FIRST AMERICAS GOLD CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

(EXPRESSED IN CANADIAN DOLLARS)

DAVIDSON & COMPANY LLP — Chartered Accountants — A Partnership of Incorporated Professionals

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
First Americas Gold Corporation

We have audited the accompanying financial statements of First Americas Gold Corporation, which comprise the statements of financial position as at March 31, 2015 and 2014 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

NEXIA INTERNATIONAL

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Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of First Americas Gold Corporation as at March 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 27, 2015

FIRST AMERICAS GOLD CORPORATION
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	March 31, 2015	March 31, 2014
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**7,246**	23,094
Receivables	**1,098**	847
Prepaid expenses and deposits	**848**	947
	9,192	24,888
Equipment (Note 3)	**944**	1,348
Exploration and evaluation property interests (Note 4)	**1**	111,454
	10,137	137,690
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 5 and 7)	**207,252**	83,574
SHAREHOLDERS'EQUITY (DEFICIT)		
Share capital (Note 6)	**1,239,767**	1,239,767
Reserves (Note 6)	**213,586**	226,482
Accumulated deficit	**(1,650,468)**	(1,412,133)
	(197,115)	54,116
	10,137	137,690

Nature and continuance of operations (Note 1)
Contingency (Note 10)
Subsequent events (Note 13)

Approved and authorized by the Board on July 27, 2015.

On Behalf of the Board:

"Drew Bonnell" "David McElhanney"

Drew Bonnell, Director David McElhanney, Director

FIRST AMERICAS GOLD CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the year ended March 31,	
	2015	**2014**
	$	**$**
ADMINISTRATIVE EXPENSES		
Depreciation (Note 3)	404	577
Filing fees and transfer agent fees	10,938	13,513
Investor relations	3,231	13,248
Management and director fees (Note 7)	124,000	140,000
Office and miscellaneous	6,286	15,007
Professional fees	22,797	55,462
Property investigation costs	-	1,974
Travel and related expenses	1,209	1,026
	(168,865)	(240,807)
Gain (loss) on foreign exchange	130	(110)
Interest income	47	28
Write down of exploration and evaluation property interests (Note 4)	(82,543)	(285,832)
	(82,366)	(285,914)
Loss and comprehensive loss for the year	**(251,231)**	**(526,721)**
Basic and diluted loss per common share	**(0.09)**	**(0.19)**
Weighted average number of common shares outstanding	**2,748,466**	**2,739,882**

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

FIRST AMERICAS GOLD CORPORATION

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(Expressed in Canadian Dollars)

	Share Capital				
	Number	**Amount**	**Reserves**	**Accumulated Deficit**	**Total**
		$	**$**	**$**	**$**
Balance, March 31, 2013	2,715,133	1,226,348	226,482	(885,412)	567,418
Shares issued for exploration and evaluation property interests	33,333	10,000	-	-	10,000
Recovery of share issuance costs	-	3,419	-	-	3,419
Loss for the year	-	-	-	(526,721)	(526,721)
Balance, March 31, 2014	2,748,466	1,239,767	226,482	(1,412,133)	54,116
Options cancelled	-	-	(12,896)	12,896	-
Loss for the year	-	-	-	(251,231)	(251,231)
Balance, March 31, 2015	**2,748,466**	**1,239,767**	**213,586**	**(1,650,468)**	**(197,115)**

FIRST AMERICAS GOLD CORPORATION

STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	For the year ended March 31, **2015**	2014
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	**(251,231)**	(526,721)
Adjustments for non-cash items		
Depreciation	**404**	577
Write down of exploration and evaluation property interests	**82,543**	285,832
Changes in non-cash operating working capital items		
Receivables	**(251)**	5,361
Prepaid expenses and deposits	**99**	200
Accounts payable and accrued liabilities	**123,678**	56,465
	(44,758)	(178,286)
CASH FLOWS FROM FINANCING ACTIVITY		
Recovery of share issuance costs	**-**	3,419
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Exploration and evaluation property recoveries (expenditures), net	**28,910**	(138,888)
Short-term investments	**-**	15,293
	28,910	(123,595)
CHANGE IN CASH	**(15,848)**	(298,462)
CASH, BEGINNING OF YEAR	**23,094**	321,556
CASH, END OF YEAR	**7,246**	23,094

	2015	2014
Supplemental cash flow information		
Cash paid for interest	**$ -**	$ -
Cash paid for taxes	**$ -**	$ -
Non-cash transactions		
Shares issued for exploration and evaluation property interests	**$ -**	$ 10,000
Reclassification from reserves to accumulated deficit due to cancellation of stock options	**$ 12,896**	**$ -**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nature of operations

First Americas Gold Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 3, 2007. On January 31, 2012, the Company completed its Qualifying Transaction and as a result, the Company ceased to be a Capital Pool Company and commenced trading as a Tier 2 Mining Issuer on the TSX Venture Exchange ("TSX-V") on February 2, 2012 under the new trading symbol "FAC.V".The Company's business is to acquire, explore, and develop interests in mining projects.

The Company's head office and principal address is 800 - 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5. The Company's registered and records office is located at 800-1199 West Hastings Street, Vancouver, British Columbia, Canada V6E 3T5.

Share consolidation

On June 1, 2015, the TSX-V approved the consolidation of the common shares of the Company (each, a "Share") on the basis of three (3) pre-consolidation Shares for one (1) post-consolidation Share (the "Consolidation"). As a result, all common share, stock option, warrant, and per share awards have been retroactively restated to reflect these consolidations.

Going concern

The Company's mineral property is at the exploration stage and is without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation property interests represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation property interests is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2015, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities and there are no assurances that the Company will be successful in raising additional capital on commercially reasonable terms or at all. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with current cash on hand, proceeds from exercise of options and warrants, and further private placements, if available.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar and was determined through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Use of estimates

The preparation of financial statements in conformity with IFRS 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 period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of equity based payments and the recoverability and measurement of deferred tax assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Critical judgments exercised in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance method. The depreciation rates applicable to each category of equipment are as follows:

Computer equipment	30% Declining balance

One-half the normal rate of depreciation is recorded in the year of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation property interests

Pre-exploration costs are expensed as incurred.

Costs directly related to the exploration and evaluations of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration and environmental obligations

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

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

Changes in the net present value, excluding changes in amount and timing of the Company’s estimates of reclamation costs, are charged to profit and loss for the period.

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

As at March 31, 2015 and 2014, there were no significant restoration and environmental obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Financial instruments issued by the Company are classified as shareholders' equity (deficit) only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from shareholders' equity, net of tax.

Valuation of equity units issued in private placements:
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing price on the issuance date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to accumulated deficit.

Share-based compensation

The Company operates an employee stock option plan. Share-based compensation to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensationto 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 that 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 stock option reserve. The fair value of options is determined using a Black–Scholes option pricing model which incorporates all market vesting conditions. 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.

The Company transfers the value of expired unexercised vested stock options to accumulated deficit from reserves on the date of expiration.

Loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. All of the Company's 465,832 (2014 – 499,165) stock options and 518,333 (2014 – 518,333) warrants were anti-dilutive and therefore excluded from the diluted loss per share calculation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. The Company classifies receivables as loans and receivables.

Held-to-maturity investments - 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 less any provision for impairment.

Available-for-sale - 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 in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and is recognized in profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method, and includes accounts payable and accrued liabilities.

As at March 31, 2015 and 2014, the Company does not have any derivative financial assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation property interests) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

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 country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or shareholders' equity (deficit) is recognized in other comprehensive income (loss) or shareholders' equity (deficit) 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 tax:
Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred 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 tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting pronouncements adopted during the year

a) *IAS 32 – Financial Instruments: Presentation* amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2014 with early adoption permitted. There was no impact to the Company's financial statements from the adoption of this standard.

b) *IFRS 13 – Fair Value Measurement* is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards. There was no impact to the Company's financial statements from the adoption of this standard.

c) *IAS 1 – Presentation of Financial Statements* amendment requires components of other comprehensive income (OCI) to be separately presented between those that may be reclassified to income and those that will not. There was no impact to the Company's financial statements from the adoption of this standard.

Accounting pronouncements not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2015 and have not been applied in preparing these financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's financial statements for the year ending March 31, 2016 or later:

a) *IFRS 9 – Financial Instruments: Classification and Measurement* applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is tentatively effective for annual periods beginning on or after January 1, 2018 with early adopted permitted. The Company does not expect any effect on its financial statements from the adoption of this standard.

b) *IFRS 7 – Financial Instruments: Disclosures* amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its financial statements from the adoption of this standard.

3. EQUIPMENT

	Computer equipment
	$
Cost:	
At March 31, 2013, March 31, 2014 and March 31, 2015	3,236
Depreciation:	
At March 31, 2013	1,311
Charge for the year	577
At March 31, 2014	1,888
Charge for the year	404
At March 31, 2015	2,292
Net book value:	
At March 31, 2014	1,348
At March 31, 2015	**944**

4. EXPLORATION AND EVALUATION PROPERTY INTERESTS

Title to mineral properties

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing and free of material defect.

Gold Basin Property

On January 31, 2012, the Company completed its Qualifying Transaction through the closing of an amended and restated option agreement dated October 31, 2011 (the "Option Agreement") with Aurumbank Incorporated ("Aurumbank"), Watering Hole Productions Inc. ("Watering Hole"), and Nevada Pacific Mining Inc. ("Nevada Pacific") (collectively, the "Optionors"), pursuant to which Nevada Pacific and Watering Hole granted the Company an option to acquire a 100% interest, and Aurumbank granted the Company an option to acquire a 50% interest, in their respective interests in certain mineral rights and unpatented mining claims located in the Gold Basin Mining District, located in Mohave County, Arizona.

The Company may earn a 45% interest (the "First Option") in the properties (which shall include a 100% interest in the portion of the properties owned by Nevada Pacific Mining Inc. and such other portions of the properties where the Company focuses its exploration during the First Option period) by:

(a) allotting and issuing the Optionors an aggregate of:
   (i) 166,667 common shares on completion of the Qualifying Transaction (issued on January 31, 2012 at a value of $100,000), and
   (ii) 166,667 common shares on or before January 31, 2014 (not issued); and
(b) incurring exploration expenditures on any one or more of the properties of $1,500,000 on or before January 31, 2014, with a minimum obligation to incur at least $275,000 in exploration expenditures by January 31, 2013 (not incurred).

The Company may earn an additional 35% interest (the "Second Option") in the properties (which will include such portions of the properties where the Company focuses its exploration during the Second Option period) by:

(a) allotting and issuing the Optionors an additional aggregate of:
   (i) 291,667 common shares on or before January 31, 2015 (not issued), and
   (ii) 291,667 common shares on or before January 31, 2016; and
(b) incurring exploration expenditures on any one or more of the properties of $2,000,000 (for an aggregate total of $3,500,000) on or before January 31, 2016.

The Company may earn an additional 20% interest (the "Third Option") in the properties, for a total 100% interest, by:

(a) allotting and issuing the Optionors an additional aggregate of:
   (i) 375,000 common shares on or before January 31, 2017, and
   (ii) 375,000 common shares on or before January 31, 2018; and
(b) incurring exploration expenditures on any one or more of the properties of $3,250,000 (for an aggregate total of $6,750,000) on or before January 31, 2018.

There remains a 3.5% Net Smelter Royalty ("NSR") on some of the properties.

4. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Gold Basin Property (continued)

The Company was unable to obtain access to critical records and technical data regarding the properties subject to the Option Agreement primarily due to a dispute with Aurumbank. As a result, the Company was unable to properly identify mineral exploration targets on the properties and has been effectively prohibited from pursuing its exploration and development program. The Company has accordingly deferred further activities and expenditures on the properties until all disputes with Aurumbank are settled and an agreement to proceed is reached. The Company gave notice to the Optionors to this effect on January 25, 2013 (see Note 11).

On March 1, 2013, the Company received notice from the Optionors that the Company was allegedly in breach of the Option Agreement as the Company had not incurred the required $275,000 in exploration expenditures. The Optionors further advised that they intend to pursue arbitration to determine the matter.

On April 30, 2013, the Company responded re-confirming its earlier notice of January 25, 2013.

On June 28, 2013, the Company received correspondence from the Optionors, which stated their obligations under the Option Agreement have ended.

On July 4, 2013, the Company responded to the Optionors, reiterating the Option Agreement remains in full force and effect, and the Company will hold the Optionors liable for all losses and damages resulting from non-compliance.

On September 27, 2013, the Company received correspondence from the Optionors reiterating their obligations under the Option Agreement have ended and that the agreement has terminated. The Company has chosen not to reply at this time.

Given the uncertainty in the status of the Option Agreement, the Company decided to write down the property to $1 during the year ended March 31, 2014. At the time of this filing, no resolution to the dispute between the Company and the Optionors has been reached.

Chu Chua Property

The Company entered into an Option Agreement dated June 17, 2013, which was later amended on July 11, 2013 and June 4, 2014,with two arm's length owners (collectively, the "Optionors") of certain mining claims that comprise the Chu Chua Project (the "Property"). The Property is located in the Kamloops Mining Division, approximately 24 kilometres northeast of Barriere, British Columbia.

The Optionors granted an option to the Company to acquire a 100% interest in the Property on the terms and conditions of the Option Agreement subject to the following:

(a) Incur exploration expenditures on the Property as follows:
- (i) $125,000 on or before August 31, 2014 (not incurred);
- (ii) an additional $475,000 on or before August 31, 2015;
- (iii) an additional $650,000 on or before August 31, 2016;
- (iv) an additional $750,000 on or before August 31, 2017;

4. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Chu Chua Property (continued)

(b) Issuing shares to the Optionor, in each case, other than the initial share issuance, upon the Company deciding to continue with exploration efforts on the claim, as follows:
   - (i) 33,333 shares on July 5, 2013 (issued at a value of $10,000),
   - (ii) an additional 50,000 shares thirty calendar days after confirmation of the Company incurring $125,000 in cumulative exploration expenditures,
   - (iii) an additional 66,667 shares thirty calendar days after confirmation of the Company incurring $600,000 in cumulative exploration expenditures,
   - (iv) an additional 83,333 shares thirty calendar days after confirmation of the Company incurring $1,250,000 in cumulative exploration expenditures,
   - (v) an additional 100,000 shares thirty calendar days after confirmation of the Company incurring $2,000,000 in cumulative exploration expenditures; and

(c) The Company making a one-time cash payment of $500,000 to the Optionors thirty calendar days after confirmation that the Company incurred $2,000,000 in exploration expenditures on or before August 31, 2017 and upon the Company deciding to continue with exploration efforts on the claim.

The Company failed to meet its payment obligation under the option agreement and consequently wrote down related costs of $82,079 during the year ended March 31, 2015.

Idaho Property

In April 2013, the Company staked certain mining claims South East of Salmon, Idaho, United States.

During the year ended March 31, 2014, the Company abandoned the property and wrote down related exploration and evaluation property interests of $37,229.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION PROPERTY INTERESTS (continued)

Expenditures for the fiscal years related to the Company's exploration and evaluation property interests are as follows:

	Gold Basin Property	Idaho Property	Chu Chua Property	Total
	$	$	$	$
Balance as at March 31, 2013	248,398	-	-	248,398
Property acquisition and staking costs	-	10,067	10,708	20,775
Exploration expenditures				
Field gear & supplies	-	-	646	646
General administration	182	1,267	4,599	6,048
Geological consulting and engineering	-	12,600	57,164	69,764
Land claims	-	4,988	-	4,988
Mapping & prospecting	-	-	8,950	8,950
Samples & lab analysis	-	-	15,264	15,264
Travel and accommodation	24	8,307	14,122	22,453
Write down of exploration and evaluation property interests	(248,603)	(37,229)	-	(285,832)
Balance as at March 31, 2014	**1**	**-**	**111,453**	**111,454**
Exploration expenditures				
General administration	-	-	850	850
Legal fees	464	-	-	464
B.C. mineral exploration tax credit	-	-	(30,224)	(30,224)
Write down of exploration and evaluation property interests	(464)	-	(82,079)	(82,543)
Balance as at March 31, 2015	**1**	**-**	**-**	**1**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	March 31, 2014
	$	$
Accounts payable	**27,625**	15,057
Accrued liabilities	**6,127**	14,017
Due to related parties	**173,500**	54,500
	207,252	83,574

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES

Authorized share capital

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

Issued share capital

On July 4, 2013, the Company issued 33,333 common shares (valued at $10,000) pursuant to the Chu Chua Property option agreement (Note 4).

Subsequent to March 31, 2015, the Company consolidated its common shares on the basis of three (3) pre-consolidation shares for one (1) post-consolidation share (Note 1).

Escrow shares

As at March 31, 2015, Nil (March 31, 2014 - 195,000) shares of the Company are held in escrow.

Share purchase warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
		$
Outstanding and exercisable at March 31, 2013	531,800	0.90
Expired	(13,467)	0.90
Outstanding and exercisable at March 31, 2014 and March 31, 2015	518,333	0.90

a) In June 2013, the Company received approval from the TSX-V to extend the expiry date of the 518,333 warrants issued pursuant to the private placement from July 27, 2013 to July 27, 2015. In all other respects, the terms of the warrants remained unchanged.

b) On July 27, 2013, 13,467 warrants exercisable at $0.90 expired.

A summary of the share purchase warrants outstanding at March 31, 2015 is as follows:

Exercise Price	Number Outstanding	Expiry Date [(1)]
$0.90	518,333	July 27, 2015

The weighted average life of warrants outstanding at March 31, 2015 is 0.33 years (March 31, 2014 - 1.33 years).

[(1)] Expired subsequent to the year ended March 31, 2015.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

Stock options.

On March 22, 2012, the Company announced its board of directors has approved a new 2012 stock option plan. This plan allows for the granting of stock options to eligible employees, officers, directors and consultants of the Company to acquire up to such number of common shares of the Company as is equal to 20% of the issued and outstanding shares on the date of approval of the plan by the Company's shareholders. This plan was approved by the Company's shareholders on December 7, 2012.

The Company's stock option transactions are summarized as follows:

	Number of Options	Weighted average exercise price
		$
Outstanding and exercisable at March 31, 2013 and March 31, 2014	499,165	0.68
Cancelled	(33,333)	0.75
Outstanding and exercisable at March 31, 2015	465,832	0.67

During the year ended March 31, 2015, the Company cancelled 33,333 stock options and accordingly, reclassified $12,896 from reserves to accumulated deficit.

The following table summarizes the options outstanding and exercisable at March 31, 2015:

Options outstanding and exercisable	Exercise price	Expiry date
	$	
3,333	0.75	April 11, 2017
175,833	0.60	February 10, 2021
58,333	0.60	January 27, 2022
228,333	0.75	March 23, 2022
465,832		

The weighted average life of stock options outstanding at March 31, 2015 is 6.51 years (March 31, 2014 – 7.57 years).

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Summary of key management personnel compensation (includes officers and directors of the Company):

	For the year ended March 31,	
	2015	2014
	$	$
Management fees	**126,000**	126,000
Director fees (adjustment)	**(2,000)**	14,000
	124,000	140,000

As at March 31, 2015, $173,500 (March 31, 2014 - $54,500) was included in accounts payable and accrued liabilities owing to an officer and director of the Company (Note 5).

8. FINANCIAL INSTRUMENTS& RISK MANAGEMENT

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.

The fair value of the Company’s receivables and accounts payable and accrued liabilities approximate their carrying values. The Company’s other financial instruments, being cash, are measured at fair value using Level 1 inputs.

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:

(a) 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 on its cash held in bank accounts. The Company has deposited its cash and with its bank from which management believes the risk of loss is remote. The majority of the Company’s receivables are amounts receivable from the Canada Revenue Agency for excise tax credits and as such, the credit risk is minimal.

(b) Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's ability to continue as a going concern is dependent on management’s ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at March 31, 2015 the company had a cash balance of $7,246 (March 31, 2014 - $23,094) and current liabilities of $207, 252 (March 31, 2014 - $83,574).

8. FINANCIAL INSTRUMENTS & RISK MANAGEMENT (continued)

(c) Market risk:
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) Currency risk:
The Company conducts mineral property exploration activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for Canadian and US dollars. As at March 31, 2015, the Company had cash denominated in US dollars of US$Nil (March 31, 2014 – US$3,831). Each 1% change in the Canadian dollar versus the United States dollar will result in a gain/loss of approximately $Nil (March 31, 2014 - $38).

(e) 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. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

9. CAPITAL DISCLOSURE AND MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity (deficit). Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

10. CONTINGENCY

The Company had received correspondence from a group of shareholders of Aurumbank in which such shareholders notified the Company that they have commenced a lawsuit against a current director of Aurumbank alleging breach of fiduciary duty against such director. Although no such threat of litigation has been made against the Company, the Company may be included as a party in such litigation and portions of the properties may become the subject of any such lawsuit. Although the Company believes that any such litigation will not have any significant effect on the Option Agreement or its right to the properties, any such litigation may be time consuming and costly, and, as with all litigation, there is no guarantee of success. Should any such litigation be determined adversely to the Company, such litigation may have a material and adverse effect on the Company's ongoing operations and financial condition.

In addition, due to the dispute between the shareholders and the director of Aurumbank and the repeated failures to respond to requests for information made by the Company to the director of Aurumbank, the Company has been unable to obtain access to critical records and technical data regarding the properties. As a result, the Company has been unable to properly identify mineral exploration targets on the properties and has been effectively prohibited from pursuing its exploration and development program. The Company has accordingly deferred further activities and expenditures on the properties until the dispute are settled. The Company gave notice to the Optionors to this effect on January 25, 2013. In addition, the Company has provided notice that it wishes the outstanding items under the Option Agreement to be sent to arbitration in the Province of British Columbia.

The Company had been advised by the Optionors that, by reason of the Company's failure to pursue its exploration and development program on the Properties, the Option Agreement has effectively been terminated and that the Company had until July 30, 2013 to retrieve any equipment, machinery or supplies brought onto the properties.

On April 24, 2014,the Company was advised by the Optionors that unless the Company returned an executed Quit Claim Deed within an imposed time frame, the Optionors would proceed with judicial action to quiet title to the properties.

On August 6, 2014, the Company was served a summon, Certificate on Compulsory Arbitration, and Complaint (Quiet Title) stating a lawsuit had been filed against the Company in the Superior Court of the State of Arizona USA regarding the Gold Basin Project in Arizona. While discussions designed to resolve matters between the Company and the Optionors have been initiated, at the time of this filing no resolution has been reached.

The Company remains of the position that the Optionors have frustrated the performance of the Option Agreement and that the Option Agreement remains in full force and effect.

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation property interests. Geographic information is as follows:

	As at March 31, 2014		
	Canada	**US**	**Total**
	$	**$**	**$**
Equipment	944	-	944
Exploration and evaluation property interests	-	1	1
	944	**1**	**945**

	As at March 31, 2013		
	Canada	**US**	**Total**
	$	**$**	**$**
Equipment	1,348	-	1,348
Exploration and evaluation property interests	111,453	1	111,454
	112,801	**1**	**112,802**

12. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

		2015		**2014**
Loss before income taxes	**$**	**(248,231)**	$	(526,721)
Combined Canadian federal and provincial statutory rate		**26%**		26%
Expected income tax recovery at statutory tax rates	**$**	**(65,000)**	$	(137,000)
Non-deductible expenditures and other items		**(3,000)**		1,000
Share issuance costs		**-**		1,000
Change in unrecognized deductible temporary differences		**68,000**		135,000
Total deferred taxes	**$**	**-**	$	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

		2015		**2014**
Deferred tax assets:				
Exploration and evaluation assets	$	97,000	$	76,000
Non-capital losses		330,000		276,000
Share issuance costs and other		1,000		8,000
Total unrecognized deferred tax assets	$	428,000	$	360,000

Tax attributes are subject to review and potential adjustment by tax authorities.

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

The significant components of temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	2015	Expiry dates	2014
Equipment	$ 2,000	No expiry	$ 2,000
Exploration and evaluation assets	364,000	No expiry	284,000
Investment tax credit	3,000	2034	3,000
Non-capital losses	1,269,000	2028 to 2034	1,062,000
Share issue costs	1,000	2015 to 2018	30,000
	$ 1,639,000		$ 1,381,000

13. SUBSEQUENT EVENTS

(a) Subsequent to the year ended March 31, 2015, the Company entered into an option agreement to acquire an undivided 100% interest in and to certain mineral properties, together with the surface rights, mineral rights, personal property and permits associated therewith, located in the Slocan mining district of British Columbia and known as the Green Horn Property. The option is exercisable by the Company paying to the optionors an aggregate amount of $375,000, as follows:

- $2,500 upon signing
- $7,500 upon exchange acceptance of the Green Horn property acquisition as the company's principal property;
- $15,000 on or before the first anniversary date of the agreement;
- $20,000 on or before the second anniversary date of the agreement;
- $30,000 on or before the third anniversary date of the agreement;
- $300,000 on or before the fourth anniversary date of the agreement.

Upon exercise of the option by payment of the total purchase price of $375,000, the Company will own 100% of the property and all attendant mining rights to the claims subject to a 3% Net Smelter Royalty of which 1% may be purchased by the Company for $1,000,000

The option agreement is subject to the approval of the TSX-V.

(b) Subsequent to the year ended March 31 2015, the Company closed a non-brokered private placement to raise gross proceeds of $110,000 by issuing 2,200,000 common shares at a price of $0.05 per common share.