FORAN MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015

(Unaudited)

NOTICE OF AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit & Risk Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

FORAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian dollars)

	September 30, 2015	December 31, 2014
ASSETS	**$**	$
Current		
Cash and cash equivalents	**1,440,909**	4,050,482
Accounts receivable	**13,452**	31,708
Prepaid expenses	**31,764**	46,066
	1,486,125	4,128,256
Non-Current		
Deposits	**40,585**	40,585
Investments (Note 3)	**210,013**	192,750
Plant and equipment (Note 4)	**536,332**	603,167
Exploration and evaluation assets (Notes 5 and 11)	**25,150,608**	23,502,998
	27,423,663	28,467,756
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**94,082**	144,109
Non-Current		
Deferred share units (Notes 6 and 11)	**67,198**	-
	161,280	144,109
EQUITY		
Share capital (Note 7)	**66,075,689**	66,075,689
Share-based payments reserve	**4,936,522**	4,813,704
Accumulated other comprehensive income	**108,503**	91,240
Deficit	**(43,858,331)**	(42,656,986)
	27,262,383	28,323,647
	27,423,663	28,467,756

Approved on behalf of the Board:
_*"David Petroff"*_______ , Director
_*"Darren Morcombe"*__ , Director

FORAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$		
Expenses				
Depreciation	**26,816**	31,908	**82,888**	100,073
Directors' fees (Note 6)	**16,000**	-	**48,000**	-
Investor relations	**31,365**	35,469	**158,541**	115,535
Office and administration (Notes 11(a) and 11(d))	**54,294**	55,642	**173,348**	164,337
Professional fees (Note 11(b))	**24,626**	32,166	**73,931**	90,152
Salaries and benefits (Notes 6 and 11)	**132,112**	118,516	**464,801**	403,732
Share-based payments expense (Notes 7(d) and 11)	**20,193**	45,702	**97,652**	201,708
Transfer agent, regulatory and filing fees	**2,906**	1,432	**32,070**	33,746
Travel and accommodation	**1,818**	3,584	**3,021**	18,270
	310,130	324,419	**1,134,252**	1,127,553
Other Items				
Interest income	**(3,405)**	(11,210)	**(18,953)**	(37,994)
Gain on sale of investments	**-**	-	**(9,500)**	(23,978)
Write-off of exploration and evaluation assets (Note 5)	**-**	-	**152,348**	-
Revaluation of deferred share units (Note 6)	**(31,968)**	-	**(56,802)**	-
	(35,373)	(11,210)	**67,093**	(61,972)
Net loss for the period	**(274,757)**	(313,209)	**(1,201,345)**	(1,065,581)
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain on available-for-sale investments	**55,516**	25,365	**17,263**	12,845
Total comprehensive loss for the period	**(219,241)**	(287,844)	**(1,184,082)**	(1,052,736)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Basic and diluted weighted average number of shares outstanding	**90,773,922**	83,373,922	**90,773,922**	82,451,303

See accompanying notes to the condensed consolidated interim financial statements.

FORAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total
		$	$	$	$	$
Balance, December 31, 2013	77,198,922	63,172,134	4,439,722	-	(41,192,304)	26,419,552
Net loss for the period	-	-	-	-	(1,065,581)	(1,065,581)
Other comprehensive loss	-	-	-	12,845	-	12,845
Private placements, net of share issuance costs	6,075,000	1,152,882	-	-	-	1,152,882
Shares issued pursuant to NPI purchase (Note 5(b))	100,000	18,000	-	-	-	18,000
Share-based payments expense	-	-	250,219	-	-	250,219
Balance, September 30, 2014	**83,373,922**	**64,343,016**	**4,689,941**	**12,845**	**(42,257,885)**	**26,787,917**
Net loss for the period	-	-	-	-	(399,101)	(399,101)
Other comprehensive income	-	-	-	78,395	-	78,395
Private placements, net of share issuance costs	6,400,000	1,492,673	-	-	-	1,492,673
Shares issued pursuant to the Back-in Agreement (Note 5(b))	1,000,000	240,000	-	-	-	240,000
Warrants issued pursuant to the Back-in Agreement (Note 5(b))	-	-	82,581	-	-	82,581
Share-based payments expense	-	-	41,182	-	-	41,182
Balance, December 31, 2014	**90,773,922**	**66,075,689**	**4,813,704**	**91,240**	**(42,656,986)**	**28,323,647**
Net loss for the period	-	-	-	-	(1,201,345)	(1,201,345)
Other comprehensive loss	-	-	-	17,263	-	17,263
Share-based payments expense	-	-	122,818	-	-	122,818
Balance, September 30, 2015	**90,773,922**	**66,075,689**	**4,936,522**	**108,503**	**(43,858,331)**	**27,262,383**

FORAN MINING CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Operating Activities				
Net loss for the period	**(274,757)**	(313,209)	**(1,201,345)**	(1,065,581)
Items not involving cash:				
Depreciation	**26,816**	31,908	**82,888**	100,073
Directors' fees	**16,000**	-	**48,000**	-
Share-based payments expense	**20,193**	45,702	**97,652**	201,708
Salaries and benefits (Note 6)	**20,000**	-	**76,000**	-
Revaluation of deferred share units (Note 6)	**(31,968)**	-	**(56,802)**	-
Gain on sale of investments	**-**	-	**(9,500)**	(23,978)
Interest income	**-**	-	**351**	583
Write-off of exploration and evaluation assets	**-**	-	**152,348**	-
	(223,716)	(235,599)	**(810,408)**	(787,195)
Net change in non-cash working capital (Note 8)	**28,423**	(19,915)	**(36)**	(43,908)
Cash used in operating activities	**(195,293)**	(255,514)	**(810,444)**	(831,103)
Investing Activities				
Purchase of NPI (Note 5(b))	**-**	-	**-**	(50,000)
Purchase of equipment	**(7,053)**	-	**(16,053)**	-
Exploration and evaluation assets expenditures	**(113,916)**	(267,385)	**(1,792,576)**	(1,215,376)
Proceeds on sale of investments	**-**	-	**9,500**	23,978
Cash used in investing activities	**(120,969)**	(267,385)	**(1,799,129)**	(1,241,398)
Financing Activities				
Issuance of shares for cash pursuant to private placements	**-**	-	**-**	1,200,000
Share issue costs	**-**	-	**-**	(47,118)
Cash provided by financing activities	**-**	-	**-**	1,152,882
Net decrease in cash and cash equivalents	**(316,262)**	(522,899)	**(2,609,573)**	(919,619)
Cash and cash equivalents, beginning of period	**1,757,171**	3,879,760	**4,050,482**	4,276,480
Cash and cash equivalents, end of period	**1,440,909**	3,356,861	**1,440,909**	3,356,861
Cash and cash equivalents is comprised of:				
Guaranteed Investment Certificates	**20,536**	20,000	**20,536**	20,000
Cash	**1,420,373**	3,336,861	**1,420,373**	3,336,861
	1,440,909	3,356,861	**1,440,909**	3,356,861

Supplemental cash flow information (Note 8)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Foran Mining Corporation (the "**Company**") is a publicly listed company on the TSX Venture Exchange, incorporated under the laws of British Columbia. The Company and its subsidiary are involved in activities that include the acquisition and exploration of mineral properties.

The Company's head office and registered and records office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company has incurred significant operating losses in its exploration operations and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development and fund their operations until commercially successful and future production or proceeds from the disposition thereof. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these condensed consolidated interim financial statements on November 14, 2015.

3. INVESTMENTS

As at June 30, 2015, the Company owned shares of two mineral exploration companies listed publicly on the Canadian Securities Exchange that were classified as available-for-sale ("**AFS**") and carried at fair market value based on quoted market prices. A summary of the changes in AFS investments is presented below:

	$
Balance, December 31, 2014	192,750
Unrealized gain on AFS investments	17,263
Balance, September 30, 2015	210,013

(Expressed in Canadian dollars)

4. PLANT AND EQUIPMENT

As at September 30, 2015, the Company's plant and equipment consisted of the following:

	Computer and survey equipment	Camp Equipment	Furniture and fixtures	Plant	Trailers	Vehicles	Total
	$	$	$	$	$	$	$
Cost							
Balance, December 31, 2014	138,894	332,552	40,278	734,656	22,409	100,613	1,369,402
Additions	-	16,053	-	-	-	-	16,053
Balance, September 30, 2015	138,894	348,605	40,278	734,656	22,409	100,613	1,385,455
Accumulated Amortization							
Balance, December 31, 2014	97,177	261,980	25,506	295,642	18,483	67,447	766,235
Depreciation for the period	8,678	17,086	2,101	47,435	689	6,899	82,888
Balance, September 30, 2015	105,855	279,066	27,607	343,077	19,172	74,346	849,123
Carrying Amount							
Balance, December 31, 2014	41,717	70,572	14,772	439,014	3,926	33,166	603,167
Balance, September 30, 2015	33,039	69,539	12,671	391,579	3,237	26,267	536,332

5. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is presented below:

	McIlvenna Bay	Other Saskatchewan Projects	Manitoba Projects	Total
	$	$	$	$
Balance, December 31, 2014	18,734,942	4,766,162	1,894	23,502,998
Acquisition and Maintenance Costs				
License fees (refunds)	-	(21,892)	-	(21,892)
Exploration Costs				
Administration	50,918	218,679	-	269,597
Camp costs	514	58,832	-	59,346
Consulting	3,672	148,159	-	151,831
Geophysics	135,638	17,125	-	152,763
Drilling and analysis	-	738,687	-	738,687
Equipment and communications	21,507	122,026	-	143,533
Fuel (rebates)	(14,412)	134,022	-	119,610
Preliminary Economic Assessment	5,248	-	-	5,248
Salaries and benefits	2,671	132,038	-	134,709
Transportation and travel	17,736	28,790	-	46,526
Total Exploration Costs	223,492	1,598,358	-	1,821,850
Property write-offs	-	(152,348)	-	(152,348)
Balance, September 30, 2015	18,958,434	6,190,280	1,894	25,150,608

5. EXPLORATION AND EVALUATION ASSETS (continued)

a) McIlvenna Bay, Saskatchewan

The Company owns a 100% interest in the McIlvenna Bay mineral property located in Saskatchewan ("**McIlvenna Bay**").

Certain claims that make up the McIlvenna Bay property are subject to a Net Tonnage Royalty of $0.75 per tonne of ore extracted, with a right of first refusal in favour of the Company.

Cameco Corporation and BHP Billiton Limited collectively hold a 1% net smelter return (“**NSR**”) royalty interest in McIlvenna Bay, which can be purchased at any time for $1,000,000.

b) Other Saskatchewan Properties

The Company holds interests ranging from 65% to 100% in five mining claim groups in its Saskatchewan property portfolio, exclusive of McIlvenna Bay.

The Company has committed, through previous mineral property ownership agreements associated with these Saskatchewan properties, to pay various NSR and net profits interest (“**NPI**”) royalties. The NSR royalties range from 2% to 2.5%, with buyout provisions for up to one-half of some of these NSR royalties, and the NPI royalties range from 6% to 10%.

On January 29, 2014, the Company purchased various NPI royalties from Thundermin Resources Inc. (“**Thundermin**”) on certain of the Company’s Saskatchewan properties and Manitoba properties in consideration for a cash payment of $50,000 and 100,000 common shares of the Company with a fair value of $18,000.

In October 2014, the Company completed an agreement (the “**Back-in Agreement**”) with Teck Resources Limited (“**Teck**”) to extinguish back-in rights held by Teck on certain of the Company’s Saskatchewan properties. In consideration for the extinguishment of the back-in rights, the Company issued 1,000,000 common shares of the Company with a fair value of $240,000 and 1,000,000 share purchase warrants with a fair value of $82,581 to Teck, the amounts of which were capitalized to exploration and evaluation assets. Each warrant is exercisable into one common share of the Company at a price of $0.24 per share with an expiry of October 14, 2016.

In the event the Company sells or options any of the properties included in the Back-in Agreement prior to September 30, 2018 (a “**Future Sale**”), the Company will pay Teck in-kind an amount equal to 20% of the proceeds from any Future Sale occurring prior to September 30, 2016 and 10% of the proceeds from any Future Sale occurring after September 30, 2016 but prior to September 30, 2018.

c) Manitoba Properties

The Company holds a 100% interest in one Manitoba property consisting of one claim.

6. DEFERRED SHARE UNITS

The Company has adopted a deferred share unit plan (“**DSU Plan**”) which awards deferred share units to participants of the DSU Plan. Awards are initially charged to operations using the market value of the Company’s common shares that best represents the period for which the awards were earned, with the corresponding liability recorded as deferred share units. At each period end, the liability is revalued using the market value of the Company’s common shares, with the corresponding increase or decrease recorded to operations as a revaluation of deferred share units.

6. DEFERRED SHARE UNITS (continued)

Upon separation from the Company, a participant will receive the cash equivalent of the fair market value of the DSUs based on the market value of the Company's common shares on the date of separation.

Effective December 1, 2014, the Company entered into an agreement with its Executive Chairman whereby the Executive Chairman is compensated for his services with DSUs on a monthly basis, to a maximum of $8,000 per month. For the three and nine month periods ended September 30, 2015, respectively, the Executive Chairman earned 162,837 and 414,505 DSUs for a total value of $20,000 and $76,000 which is recorded as salaries and benefits in the condensed consolidated interim statement of comprehensive loss. At September 30, 2015, an amount of $41,451 was owed to the Executive Chairman with the liability recorded as deferred share units on the condensed consolidated statement of financial position. The number of outstanding DSUs owed to the Executive Chairman at September 30, 2015 was 414,505.

Effective January 1, 2015, the Company is compensating each of its independent directors with DSUs on a quarterly basis in an amount of $4,000. For the three and nine month periods ended September 30, 2015, respectively, the independent directors earned a total of 124,060 and 257,448 DSUs for a total value of $16,000 and $48,000 which is recorded as directors' fees in the condensed consolidated interim statement of comprehensive loss. At September 30, 2015 an amount of $25,747 was owed to the independent directors with the liability included in deferred share units on the condensed consolidated statement of financial position. The total number of outstanding DSUs owed to independent directors at September 30, 2015 was 257,448. Subsequent to period end, the Company's Board of Directors passed a resolution to suspend the DSU arrangement with its independent directors, effective October 1, 2015. The resolution did not have an impact on the Company's financial position at September 30, 2015 or its operations for the nine months then ended.

7. SHARE CAPITAL

a) Authorized

An unlimited number of common shares
An unlimited number of preference shares

b) Share issuance details

The transactions for the issuance of share capital during the nine months ended September 30, 2014 were as follows:

(i) On February 11, 2014, the Company completed a non-brokered private placement of 6,000,000 units of the Company (the "**Units**") at a price of $0.20 per Unit for gross proceeds of $1,200,000. Each Unit consisted of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant was exercisable into one common share of the Company at a price of $0.30 per share.

In connection with the private placement, the Company paid a total of $46,695 in share issuance fees and issued 75,000 finder units, with each finder unit having the same terms as a Unit with the exception that the common shares were not issued on a flow-through basis.

(ii) As described in Note 5b), on January 29, 2014, the Company issued 100,000 common shares to Thundermin pursuant to the purchase of various NPI royalties from Thundermin.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

c) Stock options

The Company has a Rolling Stock Option Plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, December 31, 2014	7,050,000	0.71
Granted	975,000	0.20
Expired	(200,000)	0.40
Balance, September 30, 2015	7,825,000	0.65

The following stock options were outstanding as at September 30, 2015:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
		$		
1,600,000	1,600,000	1.25	February 2, 2016	0.34
400,000	400,000	1.25	February 27, 2016	0.41
500,000	500,000	0.90	April 13, 2016	0.54
900,000	900,000	0.80	January 24, 2017	1.32
200,000	200,000	0.67	April 19, 2017	1.55
1,150,000	1,150,000	0.59	January 24, 2018	2.32
2,000,000	1,333,333	0.20	January 24, 2019	3.32
100,000	66,667	0.17	May 28, 2019	3.66
975,000	325,000	0.20	January 20, 2020	4.31
7,825,000	6,475,000	0.65		2.09

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

d) Share-based payments

The share-based payments expense for the stock options that vested during the nine months ended September 30, 2015 was $122,818 (2014: $250,219). Of this amount, $97,652 (2014: $201,708) was recorded as share-based payments expense in the condensed consolidated interim statement of loss and comprehensive loss and $25,166 (2014: $48,511) was capitalized to exploration and evaluation assets. The fair value of the stock options that vested during the nine month periods ended September 30, 2015 and September 30, 2014 was calculated using the following weighted average assumptions:

	2015	2014
Risk-free interest rate	1.18%	1.46%
Expected stock price volatility	74%	74%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

e) Share purchase warrants

The fair value of these options was determined on the date of the grant using the Black-Scholes option pricing model. 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.

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2014	5,037,500	0.37
Expired	(3,037,500)	0.30
Balance, September 30, 2015	2,000,000	0.47

The following warrants were outstanding as at September 30, 2015:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
1,000,000	750,000	0.70	December 22, 2015
1,000,000	1,000,000	0.24	October 14, 2016
2,000,000	1,750,000		

8. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	$	$	$	$
Accounts receivable	9,666	18,762	17,905	7,317
Prepaid expenses	15,717	(57,158)	14,302	(35,383)
Accounts payable and accrued liabilities	3,040	18,481	(32,243)	(15,842)
	28,423	(19,915)	(36)	(43,908)

During the nine months ended September 30, 2015 and September 30, 2014, share-based payments expense of $25,166 and $48,511, respectively, were capitalized to exploration and evaluation assets.

As at September 30, 2015, accounts payable and accrued liabilities included $48,766 (December 31, 2014: $66,550) of expenditures for exploration and evaluation assets.

The non-cash transaction for the nine months ended September 30, 2014 consisted of the Company issuing 100,000 common shares valued at $18,000 to Thundermin as part of the purchase of various NPI royalties from Thundermin.

9. FINANCIAL INSTRUMENTS

The Company examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Company under policies and directions approved by the Board. Relevant policies include the Treasury Management Policy and the approval allowing a portion of the Company’s cash to be held in US dollars at the discretion of the Chief Executive Officer and the Chief Financial Officer. The Board monitors these policies on a quarterly basis. The Company’s Board has not approved the use of derivative financial products.

a) Fair value of financial instruments

The fair value hierarchy established by IFRS 7 *Financial Instruments: Disclosures* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

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 assets or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair values of the Company’s accounts receivable and accounts payable and accrued liabilities are equivalent to their carrying values due to their short-term nature. AFS financial instruments are comprised of marketable securities, which are valued using Level 1 measurements.

9. FINANCIAL INSTRUMENTS (continued)

b) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations.

The credit risk associated with cash and cash equivalents and investments is minimized as these financial instruments are held with major Canadian commercial banks. In respect of accounts receivable, the Company is not exposed to significant credit risk as the majority consists of amounts due from Canadian governmental agencies.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. When appropriate, the Company will seek joint venture partners in order to fund or share the funding of its exploration properties to minimize shareholder risk. As at September 30, 2015, the Company had sufficient cash to meet its obligations related to accounts payable and accrued liabilities and required administrative and property expenditures over the next twelve months.

d) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to short-term interest rates through the interest earned on cash and cash equivalents. A 1% change in short-term rates would not have a material impact on net loss.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company holds substantially all of its cash resources in Canadian dollars with an insignificant amount held in US dollars, making currency risk minimal.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk in terms of its investment. A 30% change in price would not have a material impact on other comprehensive loss.

(Expressed in Canadian dollars)

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended December 31, 2014.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's treasury management policy is to invest its cash in highly rated liquid short-term interest bearing investments with an initial term to maturity of twelve months or less.

The Company is not subject to externally imposed capital requirements.

11. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the directors and officers of the Company.

The remuneration of key management personnel for the three and nine months ended September 30, 2015 and September 30, 2014 was as follows:

		Three months ended September 30,		Nine months ended September 30,	
		2015	2014	2015	2014
		$	$	$	$
Short-term benefits	1	185,163	184,537	605,302	553,665
Share-based payments expense	2	24,646	51,476	117,630	239,451
Deferred share units	3	36,000	-	124,000	-
Total		245,809	236,013	846,932	793,116

[1] Short-term benefits consisted of salaries, bonuses and health benefits for key management personnel, some of which have been capitalized to exploration and evaluation assets.

[2] Share-based payments were non-cash items that consisted of the fair value of stock options and warrants that had been granted to key management personnel, some of which have been capitalized to exploration and evaluation assets.

[3] Deferred share units consisted of DSUs earned by key management personnel, some of which have been recorded as salaries and benefits and some as directors' fees, as more fully described in Note 6.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (continued)

a) During the nine months ended September 30, 2015, the Company charged a company that has two directors and two officers in common $9,000 (2014: $22,500) for administration expenses including office rent and office operating costs, the amount of which was netted against office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss.

b) During the nine months ended September 30, 2015, the Company was charged $29,429 (2014: $17,416) for office administrator services by a company that has two directors and two officers in common, the amount of which was included in professional fees in the condensed consolidated interim statement of loss and comprehensive loss. At September 30, 2015, accounts payable and accrued liabilities included an amount of $4,068 (December 31, 2014: $3,432) for these services.

c) During the nine months ended September 30, 2015, the Company charged a company that has two directors and two officers in common $19,128 (2014: $14,700) for CFO services, the amount of which was netted against salaries and benefits in the condensed consolidated interim statement of loss and comprehensive loss. At September 30, 2015, accounts receivable included an amount of $2,400 (December 31, 2014: $1,764) for these services.

d) During the nine months ended September 30, 2015, the Company was charged $8,776 (2014: $Nil) by the Executive Chairman for office rent, the amount of which was included in office and administration expenses in the condensed consolidated interim statement of loss and comprehensive loss.

e) At September 30, 2015, the Company owed a total of 671,953 DSUs (December 31, 2014: Nil) valued at $67,198 (December 31, 2014: $Nil) to key management personnel, which is included in the condensed consolidated interim statement of financial position.

12. COMMITMENT

In March 2011, the Company entered into a five year office lease agreement, which commenced July 1, 2011 and ends June 30, 2016.

Future minimum lease payments over the remaining term of the lease agreement are estimated to be as follows:

2015	$ 27,399
2016	$ 27,399