FORAN MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

(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)

	June 30, 2016	December 31, 2015
ASSETS	**$**	$
Current		
Cash and cash equivalents	**1,501,486**	1,016,037
Accounts receivable	**39,333**	34,365
Prepaid expenses and deposits	**42,609**	66,033
	1,583,428	1,116,435
Non-Current		
Deposits	**11,000**	11,000
Investments (Note 3)	**121,819**	99,908
Plant and equipment (Note 4)	**463,842**	510,941
Exploration and evaluation assets (Notes 5 and 11)	**25,421,929**	25,276,393
	27,602,018	27,014,677
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**88,769**	146,686
Non-Current		
Deferred share units (Notes 6 and 11)	**208,794**	64,504
	297,563	211,190
EQUITY		
Share capital (Note 7)	**67,069,201**	66,075,689
Share-based payments reserve	**5,067,789**	4,962,035
Accumulated other comprehensive income (loss)	**20,309**	(1,602)
Deficit	**(44,852,844)**	(44,232,635)
	27,304,455	26,803,487
	27,602,018	27,014,677

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 SIX MONTHS ENDED JUNE 30
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
		$		$
Expenses				
Depreciation	**22,491**	27,438	**47,099**	56,072
Directors' fees (Note 6)	**-**	32,000	**-**	32,000
Investor relations	**21,488**	51,487	**44,909**	127,176
Office and administration (Notes 11(a) and 11(d))	**56,509**	60,651	**121,511**	119,054
Professional fees (Note 11(b))	**14,106**	32,412	**32,032**	49,305
Salaries and benefits (Notes 6 and 11)	**66,005**	166,550	**153,880**	332,689
Share-based payments expense (Notes 7(d) and 11)	**21,570**	19,978	**81,308**	77,459
Transfer agent, regulatory and filing fees	**3,099**	19,994	**13,260**	29,164
Travel and accommodation	**-**	685	**-**	1,203
	205,268	411,195	**493,999**	824,122
Other Items				
Write-off of exploration and evaluation assets	**-**	51,765	**-**	152,348
Gain on sale of investments	**-**	(9,500)	**-**	(9,500)
Interest income	**(51)**	(5,731)	**(108)**	(15,548)
Revaluation of deferred share units (Note 6)	**99,557**	(31,542)	**126,318**	(24,834)
	99,506	4,992	**126,210**	102,466
Net loss for the period	**(304,774)**	(416,187)	**(620,209)**	(926,588)
Other Comprehensive Loss				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on available-for-sale investments	**10,463**	3,622	**21,911**	(38,253)
Total comprehensive loss for the period	**(294,311)**	(412,565)	**(598,298)**	(964,841)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Basic and diluted weighted average number of shares outstanding	**90,838,563**	90,773,922	**90,806,243**	90,773,922

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 (loss)	Deficit	Total
		$	$	$	$	$
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	-	-	-	-	(926,588)	(926,588)
Other comprehensive loss	-	-	-	(38,253)	-	(38,253)
Share-based payments expense	-	-	97,305	-	-	97,305
Balance, June 30, 2015	**90,773,922**	**66,075,689**	**4,911,009**	**52,987**	**(43,583,574)**	**27,456,111**
Net loss for the period	-	-	-	-	(649,061)	(649,061)
Other comprehensive loss	-	-	-	(54,589)	-	(54,589)
Share-based payments expense	-	-	51,026	-	-	51,026
Balance, December 31, 2015	**90,773,922**	**66,075,689**	**4,962,035**	**(1,602)**	**(44,232,635)**	**26,803,487**
Net loss for the period	-	-	-	-	(620,212)	(620,212)
Other comprehensive income	-	-	-	21,911	-	21,911
Private placement, net of share issue costs	5,882,353	993,512	-	-	-	993,512
Share-based payments expense	-	-	105,754	-	-	105,754
Balance, June 30, 2016	**96,656,275**	**67,069,201**	**5,067,789**	**20,309**	**(44,852,847)**	**27,304,452**

See accompanying notes to the condensed consolidated interim financial statements.

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

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
Operating Activities				
Net loss for the period	**(304,774)**	(416,187)	**(620,209)**	(926,588)
Items not involving cash:				
Depreciation	**22,491**	27,438	**47,099**	56,072
Directors' fees	**-**	32,000	**-**	32,000
Share-based payments expense	**21,570**	19,978	**81,308**	77,459
Salaries and benefits (Note 6)	**12,000**	24,000	**24,000**	56,000
Revaluation of deferred share units (Note 6)	**99,557**	(31,542)	**126,318**	(24,834)
Gain on sale of investments	**-**	(9,500)	**-**	(9,500)
Interest income	**-**	-	**620**	351
Write-off of exploration and evaluation assets	**-**	51,765	**-**	152,348
	(149,156)	(302,048)	**(340,864)**	(586,692)
Net change in non-cash working capital (Note 8)	**305**	(3,648)	**(42,554)**	(28,459)
Cash used in operating activities	**(148,851)**	(305,696)	**(383,418)**	(615,151)
Investing Activities				
Purchase of equipment	**-**	-	**-**	(9,000)
Exploration and evaluation assets expenditures	**(60,887)**	(542,264)	**(124,645)**	(1,678,660)
Proceeds on sale of investments	**-**	9,500	**-**	9,500
Cash used in investing activities	**(60,887)**	(532,764)	**(124,645)**	(1,678,160)
Financing Activity				
Issuance of units for cash pursuant to private placement	**1,000,000**	-	**1,000,000**	-
Share issue costs	**(6,488)**	-	**(6,488)**	-
Cash provided by financing activity	**993,512**	-	**993,512**	-
Net increase (decrease) in cash and cash equivalents	**783,774**	(838,460)	**485,449**	(2,293,311)
Cash and cash equivalents, beginning of period	**717,712**	2,595,631	**1,016,037**	4,050,482
Cash and cash equivalents, end of period	**1,501,486**	1,757,171	**1,501,486**	1,757,171
Cash and cash equivalents is comprised of:				
Guaranteed Investment Certificates	**20,710**	20,536	**20,710**	20,536
Cash	**1,480,776**	1,736,635	**1,480,776**	1,736,635
	1,501,486	1,757,171	**1,501,486**	1,757,171

Supplemental cash flow information (Note 8)

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

These condensed consolidated interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of $620,209 for the six month period ended June 30, 2016. As at June 30, 2016, the Company had an accumulated deficit of $44,852,844 (December 31, 2015: $44,232,635). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

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 uncertainties raise significant doubt about the Company's ability to continue as a going concern.

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, 2015 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 (the "**Board**") approved these condensed consolidated interim financial statements on August 23, 2016.

(Expressed in Canadian dollars)

3. INVESTMENTS

As at June 30, 2016, 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, 2015	99,908
Unrealized gain on AFS investments	21,911
Balance, June 30, 2016	121,819

4. PLANT AND EQUIPMENT

As at June 30, 2016, 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, 2015 and June 30, 2016	138,894	348,605	40,278	734,656	22,409	100,613	1,385,455
Accumulated Depreciation							
Balance, December 31, 2015	108,353	284,324	28,246	357,882	19,376	76,333	874,514
Depreciation for the period	4,686	9,727	1,170	27,654	366	3,496	47,099
Balance, June 30, 2016	113,039	294,051	29,416	385,536	19,742	79,829	921,613
Carrying Amount							
Balance, December 31, 2015	30,541	64,281	12,032	376,774	3,033	24,280	510,941
Balance, June 30, 2016	25,855	54,554	10,862	349,120	2,667	20,784	463,842

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

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

	McIlvenna Bay	Other Saskatchewan Properties	Total
	$	$	$
Balance, December 31, 2015	18,988,841	6,287,552	25,276,393
Exploration Costs			
Administration	36,462	79,345	115,807
Camp costs	5,137	-	5,137
Consulting	372	531	903
Equipment and communications	6,022	36	6,058
Fuel	1,429	-	1,429
Salaries and benefits	1,431	2,018	3,449
Transportation and travel	11,937	50	11,987
Total Exploration Costs	62,790	81,980	144,770
Balance, June 30, 2016	19,051,631	6,369,532	25,421,163

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 ("**Other Saskatchewan Properties**").

The Company has committed, through previous mineral property ownership agreements associated with its Other 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%.

c) Manitoba Property

The Company holds a 100% interest in one Manitoba property consisting of one claim, which has a carrying value of $Nil at June 30, 2016.

6. DEFERRED SHARE UNITS

The Company has a deferred share unit plan ("**DSU Plan**") which awards DSUs to participants of the DSU Plan. Each DSU entitles the holder a right to receive the cash equivalent of one common share. Awards are initially charged to operations using the market value of the Company's 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.

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 the 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. Effective January 1, 2016, the Chairman agreed to reduce his monthly DSU allocation by approximately 50%. For the six months ended June 30, 2016, the Executive Chairman earned 218,141 DSUs (June 30, 2015: 251,668) for a total value of $24,000 (June 30, 2015: $56,000) which is recorded as salaries and benefits. At June 30, 2016, an amount of $166,315 (December 31, 2015: $43,027) was owed to the Executive Chairman with the liability included in deferred share units on the condensed consolidated interim statement of financial position. The number of outstanding DSUs owed to the Executive Chairman at June 30, 2016 was 755,979 (December 31, 2015: 537,838).

Effective January 1, 2015, the Company commenced compensating each of its independent directors with DSUs in an amount of $4,000 per quarter. Effective October 1, 2015, the Company's Board passed a resolution to suspend the DSU arrangement with its independent directors.

The total number of outstanding DSUs owed to independent directors at June 30, 2016 was 193,087 (December 31, 2015: 257,448). Included in the balance at December 31, 2015 was 64,362 DSUs to an independent director who resigned on November 16, 2015. At June 30, 2016 an amount of $42,479 (December 31, 2015: $15,447) was owed to the independent directors with the liability included in deferred share units on the condensed consolidated interim statement of financial position. In April 2016 the Company paid the director who resigned in November 2015 $6,028 for the 64,362 DSUs owed to him.

For the six months ended June 30, 2016, an unrealized loss of $126,321 (2015: unrealized gain of $24,834) was recognized on the revaluation of DSUs.

7. SHARE CAPITAL

a) Authorized

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

(Expressed in Canadian dollars)

7. SHARE CAPITAL

b) Share issuance details

On June 30, 2016, the Company completed a non-brokered private placement of 5,882,352 units at a price of $0.17 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 per share, with an expiry of December 30, 2017. All securities issued pursuant to the private placement are subject to a statutory 4-month hold period from the date of closing of the private placement. Share issue costs totaled $6,488, including finder's fees totaling $95.

There were no share issuances during the six months ended June 30, 2015.

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, 2015	7,825,000	0.65
Granted	2,760,000	0.11
Expired	(2,250,000)	1.21
Forfeited	(670,000)	0.77
Balance, June 30, 2016	7,665,000	0.31

The following stock options were outstanding as at June 30, 2016:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
		$		
225,000	200,000	0.20	November 16, 2016	0.38
325,000	291,667	0.20	December 31, 2016	0.50
700,000	700,000	0.80	January 24, 2017	0.57
200,000	200,000	0.67	April 19, 2017	0.80
930,000	930,000	0.59	January 24, 2018	1.57
1,625,000	1,625,000	0.20	January 24, 2019	2.57
100,000	100,000	0.17	May 28, 2019	2.91
800,000	533,333	0.20	January 20, 2020	3.56
2,760,000	920,000	0.11	March 8, 2021	4.69
7,665,000	5,500,000	0.30		2.94

(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 six months ended June 30, 2016 was $105,754 (2015: $97,305). Of this amount, $81,308 (2015: $77,459) was recorded as share-based payments expense in the consolidated statement of loss and comprehensive loss and $24,446 (2015: $19,846) was capitalized to exploration and evaluation assets. The fair value of the stock options that vested during the six months ended June 30, 2016 and June 30, 2015 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2016	2015
Risk-free interest rate	0.88%	1.25%
Expected stock price volatility	75%	74%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

e) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2015	1,000,000	0.24
Issued pursuant to private placement	2,941,176	0.25
Balance, June 30, 2016	3,941,176	0.25

The following warrants were outstanding as at June 30, 2016:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
1,000,000	1,000,000	0.24	October 14, 2016
2,941,176	2,941,176	0.25	December 30, 2017
3,941,176	3,941,176		

8. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three and six months ended June 30 consisted of the following:

	2016	2015	2016	2015
	$	$	$	$
Accounts receivable	(20,467)	36,056	(5,588)	8,239
Prepaid expenses	11,382	(2,070)	23,424	(1,415)
Accounts payable and accrued liabilities	9,390	(37,634)	(60,390)	(35,283)
	305	(3,648)	(42,554)	(28,459)

During the six months ended June 30, 2016 and June 30, 2015, share-based payments expense of $24,446 and $19,846, respectively, were capitalized to exploration and evaluation assets.

As at June 30, 2016, accounts payable and accrued liabilities included $2,496 (2015: $Nil) of expenditures for exploration and evaluation assets.

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. DSUs are also 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.

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 or comprehensive 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 net loss or 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, 2015.

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 six months ended June 30, 2016 and June 30, 2015 was as follows:

		Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
				$	$
Short-term benefits	1	93,489	214,504	216,910	420,139
Share-based payments expense	2	27,226	24,381	102,935	92,984
Deferred share units	3	12,000	56,000	24,000	88,000
Total		132,715	294,885	343,845	601,123

[1] Short-term benefits consisted of salaries 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 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 awarded to 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.

11. RELATED PARTY TRANSACTIONS (continued)

a) During the six months ended June 30, 2016, the Company charged a company that had two directors and two officers in common $9,000 (2015: $6,000) 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 six months ended June 30, 2016, the Company was charged $17,508 (2015: $18,560) for office administrator services by a company that had 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 June 30, 2016, accounts payable and accrued liabilities included an amount of $550 (December 31, 2015: $2,187) for these services.

c) During the six months ended June 30, 2016, the Company charged a company that had two directors and two officers in common $22,200 (2015: $13,128) 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 June 30, 2016, accounts receivable included an amount of $Nil (December 31, 2015: $3,600) for these services.

d) During the six months ended June 30, 2016, the Company was charged $7,785 (2015: $6,743) 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. At June 30, 2016, accounts payable and accrued liabilities included an amount of $3,010 (December 31, 2015: $Nil) for these charges.

e) At June 30, 2016, the Company owed a total of 949,066 DSUs (December 31, 2015: 795,286) fair valued at $208,794 (December 31, 2015: $64,504) to key management personnel, which is included in the condensed consolidated interim statement of financial position.

On June 21, 2016, the related company described in Notes 11a), b) and c) was acquired by another company and as such ceased to be related effective June 22, 2016.

12. COMMITMENT

During the six months ended June 30, 2016, the Company entered into a new one year office lease agreement, which will commence July 1, 2016 and end June 30, 2017. The Company has an estimated future minimum lease payment of approximately $37,000 over the term of the lease agreement.