ALTO VENTURES LTD.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

For the years ended June 30, 2015 and 2014

Canadian Funds

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Alto Ventures Ltd.

We have audited the accompanying financial statements of Alto Ventures Ltd., which comprise the statements of financial position as at June 30, 2015 and 2014, and the statements of operations, comprehensive loss, cash flows, and changes in shareholders' equity 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 auditors consider 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.

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Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Alto Ventures Ltd. as at June 30, 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 Alto Ventures Ltd. to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

October 1, 2015

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Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Financial Position

Canadian Funds

As at	Note	June 30, 2015 $	June 30, 2014 $
ASSETS			
Current assets			
Cash		198,456	52,201
Receivables	6	155,313	514,967
Marketable Securities	8	64,906	821,539
Quebec exploration tax credit receivable		-	11,904
Prepaids and deposits		749	3,478
		419,424	1,404,089
Non-current assets			
Exploration and evaluation assets	9	2,280,846	2,252,076
		2,700,270	3,656,165
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	37,601	53,694
Due to related parties	11	7,015	7,529
		44,616	61,223
SHAREHOLDERS' EQUITY			
Share Capital	10	19,950,716	19,950,716
Contributed Surplus - Options		1,424,810	1,422,232
Contributed Surplus - Warrants		1,016,625	1,016,625
Accumulated other comprehensive loss		(1,512,547)	(1,591,600)
Deficit		(18,223,950)	(17,203,031)
		2,655,654	3,594,942
		2,700,270	3,656,165

Going Concern and Nature of Operations (Note 1)
Subsequent Event (Note 15)

Approved and authorized by the Board of Directors on October 1, 2015:

"Richard Mazur", Director *"Gary Zak"*, Director

The accompanying notes are an integral part of these financial statements

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Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Operations

Canadian Funds

	Note	For the years ended June 30, 2015 $	June 30, 2014 $
General and administrative expenses			
Bad debts	6	-	28,043
Consulting fees		-	3,000
Exploration and evaluation expenditures	9	541,929	275,796
Gain on sale of exploration and evaluation asset	8	-	(684,804)
Loss on sale of marketable securities	8	199,368	-
Interest income		(88)	(146)
Investor and shareholder relations		25,162	9,709
Legal, accounting and audit fees		63,225	76,561
Office administration		83,565	70,495
Other income		(7,475)	-
Permenant write-down of marketable securities	8	62,500	-
Salaries and wages		17,332	(25,471)
Share-based compensation	10	2,578	54,857
Transfer agent and filing fees		14,507	16,730
Travel and promotion		18,316	8,971
Write off of long term receivable	6	-	254,972
Write down of exploration and evaluation assets	9	-	272,983
Loss for the year		**1,020,919**	**361,696**
Loss per share			
- Basic and diluted		$0.04	$0.02
Weighted Average Number of Common Shares Outstanding		24,116,214	23,813,155

The accompanying notes are an integral part of these financial statements

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Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Comprehensive Loss

Canadian Funds

	For the years ended	
	June 30, 2015	**June 30, 2014**
	$	**$**
Loss for the year	1,020,919	361,696
Unrealized loss on change in fair value of marketable securities	203,761	299,442
Recognition of realized loss on sale of marketable securities	(282,814)	-
Comprehensive loss for the year	**941,866**	**661,138**

The accompanying notes are an integral part of these financial statements

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Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Cash Flows

Canadian Funds

	For the years ended	
	June 30, 2015	**June 30, 2014**
	$	**$**
Cash resources provided by (used in)		
Operating activities		
Loss for the year	(738,105)	(361,696)
Items not affecting cash:		
Bad debt recovery	-	28,043
Gain on sale of marketable securities	(83,446)	(684,804)
Share-based compensation	2,578	54,857
Permanent write down of marketable securities	62,500	-
Write off of long term receivable	-	254,972
Write off of amounts due to related parties	-	(96,775)
Write down of exploration and evaluation assets	-	272,983
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	109,654	(11,073)
Decrease (increase) in amounts due to related parties	(514)	2,858
Decrease in prepaids and deposits	2,729	3,413
Increase in Quebec exploration tax credit receivable	11,904	244,131
Increase/(decrease) in accounts payable	(16,093)	20,022
Cash used in operating activities	**(648,793)**	**(273,069)**
Investing activities		
Acquisition of exploration and evaluation assets	(28,770)	(42,781)
Sale of marketable securities	823,818	-
Cash provided by investing activities	**795,048**	**57,219**
Financing activities		
Proceeds from private placements	-	250,000
Cash provided by financing activities	**-**	**250,000**
Net decrease in cash	146,255	34,150
Cash - Beginning of year	52,201	18,051
Cash - End of Year	**198,456**	**52,201**

Supplementary disclosure of cash flow information (Note 13)

The accompanying notes are an integral part of these financial statements

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Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Shareholders' Equity

For the Years Ended June 30, 2015 and 2014

Canadian Funds

	Share Capital		Contributed Surplus -	Contributed Surplus -	Accumulated Other Comprehensive		
	Number (#)	Amount ($)	Warrants ($)	Options ($)	Loss ($)	Deficit ($)	Total ($)
June 30, 2013	**22,424,547**	**19,699,466**	**1,016,625**	**1,367,375**	**(1,292,158)**	**(16,841,335)**	**3,949,973**
Shares issued for private placement	1,666,667	250,000	-	-	-	-	250,000
Shares issued for exploration and evaluation assets	25,000	1,250	-	-	-	-	1,250
Share-based compensation	-	-	-	**54,857**	-	-	54,857
Other comprehensive income	-	-	-	-	**(299,442)**	-	(299,442)
Loss for the year	-	-	-	-	-	**(361,696)**	(361,696)
June 30, 2014	**24,116,214**	**19,950,716**	**1,016,625**	**1,422,232**	**(1,591,600)**	**(17,203,031)**	**3,594,942**
Share-based compensation	-	-	-	2,578	-	-	2,578
Other comprehensive loss - unrealized loss on marketable securities	-	-	-	-	(203,761)	-	(203,761)
Other comprehensive loss - recognition of realized loss on sale of marketable	-	-	-	-	282,814	-	282,814
Loss for the year	-	-	-	-	-	(1,020,919)	(1,020,919)
June 30, 2015	**24,116,214**	**19,950,716**	**1,016,625**	**1,424,810**	**(1,512,547)**	**(18,223,950)**	**2,655,654**

The accompanying notes are an integral part of these financial statements

1. Going concern and nature of operations

Alto Ventures Ltd. ("the Company") is engaged in the acquisition, exploration and evaluation of Canadian gold and diamond projects. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation projects. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete the exploration of its mineral interests by the issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. At June 30, 2015, the Company has working capital of $374,808, incurred a loss for the year ended June 30, 2015 of $1,020,919 and has an accumulated deficit of $18,223,950.

Management plans to continue to seek the necessary financing through a combination issuance of new equity instruments, entering into joint venture arrangements or debt financing; however, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

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 of the IFRS Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

Critical Accounting Estimates and Judgments

The preparation of these 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 expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation 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 actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The recoverability of receivables that are included in the statements of financial position based on historical collection of receivables.
b) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
c) The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
d) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.
e) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

3. Significant accounting policies

a) Exploration and evaluation assets
All costs related to the acquisition of mineral resource interests are capitalized by project. These costs will be amortized against revenue from future production or written off if the interest is deemed impaired, abandoned or sold. All costs related to the exploration of mineral resource interests are expensed as incurred.

The amounts shown for exploration and evaluation assets represent acquisition costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects as well as future profitable production or proceeds from the disposition thereof.

At the end of each reporting period, the Company's exploration and evaluation 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. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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.

Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.

b) Impairment
The Company's assets are reviewed for indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit, exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized on the statement of operations.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

c) Share-based compensation
The Company, from time to time, 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, securities or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to share capital.

Share-based compensation arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

d) Income taxes
Income tax on the profit or loss for the years presented 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, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position 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.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and 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 reporting 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. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Quebec exploration tax credit receivable
The Company may be entitled to refundable mining tax credits on certain mining exploration expenditures incurred in Quebec. The Company recognizes amounts as a receivable and reduces the carrying value of exploration and evaluation assets when the amount to be received can be reasonably estimated and collection is reasonable assured.

f) Flow-through shares
Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company renounces the expenditures, at which point the liability is reversed and recorded as other income on the statement of operations. The Company records a deferred tax liability when the Company makes the expenditures. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.

g) Provision for environmental rehabilitation
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and property and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation 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 rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes would be recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation 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 the Company's estimates of reclamation costs, would be charged to profit or loss for the year.

h) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, there are no potentially dilutive share options or warrants outstanding.

i) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending 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 - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

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 cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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. If there is objective evidence that the investment 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 the investment, including impairment losses, are recognized in the statement of operations.

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 directly in equity. 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 equity and recognized in the statement of operations.

All financial assets except for those 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 any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

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

Other financial liabilities: This category includes amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables and Quebec exploration tax credit are classified as loans and receivables. The Company's marketable securities are classified as available for sale. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and marketable securities constitutes a level 1 fair value measurement. The fair value of the Company's receivables, Quebec exploration tax credit, due to related parties and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

j) Adoption of new IFRS pronouncements

The adoption of the following IFRS standards and amendments to existing standards effective July 1, 2014 did not have an effect on the Company's financial statements:

i) IAS 32, "Financial Instruments: Presentation" is effective for annual periods beginning on or after January 1, 2014.
ii) IAS 36, "Impairment of Assets" is effective for annual periods beginning on or after January 1, 2014.
iii) IFRIC 21, "Levies" is effective for annual periods beginning on or after January 1, 2014.

k) New accounting standards not yet adopted

i) IFRS 7, "Financial Instruments: Disclosure" is effective (proposed) for annual periods beginning on or after January 1, 2018.
ii) IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.
iii) IFRS 10, "Consolidated Financial Statements" (amended standard) is effective for annual periods beginning on or after January 1, 2016.
iv) IFRS 11, "Consolidated Financial Statements" (amended standard) in respect of joint arrangements is effective for annual periods beginning on or after January 1, 2016.
v) IAS 16, "Property, Plant and Equipment" (amended standard) is to be applied prospectively.
vi) IAS 34, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.

The Company has initially assessed that there will be no material impact on the statements of financial position or results of operations as a result of adopting the new standards above; however, enhanced disclosure requirements are expected.

4. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

5. Management of financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Interest rate risk
The Company has no material exposure at June 30, 2015 to interest rate risk through its financial instruments.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period. Sensitivity to a plus or minus 1% change in cash interest rates would affect net loss by $1,984 annually. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Currency risk
As at June 30, 2015, all of the Company's cash was held in Canadian dollars, the Company's reporting currency. The Company has no operations in foreign jurisdictions at this time and as such has no currency risk associated with its operations.

Credit risk
The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote.

Receivables consist of long-term accounts receivable, goods and services tax ("GST") due from the Federal Government of Canada, QST due from the Government of Quebec, and amounts due from joint venture and option partners in respect of exploration and evaluation assets. Pursuant to an agreement with Canoe Mining Ventures Corp. ("Canoe"), the Company was to receive

$75,000 each on or before March 31, 2015 and June 30, 2015, which amounts have not yet been received. The Company is in discussion with Canoe in respect of this matter, and while there is no guarantee the Company will receive these amounts, the Company expects to receive them in due course. The credit risk is mitigated by the securitized debenture (Notes 6 and 9b). The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes the risk to be minimal.

Liquidity risk
The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at June 30, 2015, the Company had a cash balance of $198,456 (June 30, 2014: $52,201) to settle current liabilities of $44,616 (June 30, 2014: $61,223).

6. Receivables

Current accounts receivable balance includes $4,184 (June 30, 2014: $14,915) in GST due from the Federal Government, $1,077 (June 30, 2014: $Nil) in QST from the Government of Quebec, $52 (June 30, 2014: $52) in accrued term deposit interest, and $150,000 (June 30, 2014: $500,000) due from Canoe from the sale of the Coldstream exploration and evaluation asset (Note 9b). The Canoe receivable is secured by a collateral debenture whereby the Company's original interest in the property will revert back to the Company in the event of non-payment.

During the year ended June 30, 2015, the Company entered into a settlement agreement with Canoe to settle the terms and conditions of their debenture agreement held against the Coldstream mineral property (Note 9b). During the year ended June 30, 2014, the Company wrote down the long-term accounts receivable balance by $254,972 based on revised, on-going negotiations to re-structure the terms of the agreement in light of the current difficult financial markets.

During the year ended June 30, 2014, the Company recorded $28,043 as a bad debt write off from amounts due from the Quebec government relating to its exploration tax credit receivable due to re-assessment of amounts claimed by the Company.

7. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities consist of $22,601 (June 30, 2014: $23,694) in accounts payable and $15,000 (June 30, 2014: $30,000) in accrued liabilities.

(Canadian Funds)

8. Marketable securities

Company	Shares (#)	Cost ($)	June 30, 2015 Market Value ($)
Lateral Gold Corporation (LTG: TSX-V) (1)	30,000	41,000	8,400
Canoe Mining Ventures Corp. (CLV:TSX-V)	1,342,700	1,304,961	40,281
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	13,725
Pacific Northwest Capital Corp (PFN: TSX-V)	50,000	33,875	500
Razore Rock Resources Inc. (RZR:CNX)	200,000	21,000	2,000
		1,662,836	**64,906**

Company	Shares (#)	Cost ($)	June 30, 2014 Market Value ($)
Lateral Gold Corporation (LTG: TSX-V)	300,000	41,000	6,000
Canoe Mining Ventures Corp. (CLV:TSX-V) (2)	440,000	1,455,000	96,800
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	7,625
Pacific Northwest Capital Corp (PFN: TSX-V) (3)	50,000	33,875	3,000
Razore Rock Resources Inc. (RZR:CNX)	200,000	21,000	6,000
Virginia Mines Inc. (VGQ: TSX-V)	57,692	684,804	702,114
		2,497,679	**821,539**

1 After taking into effect the consolidation of Lateral Gold Corporation consolidated its shares, as to 10 old shares for 1 new share during the year ended June 30, 2015
2 After taking into effect the consolidation of Canoe Mining Ventures Corp. as to 2.5 old shares for 1 new share during the year ended June 30, 2014
3 After taking into effect the consolidation of Pacific Northwest Capital Corp., as to 3 old shares for 1 new share during the year ended June 30, 2014

During the year ended June 30, 2015:

- the Company sold 57,692 shares of Virginia Mines Ltd. (“Virgina”) for net proceeds of $769,104 and recorded a gain on sale of marketable securities of $84,300.
- the Company received 1,250,000 shares valued at $0.15 per share in the capital of Canoe in respect of the Coldstream property (Note 9b), sold 347,300 shares of Canoe for net proceeds of $54,714 and recorded a loss on sale of marketable securities of $282,814.

During the year ended June 30, 2014:

- the Company received 57,692 shares from Virginia relating to the sale of its underlying 0.5% NSR Royalty on the Eagle Hill Exploration Windfall Lake Gold project. The shares were valued at $11.87 per share for a total fair value of $684,804. The Company recognized a gain on sale of $684,804 as there were no amounts capitalized to the exploration and evaluation assets for the royalty.
- the Company received 200,000 shares in Razore Rock Resources Inc. (“Razore”), valued at $21,000, in exchange for entering into an exploration and option agreement on the Oxford Lake exploration and evaluation asset. (Note 9j) The Vice-President of Corporate Development of Razore is also a director of the Company.

The shares owned by the Company represent minor ownership in each of the companies in the above schedules.

(Canadian Funds)

9. Exploration and evaluation assets

The Company has investigated ownership of its mineral interests as at June 30, 2015 and, to the best of its knowledge, ownership of its interests is in good standing.

The following table shows the acquisition activity by property for the years ended June 30, 2015 and 2014:

	June 30, 2014 ($)	Acquisition cost ($)	Option recovery/Sale of property ($)	June 30, 2015 ($)
Quebec				
Alcudia	5,000	-	-	**5,000**
Destiny	809,100	-	-	**809,100**
Vassal	2,226	-	-	**2,226**
Ontario				
Cote Archie	29,615	-	-	**29,615**
Greenoaks	450,000	-	-	**450,000**
Miner Lake	1,041	-	-	**1,041**
Mud Lake	40,163	-	-	**40,163**
Three Towers	36,900	-	-	**36,900**
Manitoba				
Oxford	824,000	-	-	**824,000**
Saskatchewan				
Fisher	4,250	7,000	-	**11,250**
GEFA	5,000	20,000	-	**25,000**
La Ronge	44,781	1,770	-	**46,551**
Total resource properties	**2,252,076**	**28,770**	**-**	**2,280,846**

	June 30, 2013 ($)	Acquisition ($)	Option recovery/Sale of property ($)	June 30, 2014 ($)
Quebec				
Alcudia	5,000	-	-	**5,000**
Destiny	1,045,088	(235,988)	-	**809,100**
Dolsan	3,444	(3,444)		**-**
Obalski	4,108	(4,108)	-	**-**
Vassal	6,284	(4,058)	-	**2,226**
Ontario				
Cote Archie	55,000	(25,385)	-	**29,615**
Greenoaks	450,000	-	-	**450,000**
Miner Lake	1,041	-	-	**1,041**
Mud Lake	40,163	-	-	**40,163**
Three Towers	36,900	-	-	**36,900**
Manitoba				
Oxford	855,000	-	(31,000)	**824,000**
Saskatchewan				
Fisher	-	5,000	-	**5,000**
GEFA	-	4,250	-	**4,250**
La Ronge	-	44,781	-	**44,781**
Total resource properties	**2,502,028**	**(218,952)**	**(31,000)**	**2,252,076**

(Canadian Funds)

The following tables show the property acquisition and exploration activity during the years ended June 30, 2015 and 2014:

	Year ended June 30, 2015															Year ended June 30, 2014
	Quebec			Ontario						Manitoba	Saskatchewan					
	Alcudia ($)	Destiny ($)	Vassal ($)	Cote Archie ($)	Empress ($)	Greenoak ($)	Miner Lake ($)	Mud Lake ($)	Three Towers ($)	Oxford ($)	Fisher ($)	GEFA ($)	La Ronge ($)	General ($)	Total ($)	Total ($)
Opening balance	**5,000**	**809,100**	**2,226**	**29,615**	**-**	**450,000**	**1,041**	**40,163**	**36,900**	**824,000**	**4,250**	**5,000**	**44,781**	**-**	**2,252,076**	**2,502,028**
Acquisition costs																-
Expenditures	-	-	-	-	-	-	-	-	-	-	7,000	20,000	1,770	-	**28,770**	54,031
Recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	(31,000)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	(272,983)
Net acquisition costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,000**	**20,000**	**1,770**	**-**	**28,770**	**(249,952)**
Exploration expenditures																
Assays	-	-	-	-	41	-	761	-	-	-	28,059	118,066	-	-	**146,927**	-
Mapping	-	-	-	-	18,152	-	3,218	-	-	-	13,295	-	2,000	9,242	**45,907**	37,667
Computer/Digitization	60	-	-	200	1,465	-	265	-	-	338	280	3,340	400	-	**6,348**	2,604
Drilling	-	10,800	-	-	60	-	180	-	-	-	-	-	-	-	**11,040**	18,660
Report Filing	-	-	-	3,300	6,600	-	6,600	5,280	1,980	-	8,580	26,930	-	-	**59,270**	8,280
Management	-	-	-	-	1,980	1,320	660	-	-	1,320	1,560	9,840	3,300	-	**19,980**	18,150
License/Permit	439	1,712	-	-	-	2,849	-	765	-	624	-	-	-	618	**7,007**	7,712
Prospecting	-	-	-	7,875	3,538	-	1,150	3,190	-	-	14,929	323	-	-	**31,005**	33,790
Geophysics	-	-	-	-	-	-	-	-	-	-	27,623	236,747	1,254	-	**265,624**	23,714
Travel	-	-	-	-	-	-	-	-	-	-	16,816	37,851	-	-	**54,667**	3,580
Line Cutting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	6,310
Deficiency Deposits	-	-	-	-	-	-	-	-	-	-	12,850	(118,696)	-	-	**(105,846)**	123,361
Gov't Rebates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	(8,032)
	499	**12,512**	**-**	**11,375**	**31,836**	**4,169**	**12,834**	**9,235**	**1,980**	**2,282**	**123,992**	**314,401**	**6,954**	**9,860**	**541,929**	**275,796**
Exploration expenditures written off	**(499)**	**(12,512)**	**-**	**(11,375)**	**(31,836)**	**(4,169)**	**(12,834)**	**(9,235)**	**(1,980)**	**(2,282)**	**(123,992)**	**(314,401)**	**(6,954)**	**(9,860)**	**(541,929)**	**(275,796)**
Ending balance	**5,000**	**809,100**	**2,226**	**29,615**	**-**	**450,000**	**1,041**	**40,163**	**36,900**	**824,000**	**11,250**	**25,000**	**46,551**	**-**	**2,280,846**	**2,252,076**

a) Alcudia, Quebec

The Alcudia property is 100% owned by the Company and subject to certain underlying royalties. The Company owns a 0.5% Net Smelter Royalty ("NSR") on any production from the adjoining Windfall property. During the year ended June 30, 2014, the Company sold the 0.5% NSR. (Note 8)

b) Coldstream, Ontario

The Coldstream property is located in the Shebandowan greenstone belt west of Thunder Bay, Ontario.

On January 18, 2011, Canoe had earned 60% interest in the Coldstream property and future exploration work would be completed and funded 40% by the Company and 60% by Canoe.

On February 16, 2012, the Company completed the sale of its 40% interest in the Coldstream property to Canoe. This consolidation in ownership gives Canoe a 100% interest in the property. In consideration for the acquisition of the Company's 40% interest, Canoe paid $350,000 in cash and issued 10,000,000 common shares of Canoe at a fair value of $1,300,000. Within six months, Canoe was to pay to the Company a further $950,000 in cash, subject to a potential three month extension period, for a total consideration of $2,600,000 in cash and shares.

As part of the agreement the Company will vote in support of Canoe management for a period of three years and will not tender its shares to any take-over bid not recommended by Canoe's Board of Directors.

On June 27, 2012, the Company entered into an amending agreement with Canoe concerning the consolidation of its ownership in the Coldstream property. Pursuant to the amending agreement, the remaining $950,000 (the "Balance") will be paid by Canoe through the payment of a minimum of 20% of the aggregate net proceeds of any non-flow through equity financing completed by Canoe, provided however that the Balance must be paid in full not later than November 21, 2013 (the "Due Date"). Canoe will pay to the Company, in addition to the Balance, a fee of 5% of the Balance amount outstanding as at November 21, 2012 (the "First Extension Fee"), of which a deposit of $21,000 (received) will be paid towards the First Extension Fee and the balance of such First Extension Fee will be due and payable by Canoe within five Business Days of November 21, 2012. During the year-ended June 30, 2013, Canoe paid the Company $126,581 and an additional $57,258 representing 20% of the net proceeds of their equity financings and the Company received $20,171 representing the balance of the remaining first extension fee.

Canoe retains the right to extend the Due Date to May 21, 2014 (the "Extension Right"). As consideration for the second Extension Right, if exercised, Canoe shall pay to Alto 5% of the remaining Balance amount outstanding as at November 21, 2013.

During the year ended June 30, 2015, the Company entered into a settlement agreement with Canoe to settle the terms and conditions of their debenture agreement held against the Coldstream mineral property, pursuant to which the Company is to receive:

a) 1,250,000 common shares in the capital of Canoe having a value of $250,000 based on a deemed price per share of $0.20 (received).
b) $50,000 on the Settlement Date (received);
c) $50,000 on or before December 31, 2014 (received in April 2015);
d) $75,000 on or before March 31, 2015 (outstanding);
e) $75,000 on or before June 30, 2015 (outstanding); and
f) a net smelter returns royalty ranging from 0.5% to 1.5% on certain portions of the Coldstream property.

In addition to the terms above, Canoe has the option to purchase 400,000 shares (347,300 purchased to date) of their own stock held by the Company, with the share consideration equal to the deemed price at which the settlement shares were issued.

c) Cote-Archie Lake, Ontario

The Cote-Archie Lake property is 100% owned by the Company and subject to certain underlying royalties on some of the claims. During the year ended June 30, 2014, the Company allowed certain claims to expire as no further work is planned which resulted in a write-down of acquisition costs capitalized of $25,385.

d) Destiny (formerly Despinassy), Quebec

The Destiny Project is located in Despinassy Township, northeast of Val d'Or, Quebec. The property is 100% owned by the Company and subject to certain underlying production royalties on some of the claims. During the year ended June 30, 2014, the Company allowed certain claims to expire as no further work is planned which resulted in a write-down of acquisition costs capitalized of $235,988.

e) Dolsan, Quebec

The Company owns 100% interest in this property subject to certain underlying royalties on some of the claims. During the year ended June 30, 2014, the Company allowed certain claims to expire as no further work is planned which resulted in a write-down of acquisition costs capitalized of $3,444.

f) Greenoaks, Ontario

The Company owns 100% interest in this property subject to certain underlying royalties.

g) Miner Lake, Ontario

The Company owns a 100% interest in the Miner Lake property subject to certain underlying royalties on some of the claims.

h) Mud Lake, Ontario

The Company owns a 100% interest in the Mud Lake property subject to certain underlying royalties on some of the claims.

i) Obalski, Quebec

During the year ended June 30, 2014, the Company allowed certain claims to,lapse, resulting in a write-down of acquisition costs capitalized of $4,108.

j) Oxford Lake, Manitoba

The Company owns a 100% interest in the Oxford Lake Property subject to certain underlying royalties on some of the claims.

During the year ended June 30, 2014, the Company entered into an exploration and option agreement with Razore under which Razore can earn up to 60% working interest in the Oxford Lake Gold Property ("Property"). Razore issued 100,000 common shares and paid $10,000 to the Company on the closing of the transaction.

Razore can earn a 51% working interest in the Property by issuing a further 500,000 common shares, paying a further $50,000 in cash option payments and incurring $2,100,000 in expenditures on the Property by December 30, 2016.

On April 15, 2014 Razore Rock Resources Inc. received an extension from the Company to fulfill certain commitments under the Oxford Exploration and Option Agreement. In consideration for the extension, Razore Rock issued 100,000 of its shares to the Company. On May 15, 2014 Razore Rock served notice that it has terminated the Oxford Lake Exploration and Option Agreement.

k) Three Towers, Ontario

The Company owns 100% interest in this property subject to certain underlying royalties.

l) Vassal, Quebec

The Company owns a 100% interest in this property located north of Val d'Or, Quebec. During the year ended June 30, 2014, the Company allowed certain claims to expire as no further work is planned which resulted in a write-down of acquisition costs capitalized of $4,058.

m) La Ronge, Saskatchewan

During the year ended June 30, 2014, the Company staked several mineral claims in Northern Saskatchewan.

n) GEFA Option, Saskatchewan

The Company has entered into an Option Agreement to acquire a 60% interest in four mining claims (the "GEFA Option") in northern Saskatchewan.

The four GEFA claims are located east of the Town of La Ronge, Saskatchewan. Under the terms of the GEFA Option Agreement, the Company can earn a 60% interest in the four claims by making staged cash payments to the vendors of $5,000 on signing (paid), $20,000 after year one (paid) and $35,000 after year two totaling $60,000 and completing $250,000 (completed) in exploration within one year and a further $500,000 within the following 18 months totaling $750,000 in exploration expenditures on the property over 30 months. The property is subject to an underlying 2% NSR on all minerals and metals with the exception of diamonds, with a buy-out of 1% of the NSR for $1 million.

In connection with work performed at the GEFA property, the Company received, in May, 2015, $118,696 from the Government of Saskatchewan, in reimbursement of assessment work deficiency payments previously made.

o) Fisher, Saskatchewan

During the year ended June 30, 2014, the Company entered into an agreement to acquire six mining claims in Saskatchewan, which agreement was amended during the year ended June 30, 2015 to include two additional claims.

Terms for the acquisition of 100% interest in the eight claims include total cash payments of $20,000 ($10,000 paid) staged over two years and the issuance of 25,000 shares valued at $1,250 (issued) of the Company to the Vendor. When the Company becomes 100% owner of the claims, it will grant to the Vendor a 2% NSR. The Company also retains the right to buy back 1% of the NSR for $1,000,000.

In connection with work performed at the Fisher property, the Company received in May, 2015, $4,665 from the Government of Saskatchewan, in reimbursement of assessment work deficiency payments previously made.

10. Share capital and contributed surplus

Authorized share capital: Unlimited Common shares without par value

Shares issued:

During the year ended June 30, 2014, the Company:

a) issued 25,000 shares at a price of $0.05 per share for acquisition of six diamond claims. (Note 9o)
b) announced that it has completed the sale of its underlying 0.5% NSR Royalty on Eagle Hill Exploration's Windfall Lake Gold project to Virginia in consideration for 57,692 common shares valued at $684,804 (Note 8) and Virginia also purchased 1,666,667 shares of the Company at a price of $0.15 per share for total proceeds received of $250,000.

(Canadian Funds)

Warrants:

Warrants have been issued and are exercisable to purchase common shares of the Company as follows:

	Number of warrants (#)	Weighted Average Exercise Price ($)
Balance – June 30, 2013	**207,550**	**0.15**
Expired	**(207,550)**	**0.15**
Balance – June 30, 2014 and June 30, 2015	**-**	

Stock options

During the year-ended June 30, 2014, the Company granted to directors, officers, employees and consultants, incentive stock options to purchase of up to, in the aggregate, 1,050,000 common shares exercisable on or before June 19, 2019 at a price of $0.06 per share. The Company recorded $2,578 (June 30, 2014: $54,857) as share based compensation expense based upon the relative fair values and vesting conditions of the options granted.

The Company has established a share purchase option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. The options vest immediately except for investor relations employees which vest quarterly over a one year period.

Stock option transactions were as follows:

	Number of options (#)	Weighted Average Exercise Price ($)
Balance June 30, 2013	**1,538,000**	**0.15**
Cancelled	(225,000)	0. 40
Granted	1,050,000	0.06
Balance – June 30, 2014	**2,363,000**	**0.08**
Expired	(1,000)	1.00
Balance – June 30, 2015	**2,362,000**	**0.08**

(Canadian Funds)

The following is a summary of the Company's options outstanding as at June 30, 2015:

Options Issued (#)	Price per Share ($)	Expiry Date	Options Exercisable (#)
1,000	1.00	January 17, 2016	1,000
935,000	0.10	September 19, 2017	935,000
376,000	0.10	October 30, 2017	376,000
1,050,000	0.06	June 19, 2019	1,050,000
2,362,000			**2,362,000**

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options. The estimated fair value of the stock options granted during the year was determined using a Black-Scholes option pricing model with the following assumptions:

	2014
Expected dividend yield	**0%**
Expected stock price volatility	**149%**
Risk free rate	**1.47%**
Expected life of options	**5 years**
Expected forfeiture rate	**0%**
Weighted average fair value per option	**$0.05**

11. Related party transactions

a) At June 30, 2015, the Company owed $5,565 (June 30, 2014: $7,529) to companies with directors and officers in common, and $1,450 (June 30, 2014: $Nil) to a director. There are no repayment terms or interest associated with these balances.

All of the costs recorded are based on fair value. During the years ended June 30, 2015 and 2014, the Company incurred the following charges in respect of services received from related parties:

	June 30, 2015 $	June 30, 2014 $
White Label Corporate Services Inc. – CFO and Corporate Secretary – administrative salary services [1]	14,000	36,875
White Label Corporate Services Inc. – CFO and Corporate Secretary – cost recoveries [1]	28,000	64,425
J Collins Consulting - Corporate Secretary and administrative services	15,000	-
Mike Koziol –salary services (Officer and Company with Director in Common)	120,000	67,500
Mirador Management – management fees (Company with an officer in common)	-	7,000
Venturex Consulting - CFO services	11,000	-
McMillan LLP – legal fees (formerly Lang Michener) (Legal firm with a partner and Company director in Common)	7,514	12,719
Gary Zak - consulting services (Director and Former Officer in Common)	-	3,000
Total	**195,514**	**191,519**

[1] CFO and Corporate Secretarial services paid for the year and the balance is overhead expenses reimbursed to White Label Corporate Services Ltd. at cost.

(Canadian Funds)

Compensation of key management personnel
During the years ended June 30, 2015 and 2014, the Company incurred the following fees from key management personnel as follows:

	June 30, 2015 ($)	June 30, 2014 ($)
Management fees, directors and audit committee fees	134,000	114,375
Share-based compensation	-	49,108
	134,000	**163,483**

12. Segmented information

(a) Operating Segment
The Company's operations are primarily directed towards the acquisition and exploration of resource properties in Canada and consequently there is only one operating segment.

(b) Geographic information
All interest income is earned in Canada and all assets are held in Canada.

13. Supplementary disclosure of cash flow information

	June 30, 2015 ($)	June 30, 2014 ($)
Supplemental Disclosure of Non-Cash Financing and Investing Activities include:		
Fair value adjustment on marketable securities	203,761	299,442
Fair value shares received under option agreement	250,000	21,000
Shares issued in echange for exploration and evaluation assets	-	1,250
Shares received for sale of Windfall exploration and evaluation asset royalty	-	684,804

14. Income taxes

The income taxes shown in the statement of operations and loss and comprehensive loss and deficit differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	June 30, 2015 ($)	June 30, 2014 ($)
Loss for the year	(1,020,919)	(361,696)
Statutory tax rate	26%	26%
Expected tax recovery	(265,000)	(94,000)
Change in statutory, foreign tax and foregin exchange rates	35,000	(5,000)
Non-deductible expenditures	(2,000)	(164,000)
Other and adjustment to previous provision	162,000	-
Change in unrecognized deductible temporary difference	70,000	263,000
Total tax recovery	**-**	**-**

(Canadian Funds)

The significant components of the Company's unrecorded deferred tax assets and liabilities are as follows:

	June 30, 2015 ($)	June 30, 2014 ($)
Deferred tax assets (liabilities)		
Exploration and evaluation assets	619,000	414,000
Property, plant and equipment	6,000	6,000
Share issuance costs	2,000	17,000
Allowable capital losses	222,000	197,000
Non-capital losses available for future periods	1,492,000	1,627,000
Marketable securities	222,000	232,000
Unrecognized deferred tax assets	**2,563,000**	**2,493,000**

The significant components of the Company's temporary differences and unused tax losses are as follows:

	June 30, 2015 ($)	June 30, 2014 ($)
Exploration and evaluation assets	2,303,000	1,591,000
Property, plant and equipment	24,000	24,000
Share issuance costs	8,000	67,000
Allowable capital losses	856,000	756,000
Non-capital losses available for future periods	5,738,000	6,259,000
Marketable securities	1,705,000	1,783,000
Unrecognized deferred tax assets	**10,634,000**	**10,480,000**

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

15. Subsequent event

On September 24, 2015 the Company announced a non-brokered private placement of up to $400,000 through the issuance of a combination of flow through units ("FT Unit") and non-flow through units ("NFT Unit") at a price of $0.04 per each FT Unit and NFT Unit. Each FT Unit will be comprised of one flow through common share and one-half of one share purchase warrant ("FT Warrant"). Each whole FT Warrant is exercisable to purchase one common share of the Company at a price of $0.08 per share for a period of two years from the date of closing of the financing. Each NFT Unit will be comprised of one common share and one share purchase warrant ("NFT Warrant"). Each NFT Warrant is exercisable to purchase one common share of the Company at a price of $0.08 per share for a period of two years from the date of closing of the financing. The private placement is subject to regulatory approval and all securities will be subject to a four month hold period. Finder's fees will be payable in connection with the private placement, all in accordance with the policies of the TSX Venture Exchange.