BENZ MINING CORP.
(previously Benz Capital Corp.)

Condensed Interim Financial Statements

For the three and nine months ended January 31, 2015 and 2014

(Expressed in Canadian dollars - Unaudited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Benz Mining Corp. (the "Company") are the responsibility of the Company's management. The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed, and is maintaining, a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the financial statements prior to their submission to the Board of Directors for approval.

The condensed interim financial statements as at January 31, 2015 and 2014 and for the nine months then ended have not been reviewed or audited.

"Miloje Vicentijevic"	*"Carlos Escribano"*
Miloje Vicentijevic	Carlos Escribano
President, CEO and Director	CFO and Director
March 31, 2015	March 31, 2015

		Three months ended January 31,		Nine months ended January 31,	
	Note	**2015**	**2014**	**2015**	**2014**
Operating costs					
Property exploration costs	5	$ 36,560	$ 1,120	$ 198,172	$ 99,364
Listing and filing fees		2,400	120	33,006	3,532
Professional fees		25,528	2,884	52,861	8,829
Management fees	8	28,620	20,520	94,500	67,740
Share based payments	7	8,976	3,970	8,976	25,786
Shareholder information		9,501	570	28,091	2,915
Interest expense		1,293	-	2,674	-
Office and miscellaneous		15,778	3,226	35,848	8,711
Loss from operations		(128,656)	(32,410)	(454,128)	(216,877)
Other income (expenses)					
Loss on foreign exchange		(1,967)	-	(2,052)	-
Write-down of mineral interest		(155,500)	-	(155,500)	-
Interest Income		97	397	415	1,576
Net loss and comprehensive loss		$ (286,026)	$ (32,013)	$ (611,265)	$ (215,301)
Loss per share - basic and diluted		$ (0.03)	$ (0.00)	$ (0.07)	$ (0.03)
Weighted average number of shares outstanding - basic and diluted	**7**	11,372,639	7,842,952	9,224,813	7,842,952

See accompanying notes to the condensed interim financial statements

	Note		January 31, 2015		April 30, 2014
Assets					
Current assets					
Cash and cash equivalents		$	186,451	$	220,762
Sales taxes recoverable			3,055		10,520
Prepaid expenses and deposits			4,375		2,317
			193,881		233,599
Exploration and Evaluation Assets	4		3,148,000		155,500
		$	3,341,881	$	389,099
Liabilities					
Current liabilities					
Trade and other payables	8		28,466		47,349
			28,466		47,349
Promissory note payable	6		50,000		-
			78,466		47,349
Equity					
Common shares	7		4,222,094		767,390
Equity reserves	7		210,869		132,643
Deficit			(1,169,548)		(558,283)
			3,263,415		341,750
		$	3,341,881	$	389,099

Nature and Continuance of Operations (Note 1)

Approved on behalf of the board on March 31, 2015

(Signed) Miloje Vicentijevic
Miloje Vicentijevic, President, CEO and Director

(Signed) Carlos Escribano
Carlos Escribano, CFO and Director

See accompanying notes to the condensed interim financial statements

	Note	2015	2014
Cash Flows from Operating Activities			
Net loss for the period		$ (611,265)	$ (215,301)
Adjustments for non-cash items:			
Share-based payments	7	8,976	25,786
Write-down of mineral interest		155,500	-
Change in non-cash operating working capital:			
Decrease (increase) in amounts receivable		7,465	(2,610)
Decrease (increase) in prepaid expenses		(2,058)	(6,626)
Decrease in advance to a related party		-	10,080
Increase (decrease) in trade and other payables		(18,883)	(9,894)
Net cash flows used in operating activities		(460,265)	(198,565)
Cash Flows from Investing Activities			
Additions to exploration and evaluation assets		(148,000)	-
Net cash flows used by investing activities		(148,000)	-
Cash Flows from Financing Activities			
Issuance of promissory note	6	50,000	
Issuance of common shares for cash, net of fees		523,954	-
Net cash flows provided by financing activities		573,954	-
Net change in cash and cash equivalents		(34,311)	(198,565)
Cash and cash equivalents, beginning of year		220,762	487,780
Cash and cash equivalents, end of year		$ 186,451	$ 289,215

See accompanying notes to the condensed interim financial statements

Benz Mining Corp. (previously Benz Capital Corp.)
Condensed interim statements of changes in equity
Nine months ended January 31, 2015 and 2014 (unaudited)

		Common Shares				
	Note	Number	Amount	Equity Reserves	Deficit	Total Equity
Balance, April 30, 2013		**7,842,952**	**$ 767,390**	**$ 74,399**	**$ (202,459)**	**$ 639,330**
Share based payments	7	-	-	25,786	-	25,786
Net loss for the period		-	-	-	(215,301)	(215,301)
Balance, January 31, 2014		**7,842,952**	**$ 767,390**	**$ 100,185**	**$ (417,760)**	**$ 449,815**
Balance, April 30, 2014		**7,842,952**	**$ 767,390**	**$ 132,643**	**$ (558,283)**	**$ 341,750**
Common shared issued for cash:						
Proceeds from private placement		790,679	221,678	158,940	-	380,618
Exercise of warrants		319,667	96,523	(23,890)	-	72,633
Exercise of stock options		494,000	139,800	(65,800)	-	74,000
Common shares issued for property		8,571,428	3,000,000	-	-	3,000,000
Share issuance costs	7	-	(3,297)	-	-	(3,297)
Share-based payments		-	-	8,976	-	8,976
Net loss for the period		-	-	-	(611,265)	(611,265)
Balance, January 31, 2015		**18,018,726**	**$ 4,222,094**	**$ 210,869**	**$ (1,169,548)**	**$ 3,263,415**

See accompanying notes to the condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Benz Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 9, 2011. The Company is involved in the acquisition, exploration, and exploitation of mineral properties located in the Americas.

Prior to April 10, 2013 the Company was a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange (the "TSX-V Exchange") Policy 2.4. The activities of the Company were initially limited to the efforts to identify and evaluate the acquisition of assets and businesses, which would represent a "Qualifying Transaction" for regulatory purposes. On April 10, 2013 the Company successfully completed a "Qualifying Transaction" by acquiring an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property.

The Company's head office is located at Suite 1500, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4; and the registered office is located at 20 Floor, 250 Howe Street, Vancouver, BC V6C 3R8. The Company's common shares are traded on the TSX-V Exchange.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2015, the Company has working capital of $165,415 and accumulated losses of $1,169,548. The Company has not yet generated any revenues from its operations. The Company is required to raise new financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self-supporting business. These factors together may raise significant doubt about the Company's ability to continue as a going concern. These condensed interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Basis of presentation

These condensed interim financial statements are expressed in Canadian dollars, the Company's functional currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

Approval of the financial statements

These condensed interim financial statements were reviewed by the Audit Committee, and approved and authorized for issue by the Board of Directors on March XX, 2015.

Significant Accounting Judgements and Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, 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, are discussed in Note 2 of the Company's audited financial statements for the year ended April 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's April 30, 2014 audited annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2014.

Recent accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for the Company's accounting periods beginning on May 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following standard will be effective for the Company's annual periods beginning on May 1, 2015:

IFRS 9 – Financial Instruments
In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments* that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

Annual improvements
In December 2013, the IASB issued the Annual Improvements 2010-2012 and 2011-2013 cycles, effective for annual periods beginning on or after July 1, 2014. In September 2014, the IASB issued the Annual Improvements 2012-2014 cycle, effective for annual periods beginning on or after July 1, 2016. These Annual Improvements made necessary but non-urgent amendments to existing IFRSs. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Management has not yet completed its process of assessing the impact that IFRS 9 will have on the Company's financial statements or whether to early adopt this requirement.

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

	Eagle Property	San Javier	Total
Balance, April 30, 2013 and 2014	$ 155,500	$ -	$ 155,500
Costs incurred during 2015:			
Acquisition costs	-	3,148,000	3,148,000
Write-down of mineral property	(155,500)	-	(155,500)
Balance, January 31, 2015	$ -	$ 3,148,000	$ 3,148,000

a) Eagle Property

The Eagle Property is comprised of 14 quartz mining leases granted under the *Quartz Mining Act* (Yukon) and is located in the Mayo District in the Yukon Territory. Since discovery of the Eagle vein in 1920, the Eagle Property has undergone sporadic surface exploration including two phases of core drilling. There has been no underground development or production.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) San Javier Property

On May 5, 2014, the Company entered into a Definitive Agreement with Tusk Exploration Ltd. ("Tusk"), a private British Columbia company, for the option to acquire up to a 100% interest in the San Javier Copper Project near the village of San Javier, which is 140km east-southeast of Hermosillo, Sonora, Mexico.

Realization of Exploration and Evaluation Assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative, and involves inherent risks. While the rewards, if an ore body is discovered, can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition and exploration costs represent costs incurred to date and do not necessarily reflect present or future values.

Title to Exploration and Evaluation Assets Interests

Although the Company has taken steps to verify the title to exploration and evaluation assets, in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters, in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material, and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

5. MINERAL PROPERTY OPTION AGREEMENTS

Eagle Property

On April 10, 2013, the Company closed its purchase of an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property (the "Option Purchase"). The Option Purchase constitutes the Company's "Qualifying Transaction" under the policies of the TSX-V Exchange.

The Option Purchase was completed pursuant to the terms of an option purchase and assignment agreement dated November 30, 2012 (the "Purchase Agreement") with Avaron Mining Corp. ("Avaron") and Avino Silver & Gold Mines Ltd. ("Avino"). Pursuant to the Purchase Agreement, the Company has acquired all of Avaron's interest in an Option Agreement between Avaron and Avino pursuant to which Avaron has the option to acquire from Avino up to an undivided 100% interest in the Eagle Property. As consideration for the Option Purchase, the Company has paid to Avaron a cash payment of $25,000, and issued 400,000 of its common shares with a fair value of $116,000. Additionally, the Company issued 50,000 common shares with a fair value of $14,500 to Avino as consideration for Avino's consent to the Option Purchase, as required under the terms of the Option Agreement.

Avaron is a private junior mining company incorporated under the laws of British Columbia. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. As a result, the Option Purchase constitutes a related party transaction.

The terms of the Option Agreement allow the Company to exercise the Option to acquire a 75% interest in the Eagle Property by making cash payments to Avino in an aggregate amount of $350,000, issuing a total of 500,000 common shares, and either completing drilling on a total of 35,000 metres in depth or incurring cumulative exploration expenditures of $7,100,000 on the Eagle Property all over a five year period. Upon acquisition of a 75% interest, the Company will have the option to acquire an additional 25% interest in the Eagle Property or form a joint venture with Avino for the further exploration and development of the Eagle Property.

The Company may exercise the additional option by either determining to put the Eagle Property into commercial production within three years of the exercise of the 75% interest and paying advance royalty payments to Avino in the amount of $1,000,000 or, alternatively, by making further cash payments to Avino in the amount of $200,000, issuing an additional 500,000 common shares, and drilling an additional 10,000 metres or incurring exploration expenditures of $2,000,000 over a two year period following the exercise of the 75% interest.

5. MINERAL PROPERTY OPTION AGREEMENTS (continued)

The cash and exploration requirements under the agreements are summarized as follows:

	Cash	Exploration Expenditures*	Shares
On or before January 3, 2014	–	100,000	–
On or before January 3, 2015	100,000	625,000	–
On or before January 3, 2016	100,000	1,000,000	250,000
On or before January 3, 2017	50,000	2,000,000	250,000
On or before January 3, 2018	100,000	3,375,000	–
	$ 350,000	**$ 7,100,000**	**500,000**

* To the extent such exploration expenditure requirements detailed above are not fulfilled by the Company, the Company will be required to pay Avino, in cash, any balance not incurred. The Company may complete drilling at a minimum of 2,500 meters, 5,000 meters, 10,000 meters, and 17,000 meters in lieu of the exploration expenditures due on or before January 3, 2015, 2016, 2017, and 2018, respectively.

Subsequent to the quarter ended January 31, 2015, the Company decided to relinquish the option agreement, and realized an expense to write-down the mineral property by its full carrying value as a result.

San Javier Project

On May 5, 2014, the Company entered into a Definitive Agreement with Tusk Exploration Ltd. (“Tusk”), a private British Columbia company, for the option to acquire up to a 100% interest in the San Javier Copper Project near the village of San Javier, which is 140km east-southeast of Hermosillo, Sonora, Mexico.

Under the terms of the Agreement, the Company may acquire an initial 40% interest in the Property (the “First Option”) through (i) the payment of $200,000 upon receipt of the conditional acceptance of the Exchange and in any event on or before July 15, 2014; (ii) the issuance, on or before the date that is five business days following January 31, 2015, of such number of common shares of the Company (the “Consideration Shares”) having a value of $5,000,000 at a deemed price per Consideration Share equal to the lesser of $0.50 and the price per common share of the Company to be issued pursuant to a private placement to be conducted by the Company in connection with the Transaction; and (iii) the payment of $2,000,000 on or before January 2, 2018. Upon exercise of the First Option, the Company may, through the payment of $2,000,000 on or before January 2, 2019, acquire an additional 60% interest for a total 100% interest in the Property (the “Second Option”) subject to a net smelter returns royalty (“Royalty Percentage”) to be granted to Tusk on the earlier of (i) the date the Company has exercised the Second Option and (ii) the date commercial production from the Property commences. The Royalty Percentage will be determined based on the realized price of copper and will have a range of 0.5% and 1.5%.

5. MINERAL PROPERTY OPTION AGREEMENTS (continued)

The Consideration Shares to be issued to Tusk will be restricted and released in stages over a four year period. The terms of the Option Agreement also provide for the formation of a joint venture between the Company and Tusk in the event the Company determines not to, or fails to, exercise the Second Option.

On June 17, 2014, the Company entered into an Amending Agreement with Tusk. Subject to the amendment, should the Trinidad 1, Trinidad 2 and San Carlos concessions not be registered before the appropriate mining authorities in Mexico on the option payment dates referenced above, Benz Capital shall be entitled to withhold 26% of the option payments due under the First Option and Second Option until such time as the registration of the concessions has been completed.

On December 5, 2014, the Company signed an additional amending agreement with Tusk for the option to acquire a 100% interest in the San Javier. The terms of the amending agreement are as follows:

First Option: The payment of $200,000 (reduced by 26% as per the amending agreement signed on Jun 17, 2014) on or before July 15, 2014, that has been paid, and the issuance of 8,571,428 Consideration Shares, with a deemed issuance price of $0.35 per share for a deemed value of $3 million, on or before the date that is five business days following December 31, 2014, that have been issued, will grant Benz a 30% interest in the Property.

Second Option: The issuance of 4,285,714 of Consideration Shares, with a deemed issuance price of $0.35 per share for a deemed value of $1.5 million, on or before the date that is five business days following June 30, 2016, will grant Benz an additional 15% interest in the Property. In order to exercise the second option Benz must complete arms-length equity (or convertible debt) financings for a minimum of $2 million during the same period.

Third Option: The cash payment of $2.25 million on or before January 2, 2018 will grant Benz an additional 30% interest in the Property.

Fourth Option: The final payment of $2.25 million on or before January 2, 2019 granting Benz the remaining 25% interest, for a 100% interest in the Property.

5. MINERAL PROPERTY OPTION AGREEMENTS (continued)

Property exploration costs for the nine months ended January 31, 2015 are as follows:

	Property		**Total**
General Exploration	San Javier Property		193,555
Other costs	General		4,617
		$	**198,172**

6. PROMISSORY NOTE PAYABLE

On August 29, 2014, the Company issued a promissory note to Avaron Mining Corp in exchange for $100,000 for a maximum term of 12 months at an interest rate of 8% per annum. As at January 31, 2015, the Company has accrued a $1,918 interest expense in relation to this loan, which is reported as part of trade and other payables.

On November 6, 2014, the Company repaid $50,000 of the principal amount owing on the promissory note to Avaron Mining Corp. and previously accrued interest of $756.

7. SHARE CAPITAL

a) Authorized: Unlimited common shares, without par value
Unlimited preferred shares, without par value

b) Issued:

(i) On January 9, 2015, the Company issued 8,571,428 with a deemed issuance price of $0.35 for a deemed value of $3,000,000 in consideration of the first option in the Agreement with Tusk Exploration Ltd., as described in Note 5.

(ii) On November 25, 2014, the Company closed a private placement for gross proceeds of $150,000 (the "Private Placement"). The Private Placement was comprised of 300,000 units at $0.50 per unit. Each Unit consists of one common share and one common share purchase warrant, which is exercisable to acquire one additional common share at a price of $0.55 until November 25, 2019.

(iii) On November 6, 2014, 494,000 stock options and 162,667 compensation options were exercised for a total of 656,667 common shares at exercise prices of $0.10, $0.25, and $0.35 per share for gross proceeds of $140,693.

(iv) On August 28, 2014, 157,000 compensation options were exercised for 157,000 common shares at an exercise price of $0.10 per share. The gross proceeds of the exercise were $15,700.

(v) On July 28, 2014, the Company closed a non-brokered private placement issuing 490,679 units at a price of $0.47 per unit for gross proceeds of $230,619. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share at a price of $0.55 per common share until July 28, 2019. Of this amount, $98,493 was attributable to common share purchase warrants, which has been recorded in equity reserves. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.48%, dividend yield of nil, volatility of 101.33%, and an expected life of 60 months.

(vi) On April 10, 2013, the Company closed a non-brokered private placement issuing 1,000,000 units at a price of $0.25 per unit for gross proceeds of $250,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share at a price of $0.35 per common share until April 10, 2015. Of this amount, $34,483 was attributable to common share purchase warrants, which has been recorded in equity reserves. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 0.99%, dividend yield of nil, volatility of 80%, and an expected life of 24 months.

7. SHARE CAPITAL (continued)

b) Issued (continued):

(vii) On April 10, 2013, the Company issued 450,000 of its common shares with a fair value of $130,500, as consideration for the Option Purchase (see Note 5).

(viii) On October 18, 2012, the Company closed a non-brokered private placement issuing 799,952 common shares at a price of $0.15 per common share for gross proceeds of $119,993.

(ix) On September 18, 2012, the Company completed its initial public offering ("IPO") issuing 2,500,000 common shares at a price of $0.10 per common share for gross proceeds of $250,000.

The Company paid a cash commission of $25,000 equal to 10% of the applicable gross proceeds of the IPO and issued 250,000 compensation options to purchase common shares of the Company equal to 10% of the common shares sold through the IPO. Each compensation option is exercisable at a price of $0.10 per share and entitles the holder to one common share until September 17, 2014. During the year ended April 30, 2013, 93,000 compensation options were exercised at $0.10 per share for gross proceeds of $9,300.

The fair value of the compensation options issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.09%, dividend yield of nil, volatility of 80% and an expected life of 24 months. The 250,000 compensation options were valued at $10,000.

(x) On December 30, 2011, the Company issued its initial seed shares of 3,000,000 common shares for gross proceeds of $150,000.

Escrow Shares:

As at January 31, 2015, an amount of 9,422,142 common shares are held in escrow. These shares are subject to two escrow agreements in accordance with the Exchange Policy 2.4. 1,485,000 of those relate to the initial issue of shares. On closing of the Qualifying Transaction, 10% of the shares originally held in escrow were released. The remaining shares are released in six equal tranches of 15% every six months following the closing of the Qualifying Transaction for a period of 36 months. 7,937.142 of the shares held in Escrow relate to shares issued to Tusk Exploration Ltd. in relation to the First Option described in Note 5. The shares will be released in six equal tranches of 15% every six months following the approval of the Transaction.

7. SHARE CAPITAL (continued)

c) Share purchase warrants and compensation options

A summary of the share purchase warrants and compensation options issued, exercised and expired during the nine months ended January 31, 2015 and 2014 are as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, April 30, 2013 and 2014	657,000	$ 0.29
Issued	790,679	0.55
Exercised	(319,667)	0.23
Balance, January 31, 2015	**1,128,012**	**$ 0.49**

Details of share purchase warrants and compensation options outstanding as at October 31 and April 30, 2014, are:

		Outstanding and Exercisable	
Expiry Date	Exercise Price per Share	January 31, 2015	April 30, 2014
September 17, 2014	$0.10	**-**	**157,000**
April 10, 2015	$0.35	**337,333**	**500,000**
July 28, 2019	$0.55	**490,679**	**-**
November 25, 2019	$0.55	**300,000**	**-**
		1,128,012	**657,000**

d) Stock option plan

The Company's stock option plan authorizes for the granting of options to directors, officers, employees, and consultants. Pursuant to the terms of the Stock Option Plan, the Board of Directors may from time to time, in its discretion, and in accordance with Exchange policies, grant incentive stock options ("Options") to purchase the Company's common shares to directors, officers, employees and consultants. Under the Stock Option Plan, a maximum of 10% of the outstanding shares can be reserved for issuance. The number of shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding shares.

7. SHARE CAPITAL (continued)

d) Stock option plan (continued)

Stock option activity for the nine months ended January 31, 2015, is summarized as follows:

	Underlying Shares	Weighted Average Exercise Price
Stock options outstanding, April 30, 2013 and 2014	784,000	$0.14
Granted	1,219,690	$0.30
Exercised	(494,000)	$0.15
Stock options outstanding, January 31, 2015	**1,509,690**	**$0.27**

A summary of stock options outstanding as at January 31, 2015 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Weighted Average Remaining Contractual Life (in years)	Intrinsic Value	Expiry Date
220,000	220,000	$0.10	2.63	$0.35	September 17,2017
70,000	70,000	$0.25	3.24	$0.20	April 26, 2018
1,219,690	-	$0.30	9.97	$0.45	January 18, 2015
1,509,690	**290,000**		**8.59**		

e) Share-based payments

On January 19, 2015, the Company granted 1,219,690 stock options to consultants, directors, and officers, exercisable at $0.30 per share for a period of 10 years from the grant date. The stock options vest over a four year period with 25% each year.

On April 26, 2013, the Company granted 234,000 stock options to consultants, directors, and officers, exercisable at $0.25 per share for a period of 5 years from the grant date. The stock options have vested and became exercisable on April 26, 2014.

On September 18, 2012, the Company granted 550,000 stock options to directors and officers, effective on the closing of the IPO, exercisable at $0.10 per share for a period of 5 years from the closing date of the IPO.

7. SHARE CAPITAL (continued)

e) Share-based payments

During the nine months ended January 31, 2015, the Company recorded total share-based payments of $8,976 for stock options vested during the period (2013 - $25,786). The amounts expensed were allocated to directors, officers, and consultants as follows:

	January 31, 2015	January 31, 2014
Directors and officers	$ 7,312	$ 8,816
Consultants	1,663	16,970
	$ 8,976	$ 25,786

Option-pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the options re-priced and granted to officers, directors, consultants, and employees was calculated using the Black-Scholes model with following weighted average assumptions and resulting grant date fair value:

	January 31, 2015	January 31, 2014
Weighted average assumptions:		
Risk-free interest rate	1.26%	NA
Expected dividend yield	$0.00	NA
Expected option life (years)	9.97	NA
Expected stock price volatility	120.20%	NA
Weighted average fair value at grant date	$0.43	NA

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these condensed interim financial statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing, and controlling the activities of the Company. The remuneration of directors and officers for the nine months ended January 31, 2015 and 2014 was as follows:

		January 31, 2015		January 31, 2014
Salaries, bonuses, fees and benefits				
Management fees to the CEO and CFO of the Company	$	94,500	$	67,740
Legal fees to a law firm of which a Director is Principal		25,862		1,328
Share-based payments				
Officers and directors of the Company		7,312		8,816
	$	127,674	$	77,884

b) In the normal course of operations the Company transacts with companies related to its directors or officers. The following amounts are payable to (receivable from) related parties:

		January 31, 2015		April 30, 2014
Management fees*	$	7,652	$	3,540
Law firm of which a director of the Company is Principal*	$	-	$	10,075

** The amounts are included in trade and other payables*

c) The option purchase agreement between the Company and Avaron Mining Corp. constitutes a related party transaction. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. Please see Note 5 for further details.

d) The promissory note payable to Avaron Mining Corp. constitutes a related party transaction. As at January 31, 2015, the Company has accrued $1,918 interest expense in relation to this loan, which is reported as part of trade and other payables.

9. 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 exploration and development of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. 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 or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the nine months ended January 31, 2015.

10. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, and trade and other payables. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

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

a) Credit risk

The Company's credit risk is mainly attributable to its liquid financial assets: cash and cash equivalents. The Company deposits cash with high credit quality financial institutions and credit risk is considered to be minimal. The Company's maximum exposure to credit risk is $186,451.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2015, the Company had cash and cash equivalents of $186,451 (April 30, 2014 - $220,762) to settle current liabilities of $28,465 (April 30, 2014 - $47,349).

c) Market risk

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

10. FINANCIAL INSTRUMENTS AND RISK (continued)

d) Interest rate risk

The Company has cash balances and no interest bearing term deposits. As at January 31, 2015, the Company has a promissory note payable in the amount of $50,000 with a fixed interest rate of 8% per annum outstanding. The Company considers the risk exposure from promissory note as insignificant, and has not entered any agreements to alleviate the exposure.

e) Foreign currency risk

The Company does not have any assets or liabilities in a foreign currency.

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.