsidiary Pediment Gold LLC is the US dollar.

Share issuance costs

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to capital stock when the related shares are issued. If the financing is not completed share issue costs are charged to profit or loss.

Equipment

Equipment is recorded at historical cost less accumulated amortization and impairment charges. Equipment is amortized on a straight-line basis over their estimated useful lives as follows:

Exploration equipment	5 to 7 years
Vehicles	5 years
Computer equipment	3 years

The cost of replacing a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Mineral properties – exploration and evaluation assets

Pre-acquisition exploration costs

The Company expenses all costs incurred in an area prior to obtaining legal mineral rights in the period in which the costs are incurred, unless it is considered probable that they will generate future economic benefit.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as license and property acquisition costs, materials used, surveying costs, exploratory drilling costs, payments made to contractors and amortization on equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. Exploration and evaluation assets are recognized if the rights to the project are current and either (1) the expenditures are expected to be recovered through successful development and exploitation of the project, or alternatively by its sale, and (2) active and significant operations in, or in relation to, the projects are continuing.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties – exploration and evaluation assets (cont'd...)

Exploration and evaluation expenditures (cont'd...)

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. As the Company acquires more information and data about a project, it may choose to focus its efforts on a smaller area within the project area and in such cases may choose to reduce the size of its land holdings at the project. Focusing efforts on a small area and reducing the size of the project accordingly does not necessarily result in impairment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Title

Ownership in a mineral property involves certain risk due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of interests are in good standing.

Impairment

At the end of each reporting date, the carrying amounts of the Company’s long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. In addition, capitalized exploration and evaluation assets are tested for impairment when technical feasibility and commercial viability of the related project is established.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units (“CGU’s”) for impairment purposes. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. 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 the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit and loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

Deferred taxes are recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize that excess.

Provision for environmental rehabilitation

The Company recognizes the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the consolidated statement of comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. As at October 31, 2015 and April 30, 2015, the Company has not recorded any provision for environmental rehabilitation.

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to capital stock and the relative fair value of the warrant component is credited to warrants reserve. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants reserve is recorded as an increase to capital stock. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to capital stock.

Basic and diluted loss per common share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders by the weighted average number of common shares outstanding for the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. As at October 31, 2015 and April 30, 2015, warrants and options outstanding are anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of employee stock options are measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment consideration. Consideration paid for the shares on the exercise of stock options together with the fair value of the stock options previously recognized is credited to capital stock. When vested options are not exercised by the expiry date, the amount previously recognized in share-based payment is transferred to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Receivables

Receivables are recorded at face value less any provisions for uncollectible amounts considered necessary.

Revenue recognition

Project management and consulting revenue is recognized at the time the service is provided and collection is reasonably assured.

Option payments received by the Company for mineral properties not recorded in exploration and evaluation assets are recorded as income.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities, at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at different rates from those at which they are translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Pediment Gold LLC are expressed in Canadian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as currency translation reserve in equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form a part of the net investment in the foreign operation, are recognized in foreign currency translation in the currency translation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables ("LAR") - Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity ("HTM") - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of HTM financial assets, including impairment losses, are recognized in profit or loss.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment and at disposal, the amount of the cumulative loss is removed from equity and recognized in profit or loss.

Financial liabilities

Financial liabilities are classified into one of two categories, based on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities ("OFL") - This category includes amounts due to related parties, accounts payable and accrued liabilities and finance lease obligations, all of which are recognized at amortized cost.

Financial Instrument	Classification
Cash	LAR
Accounts receivable (excluding GST receivable)	LAR
Deposits and bonds	LAR
Accounts payable and accrued liabilities	OFL
Finance lease obligations	OFL
Short-term demand loan	OFL
Short term investments	FVTPL

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Impairment

All financial assets except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that the estimated cash flows of a financial asset or group of financial assets are negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments by the borrower; or
- it becomes probable that the borrower will enter into bankruptcy or financial reorganization.

The carrying amount of the financial asset is directly reduced by any impairment loss.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Leases

Leases that transfer substantially all of the benefits and risks of ownership of the assets to the Company are accounted for as finance lease obligations. At the time the finance lease obligation is entered into, an asset is recorded together with the related obligation. Assets under finance lease obligations are depreciated over their estimated useful lives.

New Accounting Standards and Amendments to Existing Standards

There were no new and amended standards that became effective for the Company's April 30, 2016 reporting period

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New Accounting Standards and Amendments to Existing Standards (cont'd…)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new or revised standards and amendments that have been issued but are not yet effective for the Company's April 30, 2016 reporting period:

- New standard IFRS 9, *Financial Instruments*, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018. The new standard is expected to have minimal impact on the Company's financial statements.

The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

3. ACCOUNTS RECEIVABLE

The Company's receivables arise from two main sources: Goods and Services Tax ("GST") receivable due from Canadian government taxation authorities and trade accounts receivable. These are broken down as follows:

	October 31, 2015	April 30, 2015
GST receivable	$ 9,733	$ 4,649
Total	$ 9,733	$ 4,649

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	October 31, 2015	April 30, 2015
Security deposit for rental of premises	$ 7,933	$ 7,948

(Expressed in Canadian Dollars)

5. SHORT TERM INVESTMENTS

			October 31, 2015	April 30, 2015
	Number	**Cost**	**Carrying Value**	**Carrying Value**
Spruce Ridge Resources Ltd. - Shares	170,068	$ 25,000	$ 3,401	$ 5,102

During the six month period ended October 31, 2015, the Company revalued the shares based on the market price at October 31, 2015 resulting in an unrealized loss of $1,701 (2014 – loss of $nil).

6. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2015, the Company:

i) paid or accrued $24,520 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner; and
ii) granted 1,625,000 stock options to directors and officers of the Company, thus, recognized share-based payment of $107,970.

During the period ended October 31, 2014, the Company:

i) paid or accrued $22,325 in professional fees to a firm in which the Chief Financial Officer of the Company is a partner.

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

	October 31, 2015	April 30, 2015
Due to a firm of which the Chief Financial Officer is a partner	$ 37,700	$ 65,848
Due to management of the Company (Note 16)	13,095	25,292
	$ 50,795	$ 91,143

During the period ended October 31, 2015, the Company recognized a gain of $71,363 (2014 - $nil) due to settlement of accrued salaries with directors of the Company.

(Expressed in Canadian Dollars)

7. EQUIPMENT

Included in computer equipment as at October 31, 2015 is a database under construction with a cost of $82,195 (2014 - $82,195). The database is on hold pending review of costs. No amortization has been taken on this computer equipment in the current period.

	Vehicles	Exploration equipment	Computer equipment	Total
Cost				
Balance, April 30, 2014	$ 84,702	$ 166,932	$ 127,291	$ 378,925
Disposal	-	(3,722)	-	(3,722)
Effect of translation	8,532	16,677	12,822	38,031
Balance, April 30, 2015	$ 93,234	$ 179,887	$ 140,113	$ 413,234
Disposal	-	-	-	-
Effect of translation	7,814	15,075	8,499	31,388
Balance, October 31, 2015	$ 101,048	$ 194,962	$ 148,612	$ 444,622
Accumulated amortization				
Balance, April 30, 2014	$ 40,529	$ 160,727	$ 32,809	$ 234,065
Disposal	-	(3,722)	-	(3,722)
Amortization	10,297	2,169	7,366	19,832
Effect of translation	4,590	16,159	3,667	24,416
Balance, April 30, 2015	$ 55,416	$ 175,333	$ 43,842	$ 274,591
Disposal	-	-	-	-
Amortization	5,731	1,207	4,099	11,037
Effect of translation	4,768	14,721	3,764	23,252
Balance, October 31, 2015	$ 65,915	$ 191,260	$ 51,704	$ 308,880
Carrying amounts				
As at April 30, 2015	$ 37,818	$ 4,554	$ 96,271	$ 138,643
As at October 31, 2015	$ 35,132	$ 3,702	$ 96,908	$ 135,742

8. INTANGIBLE ASSETS

The Company has paid $3,960 for a new website. As at October 31, 2015, the website was under construction; therefore, no amortization has been taken.

	October 31, 2015	April 30, 2015
Website	$ 3,960	$ -

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

For the period ended October 31, 2015:

	GV	SGV	KC	HP	AW	TOTAL
Acquisition costs						
Balance – May 1, 2015	$ 26,402	$ 111,513	$ 1,071,126	$ 120,804	$ 277,848	$ 1,607,693
Additions – cash	41,805	6,972	107,005	26,309	1,312	183,403
Effect of translation	5,379	9,344	92,909	11,602	22,015	141,249
Balance – end of period	73,586	127,829	1,271,040	158,715	301,175	1,932,345
Exploration costs						
Balance – May 1, 2015	319	-	90,321	968,572	775,118	1,834,330
Geochemistry	17,518	-	-	-	-	17,518
Effect of translation	1,406	-	7,123	76,383	61,127	146,039
Balance – end of period	19,243	-	97,444	1,044,955	836,245	1,997,887
Total costs – October 31, 2015	**$ 92,829**	**$ 127,862**	**$ 1,368,484**	**$ 1,203,670**	**$ 1,137,420**	**$ 3,930,232**

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

For the year ended April 30, 2015:

	GV	SGV	KC	HP	AW	FJ	TOTAL
Acquisition costs							
Balance – May 1, 2014	$ -	$ 67,531	$ 927,347	$ 109,247	$ 239,373	$ 235,790	$ 1,579,288
Additions – cash	23,997	33,824	38,211	553	13,166	-	109,751
Additions – shares	-	-	8,000	-	-	-	8,000
Effect of translation	2,405	10,158	97,568	11,004	25,309	(1,203)	145,241
Balance – end of year	26,402	111,513	1,071,126	120,804	277,848	234,587	1,842,280
Exploration costs							
Balance – May 1, 2014	-		82,116	875,087	702,957	1,120,477	2,780,637
Geological	-	-	-	5,259	1,556	-	6,815
Travel	291	-	-	-	-	-	291
Effect of translation	28	- -	8,205	88,226	70,605	(5,718)	161,346
Balance – end of year	319	-	90,321	968,572	775,118	1,114,759	2,949,089
Write-off of property	-	-	-	-	-	(1,349,346)	(1,349,346)
Total costs – April 30, 2015	**$ 26,721**	**$ 111,513**	**$ 1,161,447**	**$ 1,089,376**	**$ 1,052,966**	**$ -**	**$ 3,442,023**

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd….)

Grass Valley Project (GV)

As at October 31, 2015, the Company's Grass Valley Project consists of 192 (April 30, 2015 - 452) unpatented mining claims held directly by the Company covering approximately 15.5 km^2 (April 30, 2015 - 37.6 km^2).

South Grass Valley (SGV)

As at October 31, 2015, the Company's South Grass Valley Project consists of 32 (April 30, 2015 - 185) unpatented mining claims held directly by the Company covering approximately 2.6 km^2 (April 30, 2015 – 15.4 km^2).

Kelly Creek (KC)

As at October 31, 2015, the Company's Kelly Creek Project consists of 209 (April 30, 2015 - 209) unpatented mining claims leased by the Company from Genesis Gold Corporation through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement"), covering approximately 16.6 km^2 (April 30, 2015 – 16.6 km^2).

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on August 25, 2015, to acquire a 100% interest in these claims. Under the Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for USD$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments:

1st anniversary (October 1, 2010)	$	5,000 USD
2nd anniversary (October 1, 2011)		10,000 USD
3rd anniversary (October 1, 2012)		10,000 USD
4th anniversary (October 1, 2013)		10,000 USD
5th and each subsequent anniversaries		10,000 USD [i)]

i) During the year ended April 30, 2015, the Company issued 800,000 Common shares, plus agreed to pay $10,000 USD to satisfy the October 1, 2014 payment.

ii) On August 25, 2015, the Company and Genesis Gold Corporation agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015; October 1, 2016; and October 1, 2017, from $50,000 USD to $10,000USD, subject to the each party's rights under the Genesis Agreement.

Hot Pot (HP)

As at October 31, 2015, the Company's Hot Pot Project consists of approximately 8.8 km^2 (April 30, 2015 - 8.8 km^2) of private land leased by the Company under a Mining Lease Agreement.(the "Hot Pot Lease") from a private property owner.

Under the terms of the Hot Pot Lease, the Company is required to make annual payments of $20,000 USD on each anniversary, and the agreement is subject to a 3% NSR to the property owner.

All of the Company's mineral interests at Hot Pot are subject to a 1.25% NSR to Royal Gold, Inc.

9. EXPLORATION AND EVALUATION ASSETS (cont'd….)

Awakening (AW)

As at October 31, 2015, the Company's Awakening Project consists of 47 (April 30, 2015 - 72) unpatented mining claims held directly by the Company covering approximately 3.8 km^2 (April 30, 2015 – 4.5 km^2).

Fletcher Junction (FJ)

The Company dropped the Fletcher Junction Project and wrote off all associated costs during the year ended April 30, 2015.

(Expressed in Canadian Dollars)

10. DEPOSITS AND BONDS

		October 31, 2015		April 30 2015
Security deposits [(1)]	$	-	$	5,750
Reclamation bond deposits [(2)]		37,269		23,144
	$	37,269	$	28,894

(1) Security deposits consisted of $5,750 guaranteed investment certificate ("GIC") and bearing interest at prime less 2%. The GIC was used to secure the credit limit on a credit card.

(2) Reclamation bond deposits are required by the U.S. Bureau of Land Management ("BLM") and the U.S. Forest Service ("USFS") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM and the USFS. The Company did not have any asset retirement obligations as of October 31, 2015 and April 30, 2015.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

		October 31, 2015		April 30, 2015
Trade payables	$	66,238	$	111,693
Due to related parties (Note 6)		37,700		91,143
Due to key management personnel		13,095		208,268
Accrued liabilities		8,320		37,474
Total	$	125,353	$	448,578

12. FINANCE LEASE OBLIGATIONS

The Company has a finance lease obligation for a leased vehicle of $38,798 (US- $29,673), with blended monthly payments of principal and interest, bearing interest at a rate of 2.90% per annum.

		October 31, 2015		April 30, 2015
Finance lease obligations	$	38,798	$	41,616
Deduct: amount representing interest		(1,724)		(2,131)
Present value of minimum lease payments due		37,074		39,485
Less: current portion		(5,801)		(10,630)
Non-current portion	$	31,273	$	28,855

The total of principal repayments of the finance lease obligations that are due within the next one year is $5,801, and the remaining portion for $31,273 is due between fiscal years 2016 to 2019.

(Expressed in Canadian Dollars)

13. SHORT-TERM DEMAND LOAN

	October 31, 2015	April 30, 2015
Loan payable on demand, with no interest and no fixed term	$ -	$ 30,000
	$ -	$ 30,000

During the year ended April 30, 2015, the Company entered into a loan, payable on demand, with no interest and no fixed term with a shareholder of the Company. During the period ended October 31, 2015, the Company received $16,958 of bridge loan financing as part of the shares for debt agreement which resulted in a total of $46,958 in bridge loan financing and the issuance of 939,150 units (Note 14).

14. CAPITAL STOCK

a) Authorized share capital:

As at October 31, 2015, the authorized share capital of the Company was:
Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value;
All issued shares are fully paid.

b) Issued share capital:

On August 28, 2015, the Company's common shares were consolidated on the basis of one post-consolidated common share for every ten pre-consolidated common shares. The numbers of the shares presented in these consolidated financial statements have all been adjusted to reflect the impact of this share consolidation.

During the period ended October 31, 2015, the Company:

- Completed its non-brokered private placement by issuing 14,100,000 units at a price of $0.05 per unit, for gross proceeds of $705,000. Each unit consists of one common share and one non-transferable common share purchase warrant, with each full warrant entitling the holder to purchase a common share for a period of three years at an exercise price of $0.10. Fair value allocated in connection to these warrants was $287,597. In connection with the private placement, the Company paid $74,278 in share issuance costs;
- Completed bridge financing whereby the Company issued 939,150 units at a price of $0.05 per unit to settle $46,958 of unsecured demand loans provided to the Company by arm's length parties. Each unit consists of one common share and one non-transferable common share purchase warrant, with each full warrant entitling the holder to purchase a common share for a period of three years at an exercise price of $0.10. Fair value allocated in connection to these warrants was $18,932. In connection with the bridge financing, the Company paid $4,896 in share issuance costs; and
- Completed a shares for debt settlement whereby the Company issued 2,500,000 common shares to the Company's management team at a price of $0.05 per common share to settle $125,000 of accrued salaries.

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (cont'd…)

During the period ended October 31, 2014, the Company:

- Completed a non-brokered private placement by issuing 283,010 units at a price of $0.50 per unit, for gross proceeds of $141,505. Each unit consists of one common share and one non-transferable common share purchase warrant entitling the holder to purchase one common share at an exercise price of $0.50 for a period of three years. Fair value allocated in connection to these warrants was $46,892. In connection with the private placement, the Company:

  i) paid finders' fee of $3,530 to an arm's length party; and

  ii) issued 4,000 finders' warrants with a fair value of $793.

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years.

During the period ended October 31, 2015, the Company granted an aggregate of 1,625,000 stock options to acquire common shares of the Company to officers and directors of the Company. The options have an exercise price of $0.185 and vest one third immediately, one third on October 19, 2016; and one third on October 19, 2017.

During the period ended October 31, 2014, the Company did not grant any stock options.

A continuity of share purchase options for the period ended October 31, 2015 is as follows:

Expiry date	Exercise price	April 30, 2015	Granted	Expired	Cancelled	October 31, 2015	Exercisable
December 31, 2015	1.00	250,000	-	-	-	250,000	250,000
August 9, 2016	1.00	20,000	-	-	-	20,000	20,000
September 25, 2017	1.10	10,000	-	-	-	10,000	10,000
December 4, 2017	1.20	50,000	-	-	-	50,000	50,000
March 2, 2019	1.00	280,000	-	-	-	280,000	280,000
October 19, 2020	0.19	-	1,625,000	-	-	1,625,000	1,625,000
Total		610,000	1,625,000	-	-	2,235,000	2,235,000
Weighted average exercise price		$ 1.02	$ 0.19	$ -	$ -	$ 0.41	$ 0.41
Weighted average remaining life of options outstanding						4.11 years	

c) Warrants

During the period ended October 31, 2015, the Company:

- Granted 14,100,000 common share purchase warrants in connection to a private placement; and
- Granted 939,150 common share purchase warrants in connection to bridge financing.

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (cont'd…)

c) Warrants (cont'd…)

A continuity of share purchase warrants for the period ended October 31, 2015 is as follows:

Expiry date		Exercise price	April 30, 2015	Granted	Expired	October 31, 2015	Exercisable
August 19, 2017	$	0.50	283,010	-	-	283,010	283,010
August 19, 2017		0.50	4,000	-	-	4,000	4,000
August 28, 2018		0.10	-	939,150	-	939,150	939,150
August 28, 2018		0.10	-	13,200,000	-	13,200,000	13,200,000
September 23, 2018		0.10	-	900,000	-	900,000	900,000
Total			287,010	15,039,150	-	15,326,160	15,326,160
Weighted average exercise price			$ 0.50	$ 0.10	$ -	$ 0.11	$ 0.11

	October 31, 2015	April 30, 2015
Share price	$0.05	$0.40
Risk-free interest rate	0.00%	1.09%
Expected life of warrants	3 years	3 years
Annualized volatility based on historical volatility	136.66%	85.28%
Dividend rate	0.00%	0.00%
Fair value per warrant	$0.02	$0.02

15. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	October 31, 2015	April 30, 2015
Non-current assets:		
United States		
Equipment	$ 135,742	$ 138,643
Exploration and evaluation assets	3,930,232	3,442,023
Deposits and bonds	37,269	28,894
	$ 4,103,243	$ 3,609,560

(Expressed in Canadian Dollars)

16. KEY MANAGEMENT COMPENSATION

Remuneration of key management of the Company is as follows:

	Six Months Ended October 31, 2015	Six Months Ended October 31, 2014
Salaries	$ 37,547	$ 91,626
	$ 37,547	$ 91,626

17. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and deposits and bonds. Management believes that the credit risk concentration with respect to cash is remote as it maintains accounts with highly-rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the discussion on capital management. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at October 31, 2015, the Company had a cash balance of $151,563 (April 30, 2015 - $29,674) to settle current liabilities of $131,154 (April 30, 2015 - $489,208). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term business requirements.

17. FINANCIAL RISK MANAGEMENT (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash, deposits and bonds and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Based on the above net exposures as at October 31, 2015, and assuming all other variables remain constant, a 1% change in the value of the US dollar against the Canadian dollar would not have a material impact.