THE TINLEY BEVERAGE COMPANY INC.
(formerly, QUIA RESOURCES INC.)

FORM 2A LISTING STATEMENT

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2. Corporate Structure

2.1. Corporate Name

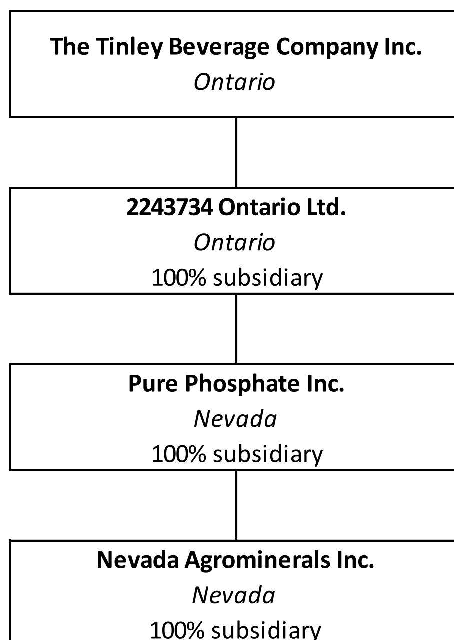
The full corporate name of the company is The Tinley Beverage Company Inc. (the "**Company**", the "**Issuer**" or "**Tinley**"). The principal and registered office of the Company is located at 77 King Street West, Suite 2905, Toronto-Dominion Centre, Toronto, ON M5K 1H1.

2.2. Incorporation

Tinley was incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**") on March 7, 2005 as Onsino Capital Corporation. Pursuant to the Articles of Arrangement dated December 22, 2010, the Company changed its name to "Quia Resources Inc." Pursuant to the Articles of Amendment dated June 9, 2014, the Company consolidated its common shares (the "**Common Shares**") on a ten for one (10:1) basis. On October 5, 2015 pursuant to the Articles of Amendment dated October 5, 2015, the Company completed a consolidation of the Common Shares on a five for one (5:1) basis and changed its name to "The Tinley Beverage Company Inc.". The Company has completed the Change of Business (as hereinafter defined) on December 23, 2015 by completing the Acquisition (as hereinafter defined).

2.3. Intercorporate Relationships

The following chart sets out Tinley's corporate structure including all material subsidiaries and their respective jurisdictions of incorporation:



2.4. Requalification

Not applicable. The corporate structure of the Company is not expected to change following the completion of listing (the "**Listing**") of the Common Shares on the Canadian Securities Exchange (the "**CSE**").

2.5. Incorporation outside Canada

The Company is not incorporated outside of Canada.

3. General Development of the Business

3.1. General Business

Prior to the Change of Business (as hereinafter defined), the Company was engaged in the acquisition, exploration and development of properties for the mining of agricultural minerals in North America and had been up until the sale of the San Lucas Property (as hereinafter defined) engaged in exploration for precious metals in Colombia.

Fiscal Year Ended December 31, 2012

In the fiscal year completed December 31, 2012, the Company completed two private placements (in cash and debt conversions) raising an aggregate gross proceeds of $4.5 million.

Fiscal Year Ended December 31, 2013

In the fiscal year ended December 31, 2013, the Company commenced a review of strategic alternatives for the Company with the objective of enhancing shareholder value. As part of the strategic review process, the Company examined a number of alternatives including, but not limited to, joint ventures, strategic partnerships, mergers, acquisitions, and the sale of the Company or other corporate transactions to enhance shareholder value. At the same time, the Company also examined cost-effective ways to add value to the San Lucas property located in the San Lucas Mountain Range in the Departments of Bolivar and Antioquia, Colombia, South America (the "**San Lucas Property**"). In addition, the Company also reviewed additional business opportunities, which intended to be synergistic with the San Lucas Property, which could enhance the portfolio of the Company and provide greater flexibility to the Company in undertaking mineral exploration in a capital constrained market environment. As part of its cost-reduction measures, in the fiscal year completed December 31, 2013, the Company terminated the option agreement on the DKS081 and DLV092 concessions and planned to focus on the San Lucas Property.

In addition, in the fiscal year 2013, the Issuer raised a total of $373,200 resulting in the issuance of an aggregate of 74,640,000 Common Shares. Finally, in the fourth quarter of the fiscal year 2013, the Company acquired 2243734 Ontario Limited ("**2243734**"), which held an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada (the "**Murdock Mountain Project**"). Under the terms of the option agreement dated October 15, 2013 (the "**Murdock Option Agreement**"), the Issuer obtained the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the Murdock Mountain Project. As an initial step, the Company earned 10% by paying $102,000 towards technical and environmental studies, creditable against the $1,000,000 work commitment, and then could earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. The Company would have two (2) years from the date of the Murdock Option Agreement to complete the earn-in and could obtain two extensions to the earn-in period of six (6) months each, for a total of three (3) years, by paying $30,000 for each extension.

Fiscal Year Ended December 31, 2014

As a result of conditions in Colombia and in the financial markets, which had made it challenging to continue to advance the San Lucas Property, in the fiscal year completed December 31, 2014, the Company sold its subsidiary, San Lucas Gold Corp. ("**SLGC**"), which held the San Lucas Property in Colombia, pursuant to an agreement with Enneract Corporation ("**Enneract**"), a private Panamanian company. Pursuant to the terms of the agreement with Enneract, the Company received a number of common shares of Enneract resulting in an equity ownership of 5% of Enneract, as well as a 2% net

smelter return royalty, of which Enneract can buy back half for US$500,000. In addition, the Issuer obtained a right to participate in financings of Enneract to maintain its pro-rata position and a right of first refusal with respect to the sale or joint-venture of the San Lucas Property. SLGC has significant liabilities, which were assumed by Enneract as a part of the transaction.

On October 9, 2014, the Company entered into an amending agreement (the "**Amending Agreement**") to the Murdock Option Agreement, which extended the earn-in time frame by six (6) months and provided for further automatic extensions based on the timelines for the Bureau of Land Management ("**BLM**") to conclude a sage grouse study that had been conducted for the state of Nevada and northeastern California, which encompasses the Murdock Mountain area. The parties to the Murdock Option Agreement also entered into an operating agreement to govern Nevagro, LLC, the company designated by the parties to own and operate the Murdock Mountain Project.

In addition, in the fiscal year 2014, the Issuer raised an aggregate gross proceeds of $340,286.30 in secured convertible debentures (the "**Convertible Debentures**"), which pay an annual interest rate of 14%, payable semi-annually in Common Shares at an effective price of $0.10 per Common Share. The Convertible Debentures are convertible at any time prior to maturity into Common Shares at a price of $0.10 per Common Share. As an incentive for purchasing the Convertible Debentures, the Company issued 6,667 bonus warrants for every $1,000 of Convertible Debentures purchased, resulting in the issuance 2,263,447 bonus warrants, with each bonus warrant exercisable into Common Shares at a price of $0.15 per Common Share for a period of three (3) years from closing.

Furthermore, in June 2014, the Company entered into shares for debt agreements totalling $331,915.94, with arm's length and non-arm's length parties. An aggregate of 2,133,452 Common Shares and 1,066,726 Common Share purchase warrants were issued to unrelated parties in settlement of $149,341.63 of debt, and 2,608,204 Common Shares were issued to insiders and related parties in settlement of $182,574.33 of debt. Each warrant entitles the holder to acquire one (1) Common Share at a price of $0.10 per Common Share for a period of 24 months from the issuance date. On December 31, 2014, the Company announced that the holders of the Convertible Debentures had agreed to defer until June 30, 2015 the first interest installment in the aggregate amount of $25,843.09 worth of Common Shares of the Company originally issuable on December 31, 2014.

Recent Developments

In August 2015, the Company closed two tranches a non-brokered private placement consisting of an aggregate of 7,600,000 units (the "**Private Placement Units**") for aggregate gross proceeds of $380,000 (the "**Equity Private Placement**"). Each Private Placement Units is comprised of one (1) Common Share and one half (1/2) of one Common Share purchase warrant (each, a "**Private Placement Warrant**"), with each whole Private Placement Warrant exercisable into one (1) Common Share at a price of $0.10 per Common Share for a period of 24 months after the closing date. The term of the Private Placement Warrants is subject to an acceleration right at the option of the Company, provided that the Common Shares trade at or above $0.25 and the Company has provided the warrant holders with a 30 days prior written notice of the accelerated warrant exercise date. The approval of this offering by the TSX Venture Exchange (the "**TSXV**") was conditional on providing undertakings by more than 50% of the shareholders of the Company (the "**Shareholders**") to support the Consolidation (as hereinafter defined) and such undertakings had been provided.

In June 2015, the Company entered into agreements to convert $389,753.33[1] of the outstanding balance of the Convertible Debentures into equity (the "**Debenture Conversions**") as follows: $212,352.04 was converted into Common Shares at a price of $0.06 per Common Share, resulting in issuance of 3,539,195

[1] Together with the accrued interest.

Common Shares (the "**First Conversion Tranche**"); and $177,402.29 was converted into units (the "**Units**") at a price of $0.15 per Unit, resulting in issuance of 1,182,678 Units (the "**Second Conversion Tranche**"). Each Unit is comprised of one Common Share and one half of one Common Share purchase warrant (each, a "**Debenture Conversion Warrant**"). Each Debenture Conversion Warrant is exercisable into one Common Share at a price of $0.20 per Common Share for a period of 24 months from the date of issuance. The Debenture Conversions were completed on September 30, 2015.

In June 2015, the Company entered into agreements to convert insider loans (the "**Insider Loans**") totaling $210,070.77 into Common Shares at a price of $0.06 per Common Share, resulting in issuance of 3,501,180 Common Shares. The conversion of Insider Loans was completed on September 30, 2015.

In June 2015, the Company entered into agreements to settle debts in the aggregate amount of $401,334.46, (the "**Debt Settlement Agreement**"), the terms of which are further outlined in the press release dated July 7, 2015, as follows: an amount of $146,056.34 has been settled with non-arm's length parties by converting the amount into Common Shares at a price of $0.06 per Common Share, resulting in issuance of 2,434,272 Common Shares; and an amount of $255,278.12 has been settled with non-arm's length parties by converting the amount into Common Shares at a price of $0.06 per Common Share, resulting in issuance of 4,254,635 Common Shares. The Debt Settlements were completed on September 30, 2015.

In September 2015, the Company announced that further to its review and evaluation, together with the Company's financial advisors, of potential strategies to maximize shareholder value in the mineral exploration space and specifically strategic alternatives relating to the Company's Murdoch Mountain Project and given the difficult state of the mineral resource space, it had elected to focus on other business opportunities to maximize shareholder value and had decided to reposition its business operations as a "Diversified Industries" issuer targeting beverages infused with hemp stalk oil extracts in the United States (the "**Change of Business**"). In light of the proposed Change of Business, on October 29, 2015, the Company entered into an asset purchase agreement (the "**Acquisition Agreement**") with Jeffrey Maser (the “**Vendor**”), which was negotiated at arm's length. Pursuant to the terms of the Acquisition Agreement, among other things, the Company purchased from Mr. Maser the following assets (collectively, the "**Purchased Assets**") relating to, directly or indirectly, the development, manufacturing, marketing, selling and distributing hemp stalk oil infused beverages (the "**Business**"):

- Know-how and any intellectual property rights to the hemp stalk oil infused beverage formulations developed by the Jeff Maser together with third parties and all business relationships related thereto;
- Hemp stalk oil infused beverage business plan;
- Non-binding term sheet with beverage formulator;
- Consulting agreement with Jeffrey Pencer ("**Pencer Agreement**");
- The strategy briefing and the work product and all related rights to work product from presentations of the branding company;
- The domain name "drinktinley.com" having url of http:// drinktinley.com and email addresses relating to the foregoing; the Twitter "@drinktinley" and the Tinley Beverage Facebook page; and
- Assignment of all right, title and interest in and to any verbal agreements, contract negotiations and purchase orders with drink formulators, hemp oil suppliers, packagers, web marketers, distributors and other suppliers and consultants.

The purchase price for the acquisition of the Purchased Assets (the "**Acquisition**") is $162,500 and was be satisfied in full by the Company paying to the Vendor $12,500 in cash and issuing to the Vendor an aggregate of 3,000,000 Shares at a price of $0.05 per Share (the "**Consideration Shares**"), subject to regulatory escrow requirements (the "**Regulatory Escrow**") and the following additional performance escrow requirements (the "**Performance Escrow**"):

(a) 1,500,000 Escrowed Shares shall be released upon the Shareholder achieving at least $1 million in aggregate trailing revenue over any four consecutive quarters from all sources as reported in Tinley's financial statements; and

(b) 1,500,000 Escrowed Shares shall be released upon Tinley achieving in four consecutive quarters at least $3 million in aggregate trailing revenue over any four consecutive quarters from all sources as reported in Tinley's financial statements (together the "**Performance Milestones**").

If the Performance Milestones are not satisfied within five years of closing of the Acquisition (the "**Closing**"), any Consideration Shares that are subject to Performance Escrow will be cancelled in exchange for payment to Jeffrey Maser an amount equal to $0.0001 per Consideration Share, on a pre-Consolidation basis. If a Change of Control (as defined in Policy 8 *Interpretation* of the CSE, but excludes a situation where the Company undertakes a transaction or a series of transactions with a person not operating in the Business industry, or where a change of control of the Company is undertaken in an effort to permit the Company to enter into a business unrelated to the Business industry) occurs within five years of the Closing, any Consideration Shares that remain issuable under the Performance Escrow will be immediately released upon such event occurring. In the event that the Company terminates Maser Agreement the Consideration Shares shall survive such termination and be released upon the Company achieving the Performance Milestones or cancelled due to failure to achieve the Performance Milestones.

Upon execution of the Acquisition Agreement, the Company has paid to Jeff Maser a $12,500 non-refundable deposit and has assumed all development costs of the Business until Closing. The Company has also entered into Maser Agreement (as hereinafter defined), pursuant to which, the Company has agreed to grant to Maser a number of Stock Options equal to 2% of the issued and outstanding Common Shares after giving effect to the Subsequent Private Placement, at a price of $0.11 per Common Share for a period of 5 years from the date of issuance. As of the date hereof, pursuant to such obligation the Company has issued 910,500 Stock Options to Jeffrey Maser. In addition, pursuant to Maser Agreement (as hereinafter defined), Jeffrey Maser was appointed President and Chief Executive Officer on October 29, 2015. Please see Section 13.1 for more information regarding Jeffrey Maser and Section 18.1 for more information regarding Maser Agreement.

The Acquisition Agreement also makes the Company a party to Pencer Agreement, which binds the Company to the following terms:

- The Company shall issue to Pencer 500,000 Consideration Shares, at a price of $0.05 per Consideration Share, which shall vest ("**Vesting Provision**") as follows: 125,000 Consideration Shares shall vest and be released immediately (and shares once vested, shall be referred to as ("**Vested Shares**"); 375,000 Common Shares shall be subject to a vesting schedule and shall vest in equal quarterly installments over a period of 18 months, whereby 150,000 Common Shares shall vest immediately upon Tinley generating $50,000 in revenue from hemp stalk oil infused beverages developed by a beverage developer sourced by the Jeffrey Pencer. Vested Shares shall be released from Escrow in equal quarterly installments over the period over a period of 18 months commencing on September 30, 2015 ("**Release Schedule**").
- The Company shall pay Jeffrey Pencer the amount of $5,000 (plus applicable HST) (the "**Pencer Consulting Fee**"), which shall increase to $6,500 per month (plus applicable HST) upon the Company generating $50,000 in revenue from the Business.

- The Company shall grant to Jeffrey Pencer, Stock Options to purchase 500,000 Common Shares with an exercise price equal to $0.11 per Share, in accordance with the terms of the Company's stock option plan, vesting monthly in equal amounts over the 24 months following the execution of the Pencer Agreement;
- The Company shall grant Options to purchase 400,000 Common Shares with an exercise price equal to $0.11 per Share (the "**Performance Options**"), in accordance with the terms of the Company's stock option plan, whereby 150,000 Performance Options shall vest immediately upon the Company generating $50,000 in revenue from a hemp stalk oil infused beverage developed by a beverage developer sourced by Jeffrey Pencer; an additional 150,000 Performance Options will vest immediately upon Tinley generating $50,000 in revenue from second hemp stalk oil infused beverage developed by a beverage developer sourced by Jeffrey Pencer; and an additional 150,000 Performance Options will vest immediately upon Tinley generating $300,000 in revenue from all beverages combined that were developed by a beverage developers sourced by Jeffrey Pencer.

Jeffrey Pencer was appointed Head of Product Development and Distribution, on October 29, 2015. Please see Section 13.1 for more information regarding Jeffrey Pencer.

The Company has taken a number of steps to develop formulations for a hemp oil infused drink, to develop branding and packaging for the drink, and to secure distributions channels. In addition, subject to licensing and other regulatory matters, the Company may develop similar beverages using marijuana oil for sale in US states where such products are permitted. Further details are provided in Section 4.1 herein.

In November and December 2015, the Company closed three tranches of a non-brokered private placement (the "**Subsequent Private Placement**") for aggregate gross proceeds of $1,510,000, issuing a total of 15,100,000 units of the Issuer (the "**PP Units**"), at a price of $0.10 per PP Unit. Each PP Unit consists of one (1) Common Share and one half (1/2) of one Common Share purchase warrant (each, a "**PP Warrant**"). Each full PP Warrant entitles the holder to acquire one (1) Common Share at a price of $0.20 per Common Share for a period of 24 months from the date of issuance. The net proceeds from the Subsequent Private Placement are anticipated to be used for developing the Business, establishing new business lines, exploring potential acquisitions and working capital. Please see Section 10.7 for more information regarding the Subsequent Private Placement.

The Company has completed the Change of Business December 23, 2015 by securing support of 51.3% of the shareholders of the Company to complete the Change of Business through their execution of Consent for the Change of Business. This Consent occurred concurrently with the completion of the Acquisition. On December 23, 2015 the Company has issued 3,000,000 Consideration Shares and 910,500 Stock Options to Jeffrey Maser, and 500,000 Consideration Shares, 500,000 Stock Options and 400,000 Performance Options to Jeffrey Pencer as per the terms of the Acquisition Agreement.

On December 22, 2015 the Company has entered into agreement ("**Legacy Assets PSA**") with a FMI Capital Advisory Inc. In Trust ("**Buyer**"), company controlled by Yannis Banks and Adam Szweras, directors of the Company, to sell to Buyer the Company's interest ("**Transaction**") in the Murdoch Mountain phosphate property together with the option agreement, as well as 5% interest in Enneract and the 2% net smelter return royalty over San Lucas gold property ("**Legacy Assets**"). In consideration for the Transaction, Buyer has agreed to assume the present and future liabilities related to the Legacy Assets, currently in the amount of approximately $17,000. It is expected that this transaction will close in Febuary 2016. Neither Mr. Szweras nor Mr. Banks participated in approval of the Transaction, as the Transaction shall be considered a non-arm's length.

3.3. Trends, Commitments, Events or Uncertainties

The Company has no history of operations in the hemp-infused beverage industry. Even if the Company is successful in commencing commercial operations, there is no guarantee that the business model of producing and selling the beverages will be a viable business. Significant funds are required to establish operations, distribution channels, hire and retain staff and initiate marketing efforts. There are no current trends in the Company's Business that are likely to impact on the Company's performance.

Refer to discussions set out in *4. Narrative Description of the Business*, *6. Management's Discussion and Analysis* and *17. Risk Factors*.

4. Narrative Description of the Business

4.1. General

4.2. Business Description

(a) Business Objectives

The Company's objective is to create premium hemp oil-infused beverages that have the potential to become some of the first national brands in this emerging category in the United States of America ("**USA**" or "**US**" or the "**United States**"). Over the next 12 months, the Company intends to develop and launch a line of hemp oil-based functional beverages that are designed to help with three health objectives: vitality, sleep and cognitive health. To management's knowledge, it is expected to be the only company working to produce these kinds of beverages with a large-scale contract manufacturer. As such, the Issuer intends to pursue an aggressive distribution plan to place the beverages in more stores than any known competitor to reinforce the Company's early-mover advantage.

(b) Significant Events and Milestones

In connection with the Acquisition, the Company has been developing and testing formulations for three lines of beverages: a vitality beverage, a sleep aid beverage and a cognitive health beverage. To date, the Company has completed the following:

- Retained of one of the USA's top beverage formulation specialists in the field of oil-based emulsification. This specialization is of particular importance given the need for the hemp oil to be infused into the Company's water-based beverage in a manner that is shelf-stable and tasteless.
- Retained Jeff Pencer, a third-generation beverage executive. The Pencer family had founded Cott Canada and grew it into the world's third-largest beverage company after Coke and Pepsi.
- Together with this formulator and Pencer, produced formulations using products from 10 hemp oil suppliers. The ability to produce the beverages with products from multiple ingredient suppliers is critical to the Company's ability to secure a consistent supply of hemp oil at competitive prices.
- Completed formulation of two flavors of the vitality product.
- Retained a supplement shot manufacturing and formulation specialist to develop small format liquid supplements
- Retained of one of North America's top food and beverage branding agencies. Together with this agency, the Company has completed development of the "Hemplify" brand for the drinks outlined above as well as packaging for the vitality product.

- Secured product liability insurance.
- Sourced multiple suppliers for manufacturing in addition to those sourced by the formulator; currently completing a manufacturing trial with one supplier
- Secured the services of FMI Capital Advisory Inc. and Branson Corporate Services Ltd. a startup incubator which provides shared accounting/CFO services, shared bookkeeping and related corporate services, shared corporate secretary, management services, business planning services, research, shared office facilities and business execution services.
- Received a commitment from a leading California distributor to carry the Company's products in the state; the Company believes this is the most valuable market for its products
- Begun development of an e-commerce store
- Completed evaluations of multiple web fulfillment and logisitics companies
- Secured a social media marketing firm and begun development of its social media channels
- Begun development of an online affiliate network to generate additional sales on the Company's online store
- Completed initial proposal discussions with a multi-level marketing specialist
- Developed sales channels, including specific sales targets that include individual stores and additional distributors.
- Arranged meetings with over 30 potential buyers, the majority of which are distributors representing thousands of individual stores.
- Completed channel checks with selected retail stores to verify interest level and pricing
- Begun development of FDA-compliant Standard Operating Procedures

The Company has completed development of two flavors of the vitality beverage and expects to launch manufacturing and distribution once the final costing and FDA-compliant standard operating procedures ("**SOPs**") are finalized. The Company will, thereafter, focus on developing the cognitive health and the sleep aid beverages. The Company expects that the development of these two additional drinks will cost an additional $25,000. The Company expects to launch the sales of its flagship vitality drinks in Q1 2016, and is working to launch and the sleep aid beverage thereafter. The Company believes this timeline is achievable because the majority of the formulation challenges lie in the infusion of the hemp oil itself. With this challenge solved for the vitality beverage, the task of formulating products with slightly different ingredient profiles (which is the key difference between the vitality and the brain/sleep drinks) is relatively smaller.

(c) Total Funds Available and Principal Purposes

The Company has historically relied upon equity financings and loans from directors to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. As at December 31, 2015, the Company had working capital of $1,070,466.

The following table sets out the estimated available funds and the proposed principal uses for those funds:

Principal Purpose	Amount
E-Commerce Platform Development	$20,000
Vitality Line Initial Product Batch	$150,000

Principal Purpose	Amount
Vitality Line Second Stage Development	$25,000
Sleep/Relaxation Line Initial Development	$10,000
Sleep/Relaxation Line Initial Product Batch	$75,000
Cognitive Health Line Initial Development	$10,000
Brain Focus/ Energy/Maintenance Initial Product Batch	$75,000
Sales and Marketing	$500,000
Working Capital	$205,466
Total:	**$1,070,466**

The above uses of available funds should be considered as estimates only. Depending on cash generated from its initial products, the Company may seek additional capital by way of debt or equity financing to finance its future business plans. Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Given this is an emerging beverage category, it is difficult at this time to definitively project revenue or the commensurate funds required to affect the planned undertakings of the Company. For these reasons, management considers it to be in the best interests of the Company and its Shareholders to permit management a reasonable degree of flexibility as to how the Issuer's funds are deployed among the above uses or for other purposes, as the need may arise.

4.3. Principal Products and Markets

(a) Methods of Distribution of Principal Markets

The Company's products are expected to be distributed in the United States, initially in California and Colorado. As the hemp oil-infused products do not contain active quantities of controlled substances, they are not required to be distributed or manufactured by companies that hold the requisite licenses issued by the state authorities (the "**Licensed Operators**"). As a result, the products may be distributed through conventional channels. The Company intends to use the following distribution channels:

Online

The Company plans to use similar tactics as other ingredient-driven functional beverages, most notably acai berry and nootropics drinks. This involves using online affiliates networks that charge on a commission-only (cost-per-action) basis. The Company also intends to sell via its own corporate website and is endeavoring to get listings on major online retail sites. The Company expects to receive cash payments for sales via the affiliates and its own web site prior to delivery, and payment within 30-60 days of purchases on major online retail sites.

Retail

The products are also expected to be distributed through: (1) marijuana dispensaries in states that permit marijuana for medical or recreational uses (even though the hemp products do not contain marijuana, and licenses are therefore not required to sell the Company's hemp products, management believes dispensary clients are likely to be strong adopters), and (2) third party distributors, which have capabilities to sell to head shops, cannabis accessory stores, vitamin stores and independent grocers. A leading distributor in Northern California has indicated that it would carry the product and would pay cash on delivery. The Company has also arranged meetings with over 30 retail buyers, most of which are distributors that collectively represent thousands of stores.

Multi-Level Marketing

The Company is working with a multi-level marketing ("**MLM**") consultant to help sell the products via third-party MLM networks. Products are expected to be sold under separate brands to avoid conflicts with the retail and online channels. Depending on the performance of these networks, the Company may seek to develop an internal MLM network with the MLM consultant.

(b) Revenue

The Company is currently a development-stage company and has no revenue. The Company is entering the commercialization stage and has developed formulations for hemp oil-infused beverages. The Company has a leading distributor in Northern California who has tasted the latest formulation of the product and has given it strong reviews. As a result, it has indicated it would carry the product and has indicated an interest in being a national master distributor (though the Company has not committed to the latter yet).

(c) Stage of Development

i. *The timing and stage of research and development programs.*

The Company is currently focused on formulating and developing three main beverage lines:

Product Line	Description and Characteristics	Stage and expected Development Timing
Flagship Vitality Product Line	The vitality product is focused on the diverse range of health benefits that are popularly believed to exist for hemp. The product will also contain popular health ingredients including vitamins, omegas and electrolytes. The product is being positioned in a manner similar to functional health products including existing hemp-based food products, vitamin drinks, acai-berry drinks, kombucha tea drinks and cold-pressed juice drinks.	Formulation of two flavors is complete. The product contains hemp oil coupled with other nutritious ingredients including vitamins, electrolytes and omegas. The current focus is on developing Standard Operating Procedures with all it's manufacturing partners as are required by all FDA-compliant food and beverage companies. Branding work is completed, having been developed with a top-tier firm (see "Branding" below). The company has also secured product liability insurance at attractive rates. The Company believes it will be in a position to begin production shortly. The Company acquired these formulations as a part of the Acquisition.
Sleep/Relaxation Product Line	The Company intends to create a sleep beverage infused with hemp oil. The Company intends to add additional ingredients in (e.g. melatonin) combined with calming flavors (e.g., chamomile) to further enhance the effect.	The majority of the formulation challenge resides in the infusion of the hemp-oil. As such, the formulation work for the flagship vitality product represents the majority of the formulation work required for the sleep product. With this problem having been effectively solved with the vitality product, the Company expects to complete formulation for the sleep product in a shortened period of time. Product specs have been developed and the formulator will begin work on this product once the vitality and cognitive health products are are in market.
Cognitive Health Product Line	Drinks that promote cognitive health have grown in popularity in recent years, and hemp is believed to provide many of these health	The Company is working with the formulator of the vitality product as well as another liquid supplement shot specialist to develop this product. The Company has developed an initial prototype

Product Line	Description and Characteristics	Stage and expected Development Timing
	benefits. While hemp will remain the "headline" ingredient, the product is also expected to contain other popular ingredients for brain health including nootropics, vitamins and possibly traditional medicinal ingredients such as ginseng.	and endeavors to launch the product in Q1 2016.

ii. *The major components of the proposed programs, including an estimate of anticipated costs.*

The vitality beverage line is complete and the Company expects it to cost approximately $150,000 to produce an initial batch. The majority of this batch will be saleable and the remainder would be used for customer sampling. Additional batches will be produced based on sales demand, and the Company expects the majority of these subsequent batches to be financed using revenue from the initial and subsequent batches (as the Company would not produce additional batches until the prior batch sells out). Nevertheless, additional cash outlay may be required to roll-out the additional batches given a portion of each batch would be used for free sampling, and the Company will need to wait 30-60 days to receive payment for a portion of its sales. Subsequent beverages (the sleep and cognitive drinks) are expected to collectively cost under $40,000 to develop.

iii. *Whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods.*

Research and development efforts are completed by the Company in collaboration with two contract formulators, multiple contract manufacturers and a brand design firm.

iv. *The additional steps required to reach commercial production and an estimate of costs and timing.*

Branding

Branding and merchandising are some of the most, if not the most important components of any beverage product's success. To maximize branding efforts, the Company has successfully secured the services of Hunter Straker, one of the country's top branding and merchandising agencies. The Company has achieved this at affordable rates largely as a result of the CEO's relationships with former colleagues (Jeff Maser had previously worked at one of North America's top beverage branding agencies when it was owned by Cott). This firm not only is accustomed to working on major national brands, but it is also owned by Acosta, which is one of the USA's three major national outsourced sales and distribution companies. It is one of the only branding agencies in the world to employ purchasing science, leveraging technology to monitor consumer eye movements and response to their designs. The marijuana industry is increasingly being criticized for not using Consumer Packaged Goods ("**CPG**") standards, and the Company will be at the forefront of doing so. This branding quality, coupled with the fact that the Company uses mainstream manufacturing facilities and a mainstream formulator, effectively positions the company to offer a true CPG-quality product. The Company therefore believes it is well positioned to have some of the first placement in mainstream retailers. The

brand is in the process of becoming trademarked. Final branding artwork for the “Hemplify” logo is now complete.

The Company is also building an e-commerce store. The e-commerce store is being developed by an external web development agency. The Company has also arranged for an affiliate marketing network, and the e-commerce store is being designed to integratewith this network. The site is also being built to integrate with major fulfillment services with national scope such that it will provide the back end delivery and logistics services for sales made from the affiliates’ sites and the Company’s own e-commerce store. The use of such logistics services would likely also give the Company’s products placement on the storefront of that service, thereby giving the company exposure to a large, national audience. Placement in this store would also vastly improve the Company’s natural search rankings, thereby saving significant amounts of money in paid search ads.

The Company expects to use the same agency for its social media campaigns. Social media has typically become the main source of advertising for beverage startups. The Company has secured several social media handles (e.g. on Twitter) and is also arranging for its social media postings to be re-posted by its retailers as part of the wholesale pricing plans. The Company is endeavoring to buttress its social media campaigns with "blog ambassadors" who would write product reviews, thereby creating further online presence and content for the Company to feed through its social channels. The Company has already gained interest by certain noted bloggers in writing up about the product. The up-front cost for the e-commerce site is estimated to be approximately $20,000, with minimal ongoing costs.

Along this vein, the Company has also built relationships with several noted food and beverage industry reporters, several of whom are expected to write product reviews in mainstream publications.

As outlined above, the initial batch of beverages should cost approximately $150,000 to produce. The Company expects subsequent production runs to be funded in large part from funds generated from sales from prior batches.

4.4. Production and Sales

(a) *The actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services.*

All products will be produced by a contract manufacturer long-term, similar to other small to medium-sized (and some large-sized) beverage companies. An agreement with a contract manufacturer is in advanced stages; this manufacturer is the preferred partner for the formulator. All negotiating rights with the formulator were acquired by the Company as a part of the Acquisition.

The Company will evaluate installation of its own bottling line at various points during its development to deem if it may be commercially accretive. Such project may require raising additional funds to finance the capital expenditures associated with securing the facility, equipment and hiring staff to operate the line.

(b) *The payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer.*

Not Applicable.

(c) *Specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer.*

Jeff Maser and Jeff Pencer both have significant experience in the beverage industry, both having worked at the third-largest cola company in the world. The Company will also be leveraging the skill and knowledge of its contract formulator, manufacturer, distributor and branding agency. Jeff Pencer also has significant beverage marketing experience – having provided this function (among others) at the third-largest cola company in the world - and will serve in this function. In addition, in 6-12 months, the Company expects to retain a full-time Chief Marketing Officer.

(d) *The sources, pricing and availability of raw materials, component parts or finished products.*

All ingredients are widely available from multiple suppliers. The Company's formulator has formulated its products with a number of hemp oil suppliers that are located throughout the USA. This will ensure that the Company has multiple supply options in the event that any single supplier cannot deliver and/or cannot offer the best prices. The hemp oil represents approximately 60% of the beverage's ingredient cost, so the ability to ensure competitive pricing is critical to the company's ability to deliver strong margins. All other ingredients are also abundantly available at low cost in the marketplace. Actual purchasing of all ingredients is done by the formulator, who then bills the Company for finished bulk liquid. There is also significant overcapacity in the beverage industry, so other inputs including bottles, labels and manufacturing capacity are also available in abundance at competitive rates.

(e) *The importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.*

Brands, trademarks and intellectual property related to formulations are some of the most valuable assets in the beverage industry. The Company believes there are just a handful of recognizable brands in the nascent hemp beverage category and, as such, the appeal of this opportunity is that the Company can work to create one of the first consumer packaged goods ("**CPG**") - quality brands. The formulations use the process licensed to the Company by the formulator to mix oil-based ingredients such as hemp oil with water-based liquids. This process provides for a superior taste, greater consistency and long shelf life. Related intellectual property rights and know-how were acquired by the Company as a part of the Acquisition.

The Company is using one of North America's leading CPG branding firms (see "**Branding**" above). The product name, logo, identity, package copy and other design elements are expected to become valuable intellectual property of the Company. E-mail subscription lists and social media followers are also expected to become valuable marketing assets, and developing these subscriber lists ("followers") will be an early priority of the Company's web marketing strategy once the products are in the market.

There will not likely be franchises, patents or software assets, except to some degree in the customization of the web store for multi-level commissions and viral marketing (neither of which are expected to be major drivers of the Company's value).

(f) *The extent to which the business of the segment is cyclical or seasonal.*

The beverage industry is typically busiest in the summer months. However, given the functional nature of the products, the Company expects less seasonality than mainstream beverage products. In

cases where warm-weather refreshment is the consumer's primary interest, there are many lower-priced products available. Conversely, the Company's products deliver health benefits that are beneficial year-round.

(g) *A description of any aspect of the Issuer's business that may be affected in the 12 months following the date of this Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect.*

There is significant under-utilization in the beverage industry, and the family of Jeff Pencer has significant influence in the industry (having recently been the primary owners and managers of the third-largest cola company in the world). Therefore, the Company's management does not anticipate having difficulty finding alternate suppliers in the event any existing suppliers attempt to renegotiate or terminate.

(h) *The financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years.*

Not Applicable.

(i) *The number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant.*

The Company does not currently have any employees. Jeff Maser and Jeff Pencer are consultants to the Company. The Chief Financial Officer, corporate controller, corporate secretary, sales support and business analysts are part-time consultants.

(j) *Any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations.*

The Company's primary focus is in the United States. The Company's business will be affected by both state and federal regulation governing the production and sale of hemp stalk oil-infused products in general. At present time, pursuant to federal regulations, hemp stalk oil-infused products are excluded from the definition of "marihuana", as long as the product does not contain active levels of tetrahydrocannabinol ("**THC**"), the psychoactive compound of the cannabis plant. It is generally accepted that products with less than 0.3% THC do not contain active levels of THC. Changes in related state and federal regulation could have a material positive or negative impact on the Company's operations. Please refer to Section *17. Risk Factors* for more information.

(k) *A description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends.*

The Company has been substantially dependent on its formulator. It has completed some development work with another formulator for the brain beverage. Either of these suppliers could be redeployed to work on any of the Company’s products. In its initial phases, the Company will rely significantly on its Northern California distributor, however significant sales are also expected to come from the Company-owned web channels and from additional distributors with which the Company has had discussions and/or is scheduled to meet. The contract manufacturing and

formulation industry is competitive, so additional suppliers should be available in the event the Company's two present sources cease to be available on competitive terms. The Company's management has a longstanding relationship with its primary formulator and manufacturer, and both the supplier and the Company see each other as key growth partners for their respective businesses. Additionally, the hemp-oil supply market is continuing to mature – notably with the increasing availability of water-soluble hemp ingredients - thereby expanding the base of formulators who can formulate our products.

Please refer to Section *17. Material Contracts* for more information.

(l) A description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

The Company is in the initial year of all its contractual relationships, therefore it does not expect any renegotiation or termination in the current financial year.

4.5. Competitive Conditions and Positions

The Company's geographic focus is currently solely the United States. The Company believes it is competing with companies in two categories: (1) non-hemp-based functional beverages, and (2) hemp and cannabis-infused beverages. While at present, the Company does not produce THC-infused beverages, the Company is of a view that its hemp stalk-oil infused beverages will compete with certain categories of cannabis-infused products (given hemp stalk oil products typically appeal to marijuana users). The Company also needs to remain competitive with non-beverage hemp oil-infused functional beverage products such as acai-berry, vitamin-based and kombucha tea beverages. Below is a summary of potential competitors in each category currently identified by management:

Non-Hemp-Based Functional Beverages

Note: Management does not consider the following products to be direct competitors. However, these products could be alternatives for consumers seeking beverages for general, cardio, pain, sleep and cognitive health (i.e., similar health benefits as hemp).

truBrain	Leading cognitive health beverage; sells online via a monthly subscription model; good substitute for coffee and energy drinks as a means to get through the work day
Brain Toniq	Leading carbonated cognitive health soda
POM Wonderful	Leader in the pomegranate drink sector; delivers general vitality health benefits
Sambazon Acai	Leader in the acai berry drink sector; delivers general vitality health benefits
Dream Water	Leading sleep beverage
Neuro Sleep	Leading line of functional beverages, including a sleep product
Synergy Drinks	Leader in kombucha tea drinks; reported health benefits include mental clarity and mood stability
Vitamin Water	Widely-distributed general health and wellness drink; acquired by the Coca Cola Company for $4.1 billion in 2007; $530 million in sales in 2014
Variety of manufacturers	Fresh-pressed juices; ultra-premium health beverage products
Daily Greens	• Cold-pressed hemp milk; premium cold pressed drink with a variety of plant-based natural ingredients

Hemp Beverages

Canna Energy	• Popular hemp energy soda; available in head shops and online throughout the USA; approximately $3/can
Rocky Mountain High (OTC:THCZ)	• Acclaimed hemp energy soda; available online and in stores in Canada and the USA; approximately $3/can

Iris Whisper Water	• $10-14/bottle • Sold online nationally and in compassion clubs in California • Company also makes marijuana drinks

The Company believes that the industry lacks a robust selection of high-quality products with consistent dosages and pleasant taste, which is the one of the core niches the Company is seeking to fill. Management also believes its experience at a major cola company will enable it to manufacture beverages at lower cost than its competitors.

4.6. Lending and Investment Policies, Social and Environmental Policies, and Past Material Restructuring Transactions

Not applicable to the Company.

4.7. Bankruptcies, receiverships or similar proceedings against the Issuer or any of its subsidiaries

Not applicable to the Company.

4.8. Nature and results of any material restructuring transaction of the Issuer

Not applicable to the Company.

4.9. Social or environmental policies that are fundamental to the Issuer's operations

Not applicable to the Company.

4.10. Asset Backed Securities

The Company does not have asset backed securities.

4.11. Companies with Mineral Projects

The Company does not have any mineral projects.

4.12. Companies with Oil and Gas Operations

The Company does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1. Annual Information

The following table presents selected audited financial information of the Company for the last three completed financial years ended December 31, 2014, 2013 and 2012 and unaudited interim financial information for the nine months ended September 30, 2015. This summary financial information should be read in conjunction with the Company's financial statements, including the notes thereto, which are set forth in Schedule "A" to this Listing Statement. This table contains financial information derived from financial statements that have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**").

	For nine months ended September 30, 2015	**For the Year Ended Dec. 31,**		
		2014	**2013**	**2012**
Total revenues	Nil	Nil	Nil	Nil
Income (loss) from continuing operations	(486,605)	(311,207)	(654,744)	(3,969,018)
Net income (loss) for the period	(488,605)	(133)	(1,248,388)	(3,917,022)
Basic and diluted loss per share[(1)]	(0.017)	(0.000)	(0.096)	(0.045)
Total assets	353,267	29,790	145,204	556,167
Total liabilities	242,101	904,763	1,276,105	923,528
Dividends declared	Nil	Nil	Nil	Nil

5.2. Quarterly Information

The summary of quarterly results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year has been prepared in accordance with IFRS:

Quarter Ended	Revenue	Income (Loss)	Income (Loss) per share[(1)]
Quarter Ended September 30, 2015	Nil	(488,605)	(0.017)
Quarter Ended June 30, 2015	Nil	(357,987)	(0.016)
Quarter Ended March 31, 2015	Nil	(82,749)	(0.004)
Quarter Ended December 31, 2014	Nil	(93,513)	(0.004)
Quarter Ended September 30, 2014	Nil	358,593	0.016
Quarter Ended June 30, 2014	Nil	(168,664)	(0.009)
Quarter Ended March 31, 2014	Nil	(96,544)	(0.001)
Quarter Ended December 31, 2013	Nil	(336,374)	(0.031)
Quarter Ended September 30, 2013	Nil	(121,196)	(0.001)
Quarter Ended June 30, 2013	Nil	(516,503)	(0.005)

Note:

(1) Basic and diluted loss per share has been calculated using the weighted average number of Common Shares outstanding.

5.3. Dividends

There are no restrictions in the Company's articles or elsewhere which prevent the Issuer from paying dividends. The Issuer has not paid dividends in the past, and it is not contemplated that any dividends will be paid on any shares of the Issuer in the immediate future, as it is anticipated that all available funds will be invested to finance the growth of the Issuer's Business. The directors of the Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Issuer's financial position at the relevant time. All of the Common Shares of the Issuer will be entitled to an equal share in any dividends declared and paid on a per share basis.

5.4. Foreign GAAP

The Company is not presenting consolidated financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis

Annual Management Discussion and Analysis ("**MD&A**") for the years ended December 31, 2014, 2013 and 2012 is attached to this Listing Statement as Schedule "**B**".

Interim MD&A for the nine-months ended September 30, 2015 is attached to this Listing Statement as Schedule "**C**".

7. Market for Securities

The Common Shares were listed and posted for trading on the TSXV under the trading symbol "QIA" as a Tier 2 Mining Issuer pursuant to the policies of the TSXV. Following receipt of 71.6% of the Shareholders of the Company to complete the delisting from the TSXV through their execution of "Consent for Delisting" consents, the Common Shares were delisted from the TSXV effective September 30, 2015 ("**Delisting Date**"). This Listing Statement is being submitted to the CSE to qualify the listing of Common Shares on the CSE under the symbol "SIP". Listing is subject to the Company fulfilling all of the requirements of the CSE. On December 7, 2015 CSE has conditionally approved the listing (the "**Listing**") of Common Shares. Listing is subject to the Company fulfilling all of the requirements of the CSE.

8. Consolidated Capitalization

Through their execution of "Consent for Consolidation", the Company has secured the support of 85.4% of the Shareholders of the Company to complete a consolidation of its Common Shares ("**Consolidation**") at a ratio of 5 pre-Consolidation Common Shares to 1 post-Consolidation Common Shares (1:5). With the exception where otherwise noted, all securities in this Listing Statement are presented on post-Consolidation basis. The following table sets forth the share and loan capital of the Issuer as of the date of this Listing Statement, on a consolidated basis, based on the consolidated financial statements of the Company contained in this Listing Statement:

Designation of Security	Amount Authorized	Amount Outstanding as of June 30, 2015 (pre-Consolidation)	Amount Outstanding as of December 31, 2014 (pre-Consolidation)	Amount Outstanding as of the date of this Listing Statement (post-Consolidation)
Common Shares	Unlimited	22,908,807	22,908,807	45,643,813 (1)
Company Warrants	n/a	3,417,575	3,417,575	12,558,710 (2)
Company Options (3)(4)	10% of issued and outstanding capital	1,595,000	1,645,950	2,084,500

Notes:

(1) Includes the Common Shares which were issued pursuant to Second Conversion Tranche, Debt Settlement Agreement, Equity Private Placement, conversion of Insider Loans, the Subsequent Private Placement and Consideration Shares. *Please* see *Section 3.1. General Business – Recent Developments*.

(2) Changes to the total number of Company Warrants issued and outstanding are outlined in *4.1.1(c) Business Description – Total Funds Available.* For clarity, "**Company Warrants**" total includes Warrants issued prior to June 30, 2015 (as disclosed in the financial statements hereto), Debenture Conversion Warrants, Finder's Warrants, Private Placement Warrants and PP Warrants. Company Warrants have exercise prices ranging from $0.20 to $0.75 and expire between June 17, 2016 and November 3, 2017.

(2) Includes the Company's Stock Options and Performance Options, have exercise prices ranging from $0.11 to $32.50 and expire on dates between February 18, 2016 to December 23, 2020. Refer to *Section 9 – Options to Purchase Securities* herein.

(3) The number of Stock Options the Company may grant is limited by the terms of its stock option plan and the policies of the TSXV.

9. Options to Purchase Securities

The following table summarizes the options, granted under the Company's stock option plan, outstanding as of the date of this Listing Statement:

Group	Securities under Option (1)	Grant Date	Expiry Date	Exercise Price per Company Share	Market Value of the Company Shares on the Date of Grant (2)	Market Value of the Company Shares as the date hereof
Directors (5)	**8,000**	18-Feb-11	18-Feb-16	$30.00	$2.95	$0.10
	135,000	17-Jul-14	17-Jul-19	$0.50	$0.225	$0.10
Past Directors (1)	**30,000**	17-Jul-14	17-Jul-19	$0.50	$0.225	$0.10
Officers (2)	**45,000**	17-Jul-14	17-Jul-19	$0.50	$0.225	$0.10
	10,000	01-Apr-11	01-Apr-16	$32.50	$2.50	$0.10
	910,500	23-Dec-15	23-Dec-20	$0.11	$0.10	$0.10
Consultants (1)	**1,000**	18-Feb-11	18-Feb-16	$30.00	$2.95	$0.10
	45,000	17-Jul-14	17-Jul-19	$0.50	$0.225	$0.10
	900,000(3)	23-Dec-15	23-Dec-20	$0.11	$0.10	$0.10
Total:	**2,084,500**					

Notes:

(1) Adjusted for stock consolidations.

(2) Market value of the Common Shares is as of the closing date on the date of grant.

(3) Includes 400,000 Performance Options

Stock Option Plan

The following is the summary of the stock option plan of the Company, pursuant to which the Company grants the Stock Options (the "**Stock Option Plan**"):

- The purpose of the Stock Option Plan is to authorize the grant to eligible persons (as such term is defined in the Stock Option Plan) of Stock Options to purchase Common Shares of the Company's capital and thus benefit the Company by enabling it to attract, retain and motivate eligible persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Company.
- The Stock Option Plan is administered by the board of directors of the Company (the "**Board of Directors**" or the "**Board**") or a committee established by the Board for that purpose.
- The number of Common Shares reserved for issuance cannot exceed 10% of the issued and outstanding Common Shares at the time of the grant.
- The total number of Common Shares which may be reserved for issuance to any one individual under the Stock Option Plan within any one year period cannot exceed 5% of the issued and outstanding Common Shares at the time of the grant.
- The maximum number of Common Shares which may be reserved for issuance to insiders under the Stock Option Plan, any other employer stock option plans or options for services, shall be 10% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

- The maximum number of Common Shares which may be issued to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding issue. The maximum number of Common Shares which may be issued to any one insider and his or her associates under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of Stock Options which may be granted to any one consultant under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of Stock Options which may be granted to investor relations persons under the Stock Option Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The purchase price for the Common Shares under each Stock Option shall be determined by the Board on the basis of the market price, where "market price" shall mean the prior trading day closing price of the Common Shares on any stock exchange on which the Common Shares are listed or last trading price on the prior trading day on any dealing network where the Common Shares trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the Common Shares on any stock exchange on which the shares are listed or dealing network on which the shares trade for the five (5) immediately preceding trading days. In the event the Common Shares are listed on the stock exchange, the price may be the market price less any discounts from the market price allowed by the stock exchange. The approval of disinterested Shareholders will be required for any reduction in the price of a previously granted Stock Option to an insider of the Company.
- The stock options are exercisable for a period of up to five years from the date of grant.
- If any optionee who is a service provider ceases to be an eligible person of the Company for any reason (whether or not for cause) the optionee may, but only within the period ending the later of (i) 12 months after the completion of the public listing on a stock exchange and (ii) 90 days (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on which the shares of the Company trade), or 30 days if the eligible person is an investor relations person (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on which the shares of the Company trade), next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option unless such period is extended.
- In the event of the death of an optionee during the currency of the optionee's Stock Option, the Stock Option theretofore granted to the optionee shall be exercisable within the period of one (1) year next succeeding the optionee's death (unless such period is extended by the Board or the committee, as applicable, and approval is obtained from the stock exchange on which the shares of the Company trade).
- Stock Options issued under the Stock Option Plan may vest at the discretion of the Board, provided that, if required by any stock exchange on which the Common Shares trade, Stock Options issued to investor relations consultants must vest in stages over not less than 12 months with no more than one quarter (1/4) of the stock options vesting in any three (3) month period.

- Stock Options granted under the Stock Option Plan are non-assignable and non-transferable.
- The Board or committee, as applicable, may at any time amend or terminate the Stock Option Plan, but where amended, such amendment is subject to regulatory approval.
- Upon exercise of an Stock Option, the optionee shall, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the shares, pay to the Company amounts necessary to satisfy applicable withholding tax requirements or shall otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation has the right to retain and withhold from any payment of cash or shares under the Stock Option Plan the amount of taxes required to be withheld or otherwise deducted and paid with respect to such payment. At its discretion, the Company may require an optionee receiving shares to reimburse the Company for any such taxes required to be withheld by the Company and withhold any distribution to the optionee in whole or in part until the Company is so reimbursed. In lieu thereof, the Company has the right to withhold from any cash amount due or to become due from the Company to the optionee an amount equal to such taxes. The Company may also retain and withhold or the optionee may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of shares having a market value not less than the amount of such taxes required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such shares so withheld.

10. Description of the Securities

10.1. General

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares without par value. All of the Common Shares of the Company are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers and participation in assets upon dissolution or winding up. No Common Shares of the Company have been issued subject to call or assessment.

The holders of Common Shares are entitled to receive dividends if, as and when declared by the directors of the Company out of the assets of the Company properly applicable to the payment of dividends in such amount and payable at such time as and at such place in Canada as the Board of Directors of the Company may from time to time determine.

In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or other distribution of assets or property of the Company amongst its Shareholders for the purpose of winding up its affairs, Shareholders shall be entitled to receive all property and assets of the Company properly distributable to the Shareholders.

The holders of the Common Shares shall be entitled to vote at all meetings of the Shareholders of the Company and at all such meetings each such holder has one (1) vote for each Common Share held.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

As at the date of this Listing Statement, there is a total of 45,643,813 Common Shares issued and outstanding.

Company Warrants

The Company has had the following outstanding warrants to purchase common shares as of the date of this Listing Statement.

Issuance Date	Expiry Date	Number Outstanding	Exercise Price
June 10, 2014	June 10, 2017	163,633	$0.50
June 17, 2014	June 17, 2016	453,738	$0.75
August 13, 2015	August 23, 2017	3,200,000	$0.10
August 23, 2015	August 23, 2017	600,000	$0.10
September 30, 2015	September 30, 2017	591,339	$0.20
November 3, 2015	November 3, 2017	5,852,500	$0.20
December 11, 2015	December 11, 2017	1,422,500	$0.20
December 18, 2015	December 18, 2017	275,000	$0.20
Total:		**12,558,710**	

Company Options

As of the date of this Listing Statement, the Company has 45,643,813 Common Shares issued and outstanding. This means that a total of 4,564,381 Stock Options are currently available to be granted pursuant to the Stock Option Plan. As of the date of the Listing Statement, 2,084,500 Stock Options (including the Performance Options) had been granted pursuant to the Stock Option Plan and 2,479,881 Stock Options were still available to be granted.

For description of the Stock Option Plan of the Company, see *Section 9 – Options to Purchase Securities.*

10.2. Debt Securities

None.

10.3. Not Applicable

10.4. Other Securities

Not applicable.

10.5. Modification of Terms

Not applicable.

10.6. Other Attributes

Not applicable.

10.7. Prior Sales

For the 12-month period prior to the date of this Listing Statement, the following securities of the Company were sold:

Date	Securities Issued	Aggregate Issue Price before share issuance costs	Issue Price	Nature of Consideration Received
August 13, 2015	6,400,000 Private Placement Units	$320,000.00	$0.05 per Private Placement Unit	Cash
August 23, 2015	1,200,000 Private Placement Units	$60,000.00	$0.05 per Private Placement Unit	Cash
September 30, 2015	6,688,908 Common Shares	$401,334.46	$0.06 per Common Share	Debt Settlement (Services)
September 30, 2015	3,501,180 Common Shares	$210,070.77	$0.06 per Common Share	Debt Settlement (Insider Loan Conversions)
September 30, 2015	3,539,195 Common Shares	$212,352.04	$0.06 per Common Share	Debt Settlement (Debenture Conversion – First Tranche)
September 30, 2015	1,182,678 Units	$177,402.29	$0.10 per Unit	Debt Settlement (Debenture Conversion – Second Tranche)
November 3, 2015	11,705,000 PP Units	$1,170,500.00	$0.10 per PP Unit	Cash
December 11, 2015	2,845,000 PP Units	$284,500.00	$0.10 per PP Unit	Cash
December 18, 2015	550,000 PP Units	$55,000.00	$0.10 per PP Unit	Cash
December 23, 2015	3,500,000 Consideration Shares	$175, 000.00	$0.05 per Consideration Shares	Purchased Assets
December 23, 2015	1,410,500 Stock and 400,000 Performance Options	N/A	N/A	Purchased Assets

10.8. Stock Exchange Price

Prior to the Delisting Date, the Common Shares are listed and posted for trading on the TSXV under the trading symbol "QIA". The following table sets forth the high and low closing prices and volume for the Common Shares traded through the TSXV for each month or part month of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding twelve quarters:

Period	Low Trading Price ($)	High Trading Price ($)	Volume (pre-Consolidation)
Month Ended September 30, 2015	N/A (1)	N/A (1)	N/A (1)
Month Ended August 31, 2015	$0.005	$0.015	33,000
Month Ended July 31, 2015	$0.005	$0.015	324,350

Period	Low Trading Price ($)	High Trading Price ($)	Volume (pre-Consolidation)
Quarter Ended June 30, 2015	$0.005	$0.015	527,216
Quarter Ended March 31, 2015	$0.005	$0.02	330,800
Quarter Ended December 31, 2014	$0.005	$0.04	517,374
Quarter Ended September 30, 2014	$0.03	$0.055	318,484
Quarter Ended June 30, 2014	$0.005	$0.06	7,294.943
Quarter Ended March 31, 2014	$0.005	$0.01	4,181,943
Quarter Ended December 31, 2013	$0.005	$0.01	4,942,801

Note:

(1) The trading of the Common Shares was halted on September 9, 2015 following the press release on the Acquisition. There had been no trades in the month of September prior to the announcement of the Acquisition. Trading in the Common Shares has not yet resumed.

11. Escrowed and Pooled Securities

11.1. Escrowed Securities

The table immediately below sets out the number of securities held by principals and certain other securityholders of the Company who are parties to the escrow restrictions:

Designation of Class Held in Escrow	Prior to the Listing			After completing the Listing		
	Number of Securities Held in Escrow	% of Class on undiluted basis	% of Class on fully diluted basis	Number of Securities Held in Escrow (1)(2)	% of Class on undiluted basis	% of Class on fully diluted basis
Common Shares	Nil	Nil	Nil	7,983,707	17.5%	13.2%
Company Warrants	Nil	Nil	Nil	629,145	5.0%	1.0%

Notes:

(1) Assuming the Company is classified as an emerging issuer pursuant to National Policy 46-201, 7,983,707 Common Shares and 629,145 Company Warrants, will in accordance with National Policy 46-201, be released from escrow in stages over a 36 month period from the completion of the Listing with 10% released immediately upon the Listing and 15% of such escrowed securities released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the date of the Listing.

(2) Includes 3,000,000 Consideration Shares issued to Jeffrey Maser are be subject to Performance Escrow in addition to Regulatory Escrow and excludes 500,000 Consideration Shares issued to Jeffrey Pencer, which are subject to Vesting Provisions, but not Regulatory Escrow. *Please see Section 3.1. General Business – Recent Developments*.

11.2. Pooled Securities

As of the date of this Listing Statement, the Company does not have any securities subject to Voluntary Pooling Agreements.

12. Principal Shareholders

As of the date of this Listing Statement, to the knowledge of the directors and officers of the Company, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares.

13. Directors and Officers

13.1. Directors and Officers

The Company's articles provide that the number of directors should not be fewer than one (1) and no more than ten (10) directors. Each director holds office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

At the annual general and special shareholders meeting held of October 2, 2015, the Shareholders elected the director slate consisting of the following directors: Jeff Maser, David Posner, Yannis Banks, Adam Szweras, Paul Lin, Roger Dent and Tony Roodenberg. At the same time, Lew Lawrick did not stand for re-election as a director. On completion of the Acquisition, Jeff Maser was appointed as a Chief Executive Officer of the Company.

The following table provides the names of the directors and officers, municipalities of residence province and country, respective positions and offices held with the Company, their principal occupations for the past five years and the number and percentage of Common Shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Company, as of the date hereof:

Name, Province and Country of Residence and Position Held	Principal Occupation for the Past Five Years[(2)]	Director of the Company Since	Common Shares Beneficially Owned or Controlled	Percentage of Issued and Outstanding Common Shares
Jeffrey Maser Toronto, ON, Canada *Chief Executive Officer and Director*	Investment Advisor	CEO since October 29, 2015 and director since October 2, 2015	4,525,833	9.9%
Al Quong Toronto, ON *Chief Financial Officer*	CFO, Branson	October 16, 2014	Nil	Nil
David Andrew Posner Toronto, ON, Canada *Director*	CEO, Nutritional High International Inc.	Director since October 2, 2015	1,520,000	3.3%
Tony Roodenburg[(1)] Toronto, ON, Canada *Director*	Investment Executive	June 11, 2014	Nil	Nil
Adam K. Szweras Thornhill, ON Canada *Corporate Secretary and Director*	Partner, Fogler, Rubinoff LLP	Corporate Secretary since November 22, 2011 and director since May 13, 2011	567,943	1.2%
Yannis Banks Toronto, ON, Canada *Director*	Managing Director, Foundation Markets Inc.	June 9, 2011	233,962	0.5%
Roger Dent[(1)] Toronto, ON, Canada *Director*	CEO, Quinsam Capital Corporation	December 16, 2013	891,899	2.0%
Paul Lin[(1)] Toronto, ON, Canada *Director*	Consultant, Fundex Investment Inc.	May 13, 2011	76,878	0.2%

Notes:

(1) Current members of the Audit Committee.
(2) Further details of the biographies and history of the principal occupations are set out in Section 13.11 below.

13.2. Period Served as Directors and Officers

The table in Section 13.1. outlines the periods for which the directors and officers have served with the Company in their respective capacities.

13.3. Interests of Director and Officer

At the completion of the Listing, the directors and officers of the Company as a group will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 7,816,515 Common Shares, representing 17.1% of the issued and outstanding Common Shares (on an undiluted basis). Each director's term of office will expire at the next annual meeting of shareholders unless re-elected at such meeting. The directors and officers will devote their time and expertise as required by the Company, however it is not anticipated that any director or officer will devote 100% of their time to the activities of the Company.

13.4. Board Committees

The Company has one committee, the Audit Committee, whose members are: Tony Roodenburg, Paul Lin and Roger Dent.

13.5. Other Directorships

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
David Andrew Posner	Nutritional High International Inc. (formerly, Sonoma Capital Inc.)	CSE	Director, CEO	July 7, 2014	Present
Anthony Ralph Roodenburg	Mezzotin Minerals Inc.	TSXV	Director	April 30, 2011	August 30, 2012
	Gold Summit Corporation	TSXV	CEO	May 6. 1999	September 26, 2006
	Seafield Resources	TSXV	President	September 13, 2001	May 29, 2012
	Quinsam Capital Corporation	CSE	Director	June 24, 2015	Present
	Greencastle Resources Ltd.	TSXV	CEO	October 25, 1999	Present
	Axiotron Corp.	TSX	Director	February 17, 2006	March 3, 2008
	Evrim Resources Corp.	TSXV	CEO	April 27, 2009	January 6, 2011
Adam Kelley Szweras	Nutritional High International Inc.	CSE	Directory, Secretary	July 2014	Present
	Petrolympic Ltd.	TSXV	Secretary	June 2008	Present
	Aurora Cannabis Inc.	CSE	Director	August 2015	Present
	Bassett Media Group Corp.	TSXV	Director	August 2009	March 2010

	Canada Pacific Canada Corp.	NEX	Director, Secretary	May 28, 2010	August 2014
	Star Navigation Systems Group Ltd.	TSXV	Secretary	May 2008	December 2011
	Sagittarius Capital Corp.	TSXV	Secretary	August 2009	Present
	Sagittarius Capital Corp.	TSXV	Director	August 2009	August 2010
	Sagittarius Capital Corp.	TSXV	Director	April 2014	Present
	Strata Minerals Inc.	TSXV	Director	July 2015	Present
	Lakeside Minerals Inc.	TSXV	Secretary	December 2011	Present
	InterAmerican Gaming, Inc.	TSXV	Director	May 2008	June 2009
Yannis Banks	Lakeside Minerals Inc. (formerly, Grasslands Entertainment Inc.	TSXV	CEO	December 20, 2011	Present
Paul Lin	McVicar Industries Inc.	TSXV	Director	March 2004	June 2007
	Imaging Dynamics Company Ltd.	TSXV	Director	August 2013	Present
	Golden Bridge Development Corporation	TSXV	Director	May 2010	Present
Roger Dent	Mavrix Fund Management Inc.	TSX	VP Research	January 9, 2003	March 31, 2010
	Quinsam Opportunities I Inc.	TSXV	CEO, Director	May 27, 2015	Present
	Quinsam Capital Corporation	CSE	Director, CEO	October 29, 2013	Present
	AcuityAds Holdings Inc.	TSXV	Director	July 16, 2014	Present
	California Nanotechnologies Corp.	TSXV	Director	April 25, 2014	Present

13.6. to 13.9. Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, no proposed director, executive officer or promoter has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, officer or promoter.

Other than as set out below, as at the date of this Listing Statement and within the ten (10) years before the date of this Listing Statement, no proposed director, executive officer or promoter of the Company:

(a) is or has been a director, executive officer or promoter of the Company, that while that person was acting in that capacity:

   (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days;

(iii) or within one (1) year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee; or

(c) has within ten (10) years before the date of the Circular became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Adam Szweras was a director and Secretary of Bassett Media Group Corp. ("**Bassett**"), a TSXV-listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010.

On December 17, 2001, Roger Dent entered into a settlement agreement with the Ontario Securities Commission ("**OSC**") in relation to perceived conflicts of interests among Yorktown Securities Inc., a registered broker and investment dealer, where Mr. Dent served as Director of Research and Vice Chairman from 1996 to 2002, and its issuer clients. Mr. Dent consented to the making of an order against himself and agreed to the following terms of settlement with the OSC: (i) voluntary payment to the OSC in the amount of $50,000; (ii) payment to the OSC in the amount of $10,000 in respect of costs associated in the matter against Mr. Dent; and (iii) a reprimand.

13.10. Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the OBCA or other applicable corporate legislation.

13.11. Management

Jeff Maser, Chief Executive Officer and Director (Age 42) - Mr. Maser was previously VP of Institutional Sales at Jacob Securities, an investment bank, where he focused on raising capital for companies in emerging industries, including marijuana, health foods and technology from June 2014 to May 2014. He was also in account management at the Watt Design Group, the wholly-owned beverage strategy and packaging division of Cott Corporation (TSX – BCB), the third largest cola company in the world. From December 2012 – May 2014, he was an Institutional Equity Sales and Investment Advisor with Trapeze Capital and from July 2009 – December 2012, he was Institutional Equity Sales and Investment Advisor with M Partners, a Toronto-based Investment Bank.

Mr. Maser is a contractor and will be responsible for the overall direction and business development of

the Company upon nomination. Mr. Maser anticipates devoting 100% of his time to the affairs of the Company during the next year. Mr. Maser has not entered into a non-competition or a non-disclosure agreement with the Company.

Al Quong, Chief Financial Officer (Age 49) **–** Al Quong has been the Chief Financial Officer for Branson Corporate Services Inc. ("**Branson**") since September 1, 2014 and has over 25 years of finance experience in various capacities and industries. Mr. Quong provides overall financial leadership for Branson and also serves as the CFO for a number of Branson clients. Prior to joining Branson, Mr. Quong was the CFO for Integris Real Estate Counsellors and the Fovere Group of Companies ("**Fovere**"), from April 2011, and of Unilock Ltd. From April 2005 to April 2011. Renewable energy has been Mr. Quong's major initiative over the past three years, managing Fovere's private equity investment to become the largest owner of microFIT sites in Ontario. Mr. Quong served as a CFO of Norrock Realty Finance Corporation from May 2011 to October 2011. He is a Chartered Accountant, and Certified Public Accountant (Illinois), and holds a Bachelor of Commerce degree in Accounting from the University of Saskatchewan, and a Graduate Diploma in Forensic & Investigative Accounting from the University of Toronto, Mississauga.

Mr. Quong is a contractor and is responsible for the financial affairs of the Company and brings extensive experience in dealing with financial matters and corporate strategy. It is anticipated that he will assist the Company on as-needed basis during the next year.

Yannis Banks, Director (Age 39) - Mr. Banks is the Managing Director of Foundation Markets Inc., a Toronto-based merchant and investment bank. For the past seven years Mr. Banks has been involved in financing and providing strategic advisory services to companies, primarily in natural resources, and evaluating and acquiring mineral and energy projects in North and South America and Asia. Mr. Banks previously worked with a rural development NGO whose flagship program focused on addressing access to clean water and sanitation in remote areas. Mr. Banks is also a director and CEO of Lakeside Minerals Inc., a TSXV-listed Company.

Mr. Banks is a contractor and is currently responsible for the overall direction and business development of the Company. He will also lead the negotiation and acquisition of future projects. It is anticipated that he will assist the Company on as-needed basis during the next year. Mr. Banks has not entered into a non-competition or a non-disclosure agreement with the Company.

Adam Szweras, Secretary and Director (Age 45) – Mr. Szweras has practiced corporate and securities law since 1996 and is a partner in the Securities Law Group of Fogler, Rubinoff LLP. In January 2006, Mr. Szweras founded Foundation Markets Inc. and FMI Capital Advisory Inc., a Toronto brokerage firm and merchant bank respectively, where he continues on in the role of Chairman. In Mr. Szweras' law and banking practices, he focuses on working with emerging growth companies to develop and execute on their business plans, make acquisitions and to finance and list. Mr. Szweras works with companies in the mineral exploration sector, oil and gas, technology, and is a founder of a company developing marijuana and hemp oil and edible products for the US medical and recreational markets. Mr. Szweras is a board member or Corporate Secretary of several publicly listed companies where he plays a role as a key advisor and stakeholder. He has written numerous articles and papers, and is a co-author of "Doing Business In Vietnam," and past editor of the Canadian Bar Association International Law newsletter and journal.

Mr. Szweras is a contractor and is responsible for Company's corporate governance, securities and compliance matters. It is anticipated that he will assist the Company on as-needed basis during the next year.

David Andrew Posner, Director (Age 42) - Mr. Posner is the Chief Executive Officer of Nutritional High International Inc. Between 2012 and April 2014, Mr. Posner served as an Acquisitions Manager for Stonegate Properties Inc., where he managed real estate properties and brokered deals in Canada and Oklahoma. He was a Managing Director of Sales and Acquisitions for Maria Chiquita Development Company from 2005 to 2012. From 2004 to 2007 he was a partner in a private investment group investment group involved in the acquisition, re-zoning and re-positioning for sale of land holdings in Costa Rica and Panama. Mr. Posner holds a Bachelor of Arts degree from York University.

Mr. Posner will not work fulltime for the Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Issuer.

Tony Roodenburg, Director (Age 52) - Mr. Roodenburg is the founder and largest individual shareholder of Greencastle Resources Ltd. (TSXV - VGN) a, diversified investment company focused on the natural resource sector. His experience includes four years as an Investment Executive with National Bank Financial (1987-1991). Subsequently, Mr. Roodenburg has been an active investor and founder, officer and director of several public companies, assisting in the areas of corporate development and finance primarily in mineral exploration and the oil and gas sectors.

Mr. Roodenburg will not work fulltime for the Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Issuer.

Roger Dent, Director (Age 54) - Mr. Dent is currently the CEO and a director of Quinsam Capital Corporation, a publicly traded merchant bank. He has been involved in the Canadian financial markets for over 25 years and has extensive experience in "small cap" evaluation and investment. Most recently, he was a noted portfolio manager with Matrix Fund Management Inc., where he guided the Matrix Small Companies Fund and the Matrix Strategic Small Cap Fund. Previously, he was Vice Chairman of one of Canada's largest independent investment dealers. He was formerly the #1 ranked Small Cap Analyst according to the Brendan Wood institutional investor survey.

Mr. Dent will not work fulltime for the Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Issuer.

Paul Lin, Director (Age 54) - Paul Lin is currently a consultant with Fundex Investment Inc. He has over 17 years of experience in financial and investment industry in Canada. Dr. Lin was the CFO and a director of McVicar Minerals Ltd. (TSXV) from 2000 to 2003 and a director and CFO of McVicar Resources Inc. (TSXV) from 2004 to 2007. Dr. Lin also serves on the board of directors of Golden Bridge Mining Corporation (TSXV), Imaging Dynamics Corporation (TSX) and has extensive experience in acquisitions in China. Dr. Lin obtained his Ph.D. from the University of Toronto in 1995.

Mr. Lin will not work fulltime for the Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Issuer.

14. Capitalization

14.1. Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float Total outstanding (A)	45,643,813	60,287,023	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a % voting position in the Company upon exercise or conversion of other securities held) (B)	7,983,707	8,612,852	17.5%	14.3%
Total Public Float (A-B)	37,660,106	51,674,171	82.5%	85.7%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C) (1) (2)	30,462,052	38,603,390	66.7%	64.0%
Total Tradeable Float (A-C)	15,181,761	21,683,632	33.3%	36.0%

Notes:

(1) Total number of securities subject to resale restrictions are the securities subject to statutory four month hold:

Issuance	Number of securities issued	Securities Issued	Date of Issuance
First Conversion Tranche	3,539,195	Common Shares	September 30, 2015
Second Conversion Tranche	1,182,678	Units	September 30, 2015
Debt Settlement Agreement	6,639,000	Common Shares	September 30, 2015
Conversion of Insider Loans	3,501,180	Common Shares	September 30, 2015
Subsequent Private Placement	15,100,000	PP Units	November 3, 2015, December 11, 2015 and December 18, 2015

(2) Excludes Consideration Shares issued to Jeffrey Maser, but includes Consideration Shares issued to Jeffrey Pencer.

Public Securityholders (Registered)

The persons enumerated in (B) of the *Issued Capital* table above are not included in the following table.

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	8	91
100 – 499 securities	23	1,318
500 – 999 securities	7	965
1,000 – 1,999 securities	15	3,919
2,000 – 2,999 securities	23	9,913
3,000 – 3,999 securities	6	3,846
4,000 – 4,999 securities	6	4,800
5,000 or more securities	122	37,635,254
Total	**210**	**37,660,106**

Public Securityholders (Beneficial)

The following table sets forth information regarding the number of beneficial "public security holders" of the Company, being persons other than persons enumerated in section (B) of the issued capital chart who either: (i) hold securities in their own name as registered shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	8	70
100 – 499 securities	53	3,197
500 – 999 securities	93	12,475
1,000 – 1,999 securities	137	34,038
2,000 – 2,999 securities	71	32,748
3,000 – 3,999 securities	42	27,103
4,000 – 4,999 securities	23	19,327
5,000 or more securities	258	2,380,270
Total	**685**	**2,509,228**

Non-Public Securityholders (Registered)

The following table sets forth information regarding the number of registered "non-public securityholders" of the Company, being persons enumerated in section (B) of the issued capital chart:

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0

Size of Holding	Number of holders	Total number of securities
4,000 – 4,999 securities	0	0
5,000 or more securities	7	7,983,707
Total	**7**	**7,983,711**

14.2. Convertible/Exchangeable Securities

Description of Security	Date of Expiry	Exercise Price $	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/ exercise
Company Warrants	June 17, 2016 and November 3, 2017	$0.20 to $0.75	12,558,710	12,558,710
Company Options	February 18, 2016 to December 23, 2020	$0.11 to $32.50	2,084,500	2,084,500

14.3. Convertible/Exchangeable Securities

There are no other listed securities reserved for issuance that are not included in Section 14.2.

15. Executive Compensation

See Schedule "**D**" attached hereto.

16. Indebtedness of Directors and Executive Officers

16.1. Aggregate Indebtedness

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at the financial year ended December 31, 2014, or is currently indebted to the Company.

16.2. Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. Risk Factors

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks actually occur, the Company's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

The Company has a very limited operating history in an emerging area of business and had negative cash flows from operations in its most recently completed financial year.

The Company has a very limited history of operations in the Business, is in the early stage of development and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be

successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no history of earnings.

Because the Company has a limited operating history in emerging area of business, potential investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its Business may be significantly harmed.

Non-compliance with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect the Company's Business.

The activities of the Company are subject to regulation by governmental authorities. Achievement of the Company's Business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of the Company.

While cannabidiol ("**CBD**") can be found in certain strains of cannabis, which faces significant restrictions on use and distribution under the United States Controlled Substances Act ("**CSA**"), the Company is not sourcing CBD from cannabis at present.

While oil derived from industrial hemp stalk that has naturally occurring THC content equal to or less than 0.3% is excluded from the definition of marijuana under the CSA, there is no certainty that this exclusion could not be altered by court or governmental action or re-interpretation. There is no certainty that the United States Food and Drug Administration ("**FDA**") will not regulate the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("**DSHEA**"), or would otherwise be permitted for use under the DSHEA.

The Company relies on the supply of hemp stalk oil extracts, which is imported into the United States from other countries, as the United States Drug Enforcement Administration ("**DEA**") has taken a position that CBD is a marijuana derivative and, therefore, a Schedule I drug. Currently, the definition of "marijuana" in the CSA does not include the plant's "mature stalks", which are used to create hemp (which only contains trace amounts of THC and has no psychoactive effect). Hemp stalk oil is not scheduled under the CSA and therefore, is also not under the enforcement authority of the DEA. Currently, the DEA does not take jurisdiction over hemp stalk oil products, but controls hemp cultivation, and companies that wish to cultivate hemp in the United States must apply for a permit with the DEA. If in future DEA takes jurisdiction to regulate hemp stalk oil products, the Company may become subject to additional licensing requirements, which may require additional capital. There is no assurance that the

Company will be able to obtain any such licenses, or be eligible to apply for such licenses, which would adversely affect the Company's Business.

The Company may become subject to additional government regulation and legal uncertainties that could restrict the demand for its services or increase its cost of doing business, thereby adversely affecting its financial results.

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of food and health supplement products including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The Company and its contract manufacturers are currently in compliance with all such laws. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

While the impact of the changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Company's operations that is materially different than the effect on similar-sized companies in the same business as the Company.

Local, state and federal laws and regulations governing hemp stalk oil are broad in scope and are subject to evolving interpretations, which could require the Company to incur substantial costs associated with bringing the Company's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt the Company's operations and result in a material adverse effect on its financial performance. It is beyond the Company's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can the Company determine what effect such changes, when and if promulgated, could have on the Company's Business.

Regulatory Approvals and Permits

The Company and its management may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where their products are licensed, although the Company does not anticipate such approvals will be necessary. There can be no assurance that the Company will be able to receive and/or maintain the necessary permits, licenses and approvals. Any material delay or failure to receive these items would delay and/or inhibit the Company's ability to conduct its business and would adversely affect the Company's Business, financial condition and results of operations.

U.S. Federal Laws

The concepts of "medical marijuana and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. This law does not relate to hemp stalk oil-derived cannabinoids and as a result the Company it not affected by it at this time.

Product Liability, Operational Risk

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of hemp stalk oil infused products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or

regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the Company's results of operations and financial condition of the Company.

The Company has obtained a proposal for product liability insurance on acceptable terms, though in the event that hemp stalk oil-derived CBD becomes reclassified under Federal or State law in a manner that restricts its sale, it is possible that this policy may not be able to continue coverage. There is no certainty that the proposed producing liability insurance will be available at the time the Company wishes to obtain one.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Company are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. The Company may lose significant amount of revenue due to a loss of sales and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company is establishing procedures to test finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Company's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Company will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Company's Business, financial condition and results of operations.

The Company may not be able to accurately predict its future capital needs and it may not be able to secure additional financing.

The Company may need to raise significant additional funds in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing Shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing Shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Market for Securities

The market price of the Common Shares could be subject to significant fluctuations in response to various factors, many of which are beyond the Company's control. In addition, the stock markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Common Shares. There can be no assurance that the holders or purchasers of the Common Shares will be able to resell their shares at prices equal to or greater than their cost.

Reliance on Management

The success of the Company is currently dependent on the performance of its management team. The loss of the services of these persons would have a material adverse effect on the Company's Business and prospects in the short term. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its Business. Failure to do so could have a material adverse effect on the Company and its prospects.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labor costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

The Company may face intense competition and expects competition to increase in the future, which could prohibit its development of customer base and generating revenue.

The hemp stalk oil infused products industry may become highly competitive in the future. The Company may increasingly compete with numerous other businesses in the industry, many of which may come to possess greater financial and marketing resources and other resources than the Company. Such business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect the Company's operations.

Due to the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number consumers of such products in the target jurisdictions increases, the demand for products will increase and the Company expects that competition

will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations the Company.

Environmental and Employee Health and Safety Regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Difficult to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry in the U.S. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's Business, financial condition, results of operations and prospects.

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Currency Exchange Rates

Exchange rate fluctuations may adversely affect the Company's financial position and results. It is anticipated that a significant portion of the Company's Business will be conducted in the United States using U.S. dollars. The Company's financial results are reported in Canadian Dollars and costs are incurred primarily in U.S. dollars. The depreciation of the Canadian Dollar against the U.S. Dollar could increase the actual capital and operating costs of the Company's U.S. operations and materially adversely affect the results presented in the Company's financial statements. Currency exchange fluctuations may also materially adversely affect the Company's future cash flow from operations, its results of operations, financial condition and prospects.

Enforcement of Legal Rights

In the event of a dispute arising from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Officers and Directors of the Company Own Significant Shares and Can Exercise Significant Influence

The officers and directors of the Company, as a group, will beneficially own, on a non-diluted basis, approximately 19.4% of the outstanding Common Shares. As such, as Shareholders, the officers and directors will be able to exert significant influence on matters requiring approval by Shareholders, including the election of directors and the approval of any significant corporate transactions. The concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

Volatile global financial and economic conditions may negatively affect the Company's operations.

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

The Company expects to incur non-recurring costs associated with negotiating and completing the Transactions.

18. Promoters

18.1. Promoters

The following table below sets out the Common Shares owned by persons who can be considered Promoters:

Person or Company Name	Number of Common Shares	% of total issued and outstanding Common Shares
Jeff Maser	4,525,833	9.9%
David Posner	1,520,000	3.3%
FMI Capital Advisory Inc. (formerly known as Foundation Opportunities Inc.)	167,192	0.4%

Person or Company Name	Number of Common Shares	% of total issued and outstanding Common Shares
Total:	**6,213,025**	**13.6%**

FMI Capital Advisory Inc. ("**FMICAI**") is 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries, and is 33.3% indirectly owned by Yannis Banks. Furthermore, 1306413 Ontario Ltd., a corporation owned by The Goomie Trust, holds 600,000 Common Shares representing 2.0% of the total issued and outstanding Common Shares. On August 17, 2015, FMICAI entered into a consulting agreement with the Company, as amended on August 24, 2015, to provide the services of corporate finance advisory services (the "**Corporate Finance Agreement**") to the Company effective May 15, 2015. Under the terms of the Corporate Finance Agreement, the Company shall pay FMICAI a monthly fee of $11,000 and that the Company will pay FMICAI an additional fee of $28,000 plus applicable taxes upon completion of the Listing, which has since been paid.

On May 1, 2015, the Company entered into an agreement with Branson, as amended thereto August 18, 2015 (the "**Branson Agreement**"), to provide the services of the Chief Financial Officer, controllership and bookkeeping services, administrative services and general and back office services for a monthly fee of $5,000 plus an advisory fee of $23,000 upon the CSE granting conditional approval for the Listing. Al Quong is employed by Branson and is compensated by Branson.

On June 30, 2015, the Company entered into consulting agreement with David Posner, a director and a promoter of the Company (the "**Posner Agreement**"). Pursuant to the Posner Agreement, David Posner has agreed to perform the services of the consultant to the Company's management in developing a strategic business plan for the Company. Mr. Posner was paid an initial advisory fee of $30,000 and a base fee of $5,000 per month, subject to annual review by the Board of Directors of the Company.

On June 30, 2015, the Company entered into consulting agreement with Yannis Banks, Chairman of the Board and the former Chief Executive Officer of the Company (the "**Banks Agreement**"), with an effective date of June 1, 2015. Pursuant to the Banks Agreement, Yannis Banks has agreed to perform the services of the consultant in managing the Company's operations, ongoing capital markets needs and strategic initiatives. Mr. Banks is paid a base fee of $1.00 per month, subject to annual review by the board of directors of the Company.

On October 29, 2015, the Company entered into consulting agreement with Jeff Maser, the CEO and a director of the Company (the "**Maser Agreement**"). Pursuant to the Maser Agreement, Jeff Maser has agreed to perform the services of a Chief Executive Officer to the Company, develop a strategic plan to advance the Company's objectives and market the Company to the capital markets and investment community. Mr. Maser was paid an initial advisory fee of $50,000 and a base fee of $13,000 per month effective November 3, 2015 subject to annual review by the Board.

The Company has entered into the Acquisition Agreement with Jeff Maser. Please see *Section 3.1. General Business – Recent Developments*.

On November 11, 2013 the Company acquired from Adam Szweras and Yannis Banks 10% interest in 2243734 Ontario Limited ("**2243734**"), which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada. On December 22, 2015 the Company has entered into Legacy Assets PSA. Please see *Section 3.1. General Business – Recent Developments*.

Other than as disclosed in this section, no person who was a promoter of the Company within the last two years:

(a) received anything of value directly or indirectly from the Company or a subsidiary; or
(b) sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years.

18.2. Corporate Cease Trade Orders or Bankruptcies

Please see Section 13.6.

19. Legal Proceedings

The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such actions known to be contemplated.

20. Interest of Management and Others in Material Transactions

No director, executive officer or promoter of the Company or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Company's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company within the three years preceding the date of this Listing Statement other than as disclosed in the financial statements and MD&A of the Company, which are attached to this Listing Statement.

21. Auditors, Transfer Agents and Registrars

21.1. Auditors

Lipton LLP
245 Fairview Mall Drive
North York, ON M2J 4T1

21.2. Transfer Agent and Registrar

Equity Financial Trust Company
200 University Avenue, Suite 300,
Toronto, Ontario M5H 4H1

22. Material Contracts

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Company within two years prior to the date hereof and which are currently in effect:

(a) Acquisition Agreement. As a result of entering into the Acquisition Agreement, the Company became a party to the agreements underlying the Acquisition Agreement. Please see *Section 3.1. General Business – Recent Developments* for details of the Acquisition Agreement.

(b) Regulatory Escrow Agreement with Equity Financial Trust Company and certain shareholders. Please see *Section 11.1. Escrowed Securities* for details;

(c) Performance Escrow Agreement between Jeffrey Pencer and Fogler Rubinoff LLP. *Section 3.1. General Business – Recent Developments* for details;

(d) Performance Escrow Agreement between Jeffrey Maser and Fogler Rubinoff LLP. *Section 3.1. General Business – Recent Developments* for details;

23. Industry Experts

Certain legal matters relating to preparing the Acquisition Agreement and the distribution of the PP Units were passed upon by Fogler, Rubinoff LLP on behalf of the Company. To the Company's knowledge, as of the date hereof, with the exception of Adam Szweras (as disclosed herein), the partners and associates of Fogler, Rubinoff LLP as a group, beneficially own, directly or indirectly, approximately 0.4% of the outstanding Common Shares.

24. Other Material Facts

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Company.

25. Financial Statements

The following financial statements have been posted on the Company's disclosure page on the CSE website and are available on SEDAR at www.sedar.com, and are incorporated herein by reference:

(i) Annual audited consolidated financial statements of the Company including the auditor's report from Collins Barrow, for the financial years ended December 31, 2014 and December 31, 2013;

(ii) Interim unaudited financial statements of the Company for the nine months ended September 30, 2015 and September 30, 2014.

SCHEDULE "A"
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

QUIA RESOURCES INC.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended
December 31, 2014 and 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Quia Resources Inc., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Yannis Banks", CEO
Yannis Banks

"Al Quong", CFO
Al Quong

LIPTON
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Independent Auditors' Report

To the Shareholders of
Quia Resources Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Quia Resources Inc., (the "Company") which comprise the statement of financial position as at December 31, 2014 and the consolidated statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlight the existence of a material uncertainty relating to conditions that cast significant doubt on the Company's ability to continue as a going concern.

Other Matters

The consolidated financial statements as at December 31, 2013 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their audit report dated April 30, 2014.

Lipton LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2015

Quia Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	December 31, 2014	December 31, 2013
Assets		
Current Assets		
Cash	$ **196**	$ 9,172
Sales tax receivable	**3,580**	17,346
Prepaid expenses	**26,014**	3,359
Assets held for sale (Note 14)	**-**	68,602
	29,790	98,479
Property, plant and equipment (Note 4)	**-**	46,725
	$ **29,790**	$ 145,204
Liabilities		
Current Liabilities		
Trade and other payables (Note 13)	$ **116,708**	$ 218,340
Due to related parties (Note 10)	**325,255**	351,506
Loans and interest payable (Note 10)	**254,398**	304,899
Liabilities held for sale (Note 14)	**-**	401,360
	696,361	1,276,105
Convertible debentures (Note 11)	**208,402**	-
	904,763	1,276,105
Shareholders' Deficiency		
Share capital (Note 6 (b))	**14,011,456**	13,791,253
Shares to be issued (Note 6 (c))	**-**	120,000
Conversion component of convertible debentures (Note 11)	**84,995**	-
Reserve for warrants (Note 8)	**5,080,491**	5,007,114
Reserve for share based payments (Note 7)	**1,495,300**	1,485,400
Reserve for foreign exchange losses	**(27,035)**	(6,610)
Accumulated deficit	**(21,520,180)**	(21,528,058)
	(874,973)	(1,130,901)
	$ **29,790**	$ 145,204

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 9)

Approved on behalf of the Board of Directors on April 30, 2015:

"Yannis Banks" (signed) — *CEO and Director*

"Adam Szweras" (signed) — *Director*

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

Quia Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,		2014		2013
Expenses				
Exploration and evaluation expenses	$	**43,852**	$	174,130
Office and general		**148,932**		198,864
Management and consulting		**131,826**		180,912
Salaries and benefits		**-**		37,500
Professional fees		**29,454**		52,014
Share based payments (Note 7)		**9,900**		3,800
Travel and promotion		**1,230**		29,701
Write-down of property, plant and equipment (Note 4)		**37,380**		-
Foreign exchange (gain) loss		**3,466**		(22,177)
		(406,040)		(654,744)
Gain on settlement of debt (Note 6(b)(ii))		**94,833**		-
Loss from continuing operations		**(311,207)**		(654,744)
Net earnings (loss) from discontinued operations (Note 14)		**319,085**		(556,266)
Net income (loss)		**7,878**		(1,211,010)
Other comprehensive loss				
Exchange differences on translating foreign operations		**(8,011)**		(37,378)
Total comprehensive loss		**(133)**		(1,248,388)
Loss per share-basic and diluted				
Loss per share - from continuing operations	$	**(0.015)**	$	(0.052)
Income (loss) per share - from discontinued operations	$	**0.015**	$	(0.044)
Income (loss) per share - net income (loss)	$	**0.000**	$	(0.096)
Weighted average number of shares outstanding		**20,830,273**		12,615,342

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

Quia Resources Inc.

Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Share Capital		Reserves						
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Conversion component of convertible Debentures	Shares to be issued	Deficit	Total
Balance at December 31, 2012	**10,553,151**	**$ 13,431,505**	**$ 1,481,600**	**$ 5,005,814**	**$ 30,768**	**$ -**	**-**	**$ (20,317,048)**	**$ (367,361)**
Private placements	7,464,000	373,200	-	-	-	-	-	-	373,200
Funds received for shares to be issued	-	-	-	-	-	-	120,000	-	120,000
Cost of issuance	-	-	-	-	-	-	-	-	-
Cash commission paid	-	(19,652)	-	-	-	-	-	-	(19,652)
Fair value assigned to broker warrants	-	(1,300)	-	1,300	-	-	-	-	-
Shares issued for services	150,000	7,500	-	-	-	-	-	-	7,500
Share based payments	-	-	3,800	-	-	-	-	-	3,800
Exchange gain on translating foreign operation	-	-	-	-	(37,378)	-	-	-	(37,378)
Net loss for the year	-	-	-	-	-	-	-	(1,211,010)	(1,211,010)
Balance at December 31, 2013	**18,167,151**	**$ 13,791,253**	**$ 1,485,400**	**$ 5,007,114**	**$ (6,610)**	**$ -**	**120,000**	**$ (21,528,058)**	**$ (1,130,901)**
Share issued for settlement of debt	4,741,656	237,083	-	-	-	-	-	-	237,083
Fair value assigned to warrants	-	(14,700)	-	14,700	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Cash issue costs	-	(2,180)	-	-	-	-	-	-	(2,180)
Funds transferred to convertible debentures issued	-	-	-	-	-	-	(120,000)	-	(120,000)
Fair value assigned to warrants issued on convertible debentures	-	-	-	58,677	-	-	-	-	58,677
Conversion component of convertible debentures	-	-	-	-	-	84,995	-	-	84,995
Commission on the issuance of convertible debentures	-	-	-	-	-	-	-	-	-
Share based payments	-	-	9,900	-	-	-	-	-	9,900
Exchange gain on translating foreign operation	-	-	-	-	(20,425)	-	-	-	(20,425)
Net income for the period	-	-	-	-	-	-	-	7,878	7,878
Balance at December 31, 2014	**22,908,807**	**$ 14,011,456**	**$ 1,495,300**	**$ 5,080,491**	**$ (27,035)**	**$ 84,995**	**-**	**$ (21,520,180)**	**$ (874,973)**

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

Quia Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,		2014		2013
Operating Activities				
Net income (loss)	$	**7,878**	$	(1,211,010)
Adjustments to reconcile net loss to cash flow from operating activities:				
Share based payments (Note 7)		**9,900**		3,800
Share issued for services		**-**		-
Amortization		**9,345**		12,000
Interest		**14,792**		-
Unrealized foreign exchange loss (gain)		**(2,606)**		(29,879)
Write-down of property, plant and equipment		**37,380**		-
Gain on debt forgiveness		**(20,000)**		-
Gain on settlement of debt (Note 6(b))		**(94,833)**		-
Gain on discontinued operations		**(526,711)**		-
Net change in non-cash working capital items:				
Prepaid expenses		**(22,655)**		86,695
Sales tax receivable		**13,766**		(8,312)
Trade and other payables		**152,674**		52,491
Cash flow used in operating activities		**(421,070)**		(1,094,215)
Financing Activities				
Issue of common shares, net of issue costs		**-**		353,548
Proceeds received for shares to be issued		**-**		120,000
Convertible debentures issued, net of share issue costs		**217,283**		-
Amounts received from (paid to) related parties		**(26,251)**		155,565
Loans received		**27,109**		94,462
Cash flow provided from financing activities		**218,141**		723,575
Cash flow provided from discontinued operations		**193,953**		378,910
Net increase (decrease) in cash		**(8,976)**		8,270
Cash, beginning of year		**9,172**		902
Cash, end of year	$	**196**	$	9,172

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of properties for the mining of agricultural minerals in North America and was up until the sale of the San Lucas property engaged in exploration for precious metals in Colombia. To the extent the Company retains exposure to Colombia; operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations. The address of the Company's registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

The Company is in the process of exploring its exploration properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company's principal project is the Murdock Mountain project in Nevada, USA. Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as potential for problems arising from frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

As at December 31, 2014, the Company has a working capital deficiency of $666,571 (December 31, 2013 - $1,177,626 working capital deficiency), has an accumulated deficit of $21,520,180 (December 31, 2013 - $21,528,058) and has income of $7,878 for the year ended December 31, 2014 (2013 - $(1,211,010)).

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company maintaining its mineral property interest, raising sufficient funds to finance exploration activities, identifying a commercial ore body, developing such mineral property interests, and upon the future profitable production or proceeds from the disposition of the mineral property interest. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities. These circumstances may cast substantial doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's Consolidated Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized by the Board of Directors of the Company on April 30, 2014.

2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.3 Adoption of new and revised standards and interpretations

Standards and interpretations adopted
The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2014. For the purpose of preparing and presenting the Financial Information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

Several other new standards and amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Company.

The nature and impact of each new standard/amendment is described below:

- IAS 32 '*Financial instruments, Presentation'* –is effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company adopted this policy January 1, 2014 and there was no effect on its consolidated financial statements.

- IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. The Company adopted this policy January 1, 2014 and there was no effect on its consolidated financial statements.

- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. Earlier

2. BASIS OF PRESENTATION *(continued)*

2.3 Adoption of new and revised standards and interpretations (continued)

adoption is permitted. The Company adopted this policy January 1, 2014 and there was no effect on its consolidated financial statements.

- IFRIC 21 – Levies ("IFRIC 21") was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted. Earlier adoption is permitted. The Company adopted this policy January 1, 2014 and there was no effect on its consolidated financial statements.

2.4 New and revised standards and interpretations not yet effective

New standards and interpretations not yet effective

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly controlled subsidiaries: Bolivar Gold Corp., QBC Holdings Corp., Kulta Corp., San Lucas Gold Corp. (2013), 2243734 Ontario Ltd Pure Phosphate Inc., and Nevada Agrominerals Inc. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.2 Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

3.3 Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less the estimated residual value, using the straight line method over the following expected useful lives:

- Computer equipment 20%

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE, and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3.4 Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized as its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.5 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments.

In situations where equity instruments are issued to parties other than employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be reliably measured, the transactions are measured at fair value of the instruments.

The costs of share-based payments are measured by reference to the fair value using the Black-Scholes option valuation model at the date on which they are granted.

The costs of share-based payments are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for such transactions at each reporting date until the vesting date and reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The earnings or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserve for share-based payments.

Where the terms of a share-based payment are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

3.6 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.6 Taxation, (continued)

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.7 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Dilution is calculated based on the net number of common shares issued after proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year.

3.8 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through earnings (loss). The Company’s cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost using the effective interest rate method as described below. The Company has not classified any financial assets as loans-and-receivables or as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has not classified any financial assets as available-for-sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.8 Financial assets (continued)

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.9 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables, due to related parties and loans and interest payable are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss. At December 31, 2014 and 2013, the Company has not classified any financial liabilities as FVTPL.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash is considered to be level 1 under the fair value hierarchy.

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

3.10 Impairment of nonfinancial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.10 Impairment of nonfinancial assets

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent of previously recognized impairment losses.

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.12 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the subsidiaries in the consolidated group ("Group") are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of Quia Resources Inc. is the Canadian Dollar ("CDN"), and the functional currency of the subsidiaries is the Colombian Peso ("COL") and the US Dollar ("USD"). The consolidated financial statements are presented in Canadian Dollars which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss. Foreign exchange gains and losses that relate to borrowings and cash are presented in the statement of loss within finance income or cost. All other foreign exchange gains and losses are presented separately on a net basis in the income statement.

The results and financial position of all the entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate in effect on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity as reserves for foreign exchange gains (losses).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.12 Foreign currency transactions (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to reserves for foreign exchange gains (losses). When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of loss as part of the gain or loss on sale.

The balance due to the Company from its foreign subsidiary is considered to be an investment in the capital of the subsidiary and is treated as net investment in a foreign operations.

3.13 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to the useful life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, and impairment testing of assets. The most significant judgements relate to recoverability of capitalized amounts, and recognition of deferred tax assets and liabilities.

In calculating the value of the warrants and options, key estimates such as the volatility of the Company's share price are used. The expected volatility is estimated at 100%, which is comparable to the volatility of similar companies.

4. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment
Cost	
As at January 1, 2013	**83,024**
Additions	-
As at December 31, 2013	**83,024**
Write-down	(83,024)
As at December 31, 2014	**-**
Accumulated Amortization	
As at January 1, 2013	**24,549**
Additions	11,750
As at December 31, 2013	**36,299**
Additions	9,345
Write-down	(45,644)
As at December 31, 2014	**-**
Net Book Value	
As at December 31, 2013	**46,725**
As at December 31, 2014	**-**

5. INTEREST IN MINERAL PROPERTIES

San Lucas Property

On October 26, 2007, the Company acquired 17 mineral properties in Bolivar, Colombia for $500,000. In exchange for this non-monetary transaction, the Company issued 10,000,000 common shares at a market price of $0.05 per share, to the vendor of the claims.

On September 13, 2008, the Company entered into an agreement with the Mining Federation from the Bolivar Department for the exploitation and exploration of the mining sites mentioned in the agreement. This agreement has been terminated by the parties.

On June 19, 2014, the Company entered into an agreement with Enneract Corporation ("Enneract"), a private Panamanian company, to sell 100% of the issued and outstanding shares of its subsidiary, San Lucas Gold Corp, which holds the San Lucas gold property in Columbia.

Under the terms of the agreement, Quia will receive a number of common shares resulting in an equity ownership of 5% of Enneract, as well as a 2% smelter return royalty, of which Enneract can buy back half for US $500,000.

5. INTEREST IN MINERAL PROPERTIES, (continued)

Murdock Mountain Property:

On November 11, 2013 the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada.

Under the terms of the option agreement and subject to closing the acquisition, Quia will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Quia has earned 10% by funding $102,000, which has been paid towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Quia shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension. The option agreement has been further amended on October 9, 2014 to extend the earn-in time by 6 months and provides for further automatic extensions based upon the timelines for the Bureau of Land Management to conclude their sage grouse study being conducted for the State of Nevada, and Northeastern California, which encompasses the Murdock Mountain area.

On October 9, 2014, the Company contributed $26,500 towards the aforementioned option agreement.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

	Number of Shares	Stated Value
COMMON SHARES		
Balance, January 1, 2013	**10,553,151**	**13,431,505**
Private placement of units - September 23, 2013 - $0.005 (iv)	7,014,000	350,700
Private placement of units - September 26, 2013 - $0.005 (iv)	450,000	22,500
Cost of issuance	-	-
Cash commissions paid	-	(19,652)
Fair market value assigned to broker warrants	-	(1,300)
Shares issued for services	150,000	7,500
Balance, December 31, 2013	**18,167,151**	**13,791,253**
Shares issued for debt	4,741,656	237,083
Cost of issuance		
Cash issue costs	-	(2,180)
Fair market value assigned to broker warrants	-	(14,700)
Balance, December 31, 2014	**22,908,807**	**14,011,456**

* On June 10, 2014, the Company consolidated its common shares on the basis of one new common share for ten old common shares.

6. SHARE CAPITAL, (continued)

Under the requirement of the TSX Venture exchange, 2,444,944 common shares held by directors and officers are held in escrow. 10% of these shares will be released from escrow on the date of the exchange bulletin and the remainder in allotments of 366,741 in 6, 12, 18, 24, 30 and 36 months following the date of the exchange bulletin. As at December 31, 2014, 2,444,944 (December 31, 2013 – 2,078,199) shares have been released.

(i) On September 23, 2013 and September 26, 2013, the Company issued 70,140,000 (post consolidation 7,010,400) shares and 4,500,000 (post consolidation 450,000) shares at $0.005 pursuant to a private placement for gross proceeds of $373,200.

The Company paid a cash finder's fee of $19,652 and issued 3,307,200 (post consolidation 330,720) compensation warrants ("agent warrants"). Each agent warrant is exercisable for one share at a price of $0.05 expiring after 24 months.

The fair value of the 3,307,200 (post consolidation 330,720) agent warrants was estimated at $1,300 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.21%; volatility 100% and an expected life of 2 years.

Volatility on the above warrant valuations was based on the volatility of similar companies.

(ii) On June 10, 2014, the Company settled $331,916 in debt through the issuance of 4,741,656 common shares. The common shares were valued at $237,083 based on the stock market price on the date of settlement. As a result, the Company recorded a gain on settlement of debt of $94,833 for the year ended December 31, 2014.

(c) Shares to be issued

As at December 31, 2014, consideration of $nil (December 31, 2013 - $120,000) had been received pertaining to share subscriptions to be settled after the year end. The consideration received as of December 31, 2013 was transferred to debentures issued during the year ended December 31, 2014.

7. SHARE BASED PAYMENTS

Quia established a stock option plan to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options vest immediately, unless otherwise stated, and expire on the fifth anniversary from the date of issue unless otherwise specified.

7. SHARE BASED PAYMENTS, (continued)

A summary of stock options issued and outstanding is as follows:

		December 31, 2014			December 31, 2013	
		Weighted Average Exercise Price	**Number of Options**		Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period/year	**$**	**5.46**	**315,950**	$	0.53	4,159,500
Transaction during the period/year:						
Consolidation 10:1		**-**	**-**		4.77	(3,743,550)
Post consolidation	**$**	**5.46**	**315,950**		5.30	415,950
Granted		**0.10**	**1,525,000**		-	-
Expired		**6.00**	**(195,000)**		5.00	(100,000)
Outstanding at end of year		**0.48**	**1,645,950**		5.46	315,950
Exercisable at end of year	**$**	**0.48**	**1,645,950**	$	5.46	315,950

The following table provides additional information about outstanding stock options at December 31, 2014:

	No. of Options Outstanding	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**		**Weighted Average Exercise Price – Exercisable Options**
$ 0.10	**1,525,000**	**4.58**	**$**	**0.10**	**1,525,000**	**$**	**0.10**
$ 1.50 – 3.00	**25,950**	**0.19**	**$**	**1.50**	**25,950**	**$**	**1.50**
$ 6.00 – 6.50	**95,000**	**1.15**	**$**	**6.26**	**95,000**	**$**	**6.26**
$ 1.50 - $6.50	**1,645,950**	**4.31**	**$**	**0.48**	**1,645,950**	**$**	**5.40**

Share based payments

During the year ended December 31, 2014, $9,900 of share based payments expense was recognized in relation to the vesting of the options issued on July 17, 2014.

During the year ended December 31, 2013, $3,800 of share based payments expense was recognized in relation to the vesting of the options issued on April 1, 2011.

Year ended		**December 31, 2014**		December 31, 2013
Balance at beginning of year	**$**	**1,485,400**	$	1,481,600
Options issued		**9,900**		3,800
Balance at end of year	**$**	**1,495,300**	$	1,485,400

8. WARRANTS

Month of Expiry	No. of Warrants	Exercise Price
		($)
September 23, 2015	294,720	0.50
September 26, 2015	36,000	0.50
June 10, 2016	818,166	0.10
June 17, 2017	2,268,689	0.15
	3,417,575	

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2014:

Grant date	June 10, 2014	June 17, 2014	Totals
No. of warrants	818,166	2,268,689	3,086,855
Exercise price	$ 0.10	$ 0.15	
Share/unit price	$ 0.05	$ 0.06	
Expected life in years	2	3	
Volatility	100%	100%	
Risk-free interest rate	1.08%	1.20%	
Dividend yield	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2013:

Grant date	September 23, 2013	September 26, 2013	Totals
No. of warrants	294,720	36,000	330,720
Exercise price	$ 0.50	$ 0.50	
Share/unit price	$ 0.05	$ 0.05	
Expected life in years	2	2	
Volatility	100%	100%	
Risk-free interest rate	1.21%	1.22%	
Dividend yield	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

Year ended	**December 31, 2014**	December 31, 2013
Balance at beginning of year	**$ 5,007,114**	5,005,814
Warrants issued	**73,377**	1,300
Balance at end of year	**$ 5,080,491**	$ 5,007,114

9. SEGMENTED INFORMATION

Operating Segments

Quia is in the business of mineral exploration in Colombia and the United States of America. As such, management has organized the Company's reportable segments by geographic area. The Colombia segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Quia's reportable segments is as follows:

	December 31, 2014	December 31, 2013
	$	$
Consolidated net (income) loss		
Canada	**274,999**	529,663
United States of America	**36,208**	125,081
Colombia	**(319,085)**	556,266
	(7,878)	1,211,010
Significant non-cash items		
Share based payments		
Canada	**9,900**	3,800
	9,900	3,800

As at,	**December 31, 2014**	December 31, 2013
Total assets		
Canada	**29,790**	76,602
Colombia	**-**	68,602
	29,790	145,204

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2014, $16,200 (2013 - $16,200) was paid for rent to FMI Advisory Capital Inc. (formerly Foundation Opportunities Inc.) ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2014 included in due to related parties is $28,442 (December 31, 2013 - $28,606) payable to FMI.

During the year ended December 31, 2014, $8,000 (2013 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry") for CFO, book keeping and administrative services, a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. As of February 2014, the agreement has been terminated. At December 31, 2014 included due to related parties is $22,600 (December 31, 2013 - $75,400) payable to Cavalry.

During the year ended December 31, 2014, $25,300 (2013 - $14,961) in legal fees were incurred for services provided by a law firm in which the Treasurer and Director of the Company is a partner. At December 31, 2014, included in due to related parties is $54,583 (December 31, 2013 - $32,488) payable to this law firm.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

During the year ended December 31, 2014, $nil (2013 - $nil) was paid to the former VP of exploration. As at December 31, 2014, $nil (December 31, 2013, $28,840) is included in due to related parties payable to this former VP.

During the year ended December 31, 2014, $nil (2013 - $12,000) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2014, due to related parties included $7,431 (December 31, 2013 - $26,526) payable to this individual.

During the year ended December 31, 2014, $45,200 (2013 - $45,500) was paid for services to the chief executive officer (the "CEO"). As at December 31, 2014, $95,500 (December 31, 2013, $99,446) is payable to the CEO and is included in due to related parties.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement which includes the services of the Company's Chief Financial Officer. Branson is an entity in which FMI owns 49% of the shares. During the year ended December 31, 2014, $56,500 (2013 - $nil) in management, accounting and administrative services were provided by Branson. As at December 31, 2014 $56,500 (December 31, 2013 - $nil) is included in due to related parties.

During the year ended December 31, 2014, $nil (2013 - $30,000) was paid for services to the former chief financial officer. As at December 31, 2014, $60,200 (December 31, 2013 - $60,200) is included in due to related parties.

In 2012, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2014, $37,500 (December 31, 2013 - $30,000) is included in loans and interest payable relating to principal. The loan is currently in default.

As of December 31, 2014, $46,000 and $4,600 respectively (December 31, 2013 - $112,000) is outstanding as loans and interest due to various directors. The loans are non-secured, bear interest at the rate of 10% per annum and are payable at the closing of financing.

Over the course of 2012 to 2014, the Company received loans of $269,200 from the CEO. The loans are non-secured and bear interest at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2014, $165,800 (December 31, 2013 - $152,978) is included in loans and interest payable relating to principal.

During the year the company issued $340,286 in convertible debentures. Of this amount, $79,000 in debentures was purchased by directors of the Company. $75,000 was purchased by a company in which one of the director's is the chief executive officer; and, $80,000 in debentures was issued to an individual who is related to a director. The terms of these debentures can be found in note 18.

During the year ended December 31, 2014, 3,105,525 shares were issued to related parties for settlements of outstanding fees and loans to the following: $94,030 to Foundation Opportunities Inc., $61,840 to Cavalry Corporate Solutions, $19,095 to William Richard Brown, $34,798 to Iain Kelso and $7,610 to Ping Lin.

In prior years, the Company received non-secured, loans payable from a former director in the amount of $17,500, bearing interest at 10% per annum. The total outstanding amount as at December 31, 2013 was $17,500 included in due to related parties. In 2014, $17,500 in loans payable plus accrued interest of $800 was converted into convertible debentures.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

All key management compensation has been included above.

11. CONVERTIBLE DEBENTURES

On June 17, 2014, the Company closed its non-brokered private placement of secured convertible debentures (the "Debentures") for total gross proceeds of $340,286. These debentures were issued at face value and are convertible, at the option of the holder, at any time prior to the maturity date, into common shares of the Company at a conversion price equal to $0.10 per common share. The debentures mature 3 years from the closing date. The debentures are secured by the shares currently owned by the Company in the capital stock of 2243734 Ontario Ltd which owns the Company's interest in the Murdock Mountain property.

The rate of interest on the Debentures is 14% per annum, payable semi-annually in common shares of the Company on December 31, and June 30, of each year beginning on December 31, 2014.

As an incentive for purchasing Debentures, the Company issued to subscribers 6,667 bonus warrants for every $1,000 of Debentures purchased, which resulted in the issuance 2,268,689 bonus warrants. Each bonus warrant is exercisable into shares at a price of $0.15 per Share (post-Consolidation), for a period of 3 years from the closing date and had a value of $58,678 (see note 9 for estimates used in the valuation of warrants). The warrant value of $58,678 has been recognized in equity for the year ended December 31, 2014.

The debentures are classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being amortized over the term of the debenture utilizing the effective interest rate method at a 39.4% per annum discount rate.

The following table reflects the continuity of convertible debentures for the year ended December 31, 2014.

Year ended,	December 31, 2014
Debentures issued	$ 340,286
Transaction costs relating to convertible debentures - warrants	(58,678)
Transaction costs relating to convertible debentures - cash	(3,003)
Conversion component of convertible debenture – net of issue cost	(84,995)
Interest expense	14,792
	$ 208,402

12. INCOME TAXES

Provision for Income Taxes

The reported income taxes differ from the amounts obtained by applying domestic rates of 26.50% (2013 – 26.50%) to the net loss as follows:

		2014		2013
Components of the income tax provision:				
Income taxes at statutory tax rates	**$**	**15,000**	$	(309,000)
Difference between Canadian and foreign tax rates		**(13,000)**		(12,000)
Changes in current and future tax rates and other		**-**		-
Share issue costs		**(83,000)**		(83,000)
Stock based compensation, and other non deductible expenses		**3,000**		(30,000)
Change in tax benefits not recognized		**78,000**		434,000
Income tax expense	**$**	**-**	$	-

Deferred Income Taxes

The primary differences which give rise to the deferred income tax recoveries at December 31, 2014 and December 31, 2013 are as follows:

		2014		2013
Deferred income tax assets:				
Share issuance costs	$	79,000	$	162,000
Mineral properties and other		3,378,000		3,376,000
Operating losses carried forward		2,959,000		2,869,000
		6,416,000		6,407,000
Less: valuation allowance		(2,711,000)		(6,407,000)
Add: valuation allowance from discontinued operations		(3,705,000)		-
Net deferred tax assets	$	-	$	-
Deferred income tax liabilities:				
Other	$	-	$	-
Net deferred tax liabilities	$	-	$	-

Deferred income tax assets have not been recognized due to the uncertainty of realization.

12. INCOME TAXES (continued)

Tax Losses Carried Forward

The Company has accumulated non-capital losses for income tax purposes, which can be carried forward to be applied against future taxable income. The right to use the losses expires as follows:

2027	$ 81,852
2028	918,464
2029	889,768
2030	1,924,482
2031	1,351,825
2032	1,232,242
2032	817,563
No expiry	663,316
	$ 7,879,512

13. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value;
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

As at December 31, 2014, the Company's capital consists of share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses) and deficit in the amount of $(874,973) (December 31, 2013 - $(1,130,901)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2014. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of due to related parties and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2014, the Company had a cash balance of $196 (December 31, 2013 - $9,172) to settle current liabilities of $696,361 (December 31, 2013 - $1,276,105).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company cannot ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements (see note 1).

Foreign Currency Risk

The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

a) Political Risk

The Company has mining and exploration operations in the US and Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

13. FINANCIAL AND OTHER RISK FACTORS (continued)

Future political and economic conditions in the US and Colombia may result in its government adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

Property Risk

The Company's significant mineral properties include the Murdock Mountain project and the San Lucas project as described in Note 7. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing property interests. If no additional major properties are acquired by the Company, any adverse development affecting the Company's property would have a materially adverse effect on the Company's financial condition and results of operations.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts payable, due to related parties, loans and interest payable that are denominated in Colombian pesos. As at December 31, 2014, had the Canadian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Company’s comprehensive loss for the year ended December 31, 2014 would have been approximately $3,982 higher/lower respectively as a result of foreign exchange losses/gains on translation of Colombian peso denominated financial instruments.

(ii) Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	December 31, 2014	December 31, 2013
Less than 1 month	$ **3,198**	$ 2,207
1 to 3 months	**12,366**	6,189
Over 3 months	**101,144**	209,944
Total Trade and Other Payables	$ **116,708**	$ 218,340

14. DISCONTINUED OPERATIONS

On June 19, 2014, the Company entered into an agreement to sell its wholly-owned subsidiary, San Lucas Gold Corp. ("San Lucas"), to Enneract Corporation ("Enneract"), a private Panamanian company. San Lucas Gold Corp holds 100% of Quia's Colombia-based mining interests. The transaction closed on July 18, 2014.

Pursuant to the terms of the agreement, Quia will receive a number of common shares equaling $1 and resulting in an equity ownership of 5% of Enneract, as well as a 2% net smelter return royalty, of which Enneract can buy back half for US$ 500,000. In addition, Quia has a right to participate in financings of Enneract to maintain its pro-rata position and a right of first refusal with respect to the sale or transfer of the property into a joint venture.

Assets and liabilities related to San Lucas have been classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell in the consolidated statements of financial position. The operating results for year ended December 31, 2014 and 2013 related to San Lucas have been presented separately as the loss from discontinued operations in the consolidated statements of income and comprehensive loss.

During the year ended December 31, 2014, the Company recognized a gain on disposal of $526,711 that resulted from the estimated fair value of the consideration received in the transaction exceeding the carrying value of the San Lucas net liabilities, measured at July 18, 2014. The gain on disposal has been included in net earnings from discontinued operations in the consolidated statements of income and comprehensive loss.

The carrying value of major classes of assets and liabilities as well as fair value of consideration received as at the date of disposal were as follows:

Cash	$	(19,647)
Prepaid expenses		17,035
Property, plant and equipment		31,005
Trade and other payables		(528,417)
Provisions		(26,688)
Net carrying value	$	(526,712)
Enneract shares	$	1
2% net smelter return royalty		-
Total fair value of consideration received	$	1

The Company determined the fair value of the 2% net smelter return royalty using a valuation model, which is based upon on the combined free cash flow expected to be generated from the San Lucas mine.

14. DISCONTINUED OPERATIONS (continued)

The breakdown of the gain (loss) for the year ended December 31, 2014 and 2013 from discontinued operations is as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
	$	$
Exploration and evaluation	**(105,964)**	(321,478)
Office and general	**(57,343)**	(206,563)
Management and consulting	**(10,153)**	-
Salaries and benefits	**(26,047)**	(26,467)
Foreign exchange	**(8,119)**	(1,758)
Loss from discontinued operations	**(207,626)**	(556,266)
Gain on disposal	**526,711**	-
Net earnings (loss) from discontinued operations	**319,085**	(556,266)

QUIA RESOURCES INC.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended
December 31, 2013 and 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Quia Resources Inc., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Yanis Banks" (signed)
__________________________, CEO
Yannis Banks

"Marco Guidi" (signed)
_____________________, CFO
Marco Guidi

MNP LLP

Independent Auditor's Report

To the Shareholders of Quia Resources Inc.

We have audited the accompanying consolidated financial statements of Quia Resources Inc., which comprise the statement of financial position as at December 31, 2013, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Quia Resources Inc. as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Quia Resources Inc.'s ability to continue as a going concern.

Other Matters

The consolidated financial statements as at December 31, 2012 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their audit report dated April 29, 2013.

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 30, 2014

Quia Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		December 31, 2013		December 31, 2012
Assets				
Current Assets				
Cash	$	**16,874**	$	46,596
GST/HST and other receivables (Note 13)		**17,346**		9,034
Prepaid expenses (Note 14)		**28,195**		393,484
		62,415		449,114
Property, plant and equipment (Note 6)		**82,789**		107,053
	$	**145,204**	$	556,167
Liabilities				
Current Liabilities				
Trade and other payables (Note 15)	$	**593,591**	$	491,604
Provisions (Note 18)		**26,109**		25,546
Due to related parties (Note 17)		**351,506**		195,941
Loans and interest payable (Note 17)		**304,899**		210,437
		1,276,105		923,528
Shareholders' Deficiency				
Share capital (Note 8 (b))		**13,791,253**		13,431,505
Shares to be issued (Note 8 (c))		**120,000**		-
Reserve for warrants (Note 10 & 12)		**5,007,114**		5,005,814
Reserve for share based payments (Note 9 & 11)		**1,485,400**		1,481,600
Reserve for foreign exchange gains (losses)		**(6,610)**		30,768
Accumulated deficit		**(21,528,058)**		(20,317,048)
		(1,130,901)		(367,361)
	$	**145,204**	$	556,167

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 16)
Subsequent Events (Note 20)

Approved on behalf of the Board of Directors on April 30, 2014:

"Yannis Banks" (signed) — *CEO and Director*

"Adam Szweras" (signed) — *Director*

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

Quia Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,	2013	2012
Expenses		
Exploration and evaluation expenses	$ **495,608**	$ 2,602,232
Office and general	**405,427**	493,385
Management and consulting	**180,912**	476,377
Salaries and benefits	**63,967**	95,314
Professional fees	**52,014**	150,182
Travel and promotion	**29,701**	72,475
Share based payments (Note 9)	**3,800**	38,700
Foreign exchange (gain) loss	**(20,419)**	103,768
Net loss before the undernoted	**(1,211,010)**	(4,032,433)
Gain on settlement of debt (Note 8(b))	**-**	63,415
Net loss	**(1,211,010)**	(3,969,018)
Other comprehensive loss		
Items that will be reclassified subsequently to loss		
Exchange differences on translating foreign operations	**(37,378)**	51,996
Total comprehensive loss	**(1,248,388)**	(3,917,022)
Loss per share-basic and diluted	$ **(0.010)**	$ (0.045)
Weighted average number of shares outstanding	**126,153,422**	88,639,820

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

Quia Resources Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Shares to be issued	Deficit	Total
Balance at December 31, 2011	**62,198,164**	**$ 10,883,159**	**$ 1,442,900**	**$ 3,385,814**	**$ (21,228)**	**$ 106,773**	**$ (16,348,030)**	**$ (550,612)**
Private placements	34,497,875	4,058,227	-	-	-	(106,773)	-	3,951,454
Shares issued for settlement of debt	8,835,465	378,358	-	-	-	-	-	378,358
Warrants issued on private placement		(1,520,000)	-	1,520,000	-	-	-	-
Cost of issuance								
Cash commission paid		(268,239)	-	-	-	-	-	(268,239)
Fair value assigned to broker warrants		(100,000)	-	100,000	-	-	-	-
Share based payments		-	38,700	-	-	-	-	38,700
Exchange loss on translating foreign operation		-	-	-	51,996	-	-	51,996
Net loss for the year		-	-	-	-	-	(3,969,018)	(3,969,018)
Balance at December 31, 2012	**105,531,504**	**$ 13,431,505**	**$ 1,481,600**	**$ 5,005,814**	**$ 30,768**	**$ -**	**$ (20,317,048)**	**$ (367,361)**
Private placements	74,640,000	373,200	-	-	-	-	-	373,200
Funds received for shares to be issued		-	-	-	-	120,000	-	120,000
Cost of issuance								
Cash commission paid		(19,652)	-	-	-	-	-	(19,652)
Fair value assigned to broker warrants		(1,300)	-	1,300	-	-	-	-
Shares issued for services	1,500,000	7,500	-	-	-	-	-	7,500
Share based payments		-	3,800	-	-	-	-	3,800
Exchange gain on translating foreign operation		-	-	-	(37,378)	-	-	(37,378)
Net loss for the year		-	-	-	-	-	(1,211,010)	(1,211,010)
Balance at December 31, 2013	**181,671,504**	**$ 13,791,253**	**$ 1,485,400**	**$ 5,007,114**	**$ (6,610)**	**$ 120,000**	**$ (21,528,058)**	**$ (1,130,901)**

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

Quia Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,	2013	2012
Operating Activities		
Net loss	$ **(1,211,010)**	$ (3,969,022)
Adjustments to reconcile net loss to cash flow from operating activities:		
Share based payments (Note 9)	**3,800**	38,700
Shares issued for services	**7,500**	-
Gain on settlement of debt (Note 8(b))	**-**	(63,415)
Amortization	**22,555**	27,653
Unrealized foreign exchange loss (gain)	**(35,106)**	48,750
Net change in non-cash working capital items:		
Prepaid expenses	**365,289**	(121,482)
GST/HST and other receivables	**(8,312)**	5,482
Trade and other payables	**101,987**	(15,617)
Cash flow used in operating activities	**(753,297)**	(4,048,951)
Financing Activities		
Issue of common shares, net of issue costs	**353,548**	3,683,215
Proceeds received for shares to be issued	**120,000**	-
Amounts received from (paid to) related parties	**155,565**	70,898
Loans received	**94,462**	382,900
Loan repayments	**-**	(108,038)
Cash flow provided from financing activities	**723,575**	4,028,975
Investing Activities		
Purchase of property, plant and equipment	**-**	(4,546)
Cash flow used in investing activities	**-**	(4,546)
Net increase in cash	**(29,722)**	(24,522)
Cash, beginning of year	**46,596**	71,118
Cash, end of year	$ **16,874**	$ 46,596

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of properties for the mining of precious metals and agricultural minerals in Colombia and the United States of America. The Company’s operations in Colombia are affected by Colombia’s political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company’s operations. The address of the Company’s registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

The Company is in the process of exploring its exploration properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company’s principal projects are the San Lucas property in Colombia and Murdock Mountain in Nevada. The underlying value of the resource properties and the recoverability of the future exploration costs are entirely dependent on the existence of one or more economically recoverable reserves, confirmation of the Company's interest in the underlying claims, and the Company’s ability to obtain the necessary financing to complete the exploration, development and future profitable production. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Changes in future conditions could require material write-downs of the carrying values.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as potential for problems arising from frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company maintaining its mineral property interest, raising sufficient funds to finance exploration activities, identifying a commercial ore body, developing such mineral property interests, and upon the future profitable production or proceeds from the disposition of the mineral property interest. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities. These circumstances may cast substantial doubt as to the Company’s ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern

As at December 31, 2013 the Company has a working capital deficiency of $1,213,690 (December 31, 2012 - $474,414 working capital deficiency), has an accumulated deficit of $21,528,058 (December 31, 2012 - $20,317,048) and has incurred losses of $1,211,010 for the year ended December 31, 2013 (2012 - $3,969,018.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's Consolidated Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized by the Board of Directors of the Company on April 30, 2014.

2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.3 Adoption of new and revised standards and interpretations

Standards and interpretations adopted
The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. For the purpose of preparing and presenting the Financial Information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Company or the interim consolidated financial statements of the Company.

The nature and impact of each new standard/amendment is described below:

- IAS 1 - Presentation of Financial Statements ("IAS 1") was amended by the IASB in June 2011. Items in other comprehensive loss will be required to be presented in two categories: items that might be reclassified into earnings or loss and those that will not be reclassified. The flexibility to present statement of comprehensive loss as one statement or two separate statements of earnings and loss and other comprehensive loss remains unchanged. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

  IFRS 10 *Consolidated Financial Statements and* IAS 27 *Separate Financial Statements* IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replace the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over the investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investors returns. This standard is effective for years beginning on or after January 1, 2013. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations (continued)

- IFRS 11 - Joint Arrangement ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and exposure to variable returns from an investee; and the ability to use power (under joint control) to affect the reporting entity's returns. For entities with the rights to the net assets of an arrangement, equity accounting is used. This standard is effective for years beginning on or after January 1, 2013. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

- IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. This standard is effective for years beginning on or after January 1, 2013. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

- IFRS 13 *Fair Value Measurement.* IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value and related disclosure through a fair value hierarchy under IFRS when fair value is required or permitted. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

- IAS 27 - Separate Financial Statements ("IAS 27") was effective for annual periods beginning on or after January 1, 2013, as a result of the issue of IFRS 10, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Company adopted this policy January 1, 2013 and there was no effect on its consolidated financial statements.

New standards and interpretations

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which are not yet effective and which the Company has not early adopted. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations (continued)

- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of lAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the lAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

- IAS 32 '*Financial instruments, Presentation' –*is effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

- IAS 36 – Impairments of Assets (“IAS 36”) was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

- IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”) was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

- IFRIC 21 – Levies (“IFRIC 21”) was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly controlled subsidiaries: Bolivar Gold Corp, Colombian Mining Corp, QBC Holdings Corp, Kulta Corp, San Lucas Gold Corp, 2243734 Ontario Limited and Nevada Agrominerals Inc. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Subsidiaries are consolidated when control commences until it ceases.

All intra-Company transactions, balances, income and expenses are eliminated in full on consolidation.

3.2 Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

3.3 Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight line method over the following expected useful lives:

- Computer equipment 20%
- Furniture and fixtures 10%

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.3 Property, plant and equipment (“PPE”), (continued)

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE, and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3.4 Decommissioning, restoration and similar liabilities (“Asset retirement obligation” or “ARO”)

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized as its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. As at December 31, 2013, no liability for restoration exists.

3.5 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued to parties other than employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be reliably measured, the transactions are measured at fair value of the instruments.

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value using the Black-Scholes option valuation model at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date and reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The earnings or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserve for share based payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.5 Share based payments, (continued)

Equity settled transactions, (continued)
No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

3.6 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting earnings nor taxable earnings or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.6 Taxation, (continued)

Deferred income tax, (continued)
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting earnings nor taxable earnings or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.7 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Dilution is calculated based on the net number of common shares issued after proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year. During the year ended December 31, 2013 and 2012 all the outstanding stock options and warrants were anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.8 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through earnings (loss). The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost using the effective interest rate method as described below. The Company has not classified any financial assets as loans-and-receivables or as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has not classified any financial assets as available-for-sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.9 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables, due to related parties and loans and interest payable are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss. At December 31, 2013 the Company has not classified any financial liabilities as FVTPL.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash is considered to be level 1 under the fair value hierarchy.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.10 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on an asset carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in earnings (loss).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in earnings (loss).

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in earnings and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale
If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in earnings or loss, is transferred from equity to earnings or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in earnings or loss.

3.11 Impairment of nonfinancial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.11 Impairment of nonfinancial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.14 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to the life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, and impairment testing of assets. The most significant judgements relate to recoverability of capitalized amounts, and recognition of deferred tax assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.15 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the subsidiaries in the consolidated group ("Group") are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of Quia Resources Inc. is the Canadian Dollar ("CDN"), and the functional currency of the subsidiaries in the Group is the Colombian Peso ("COL") and the US Dollar ("USD"). The consolidated financial statements are presented in Canadian Dollars which is the Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss. Foreign exchange gains and losses that relate to borrowings and cash are presented in the statement of loss within finance income or cost. All other foreign exchange gains and losses are presented separately on a net basis in the income statement.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity as reserves for foreign exchange gains (losses).

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to reserves for foreign exchange gains (losses). When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of loss as part of the gain or loss on sale.

The balance due to the Company from its foreign subsidiary is considered to be an investment in the capital of the subsidiary and is treated as net investment in a foreign operations.

4. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value;
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

As at December 31, 2013, the Company's capital consists of share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses) and deficit in the amount of $(1,130,901) (December 31, 2012 - $(367,361)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2013. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of due to related parties and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

5. FINANCIAL AND OTHER RISK FACTORS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2013, the Company had a cash balance of $16,874 (December 31, 2012 - $46,596) to settle current liabilities of $1,276,105 (December 31, 2012 - $923,528).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company cannot ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements (see note 1).

Market Risks

a) Interest Rate Risk
The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt; changes in interest rates could result in fair value risk on the Company's fixed rate debt.

b) Foreign Currency Risk
The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

Other Risk Factors

a) Political Risk
The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

5. FINANCIAL AND OTHER RISK FACTORS (continued)

Future political and economic conditions in Colombia may result in its government adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

b) Property Risk
The Company's significant mineral property is the San Lucas Gold Corp property as described in Note 7. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing property interests. If no additional major properties are acquired by the Company, any adverse development affecting the Company's property would have a materially adverse effect on the Company's financial condition and results of operations.

c) Commodity Price Risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2013, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity Analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loans receivable, accounts payable, due to related parties, loans and interest payable that are denominated in Colombian pesos. As at December 31, 2013, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company’s comprehensive loss for the year ended December 31, 2013 would have been approximately $20,800 higher/lower respectively as a result of foreign exchange losses/gains on translation of Colombian peso denominated financial instruments.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fixtures	Computer Equipment	Total
Cost			
As at December 31, 2011	**8,284**	**136,991**	**145,275**
Additions	4,546	-	4,546
Effects of foreign exchange	618	3,849	4,467
As at December 31, 2012	**13,448**	**140,840**	**154,288**
Effects of foreign exchange	(777)	(953)	(1,730)
As at December 31, 2013	**12,671**	**139,887**	**152,558**
Accumulated Amortization			
As at December 31, 2011	**2,079**	**17,050**	**19,129**
Additions	2,228	25,425	27,653
Effects of foreign exchange	69	384	453
As at December 31, 2012	**4,376**	**42,859**	**47,235**
Additions	1,108	21,447	22,555
Effects of foreign exchange	(619)	598	(21)
As at December 31, 2013	**4,865**	**64,904**	**69,769**
Net Book Value			
As at December 31, 2011	**6,205**	**119,941**	**126,146**
As at December 31, 2012	**9,072**	**97,981**	**107,053**
As at December 31, 2013	**7,806**	**74,983**	**82,789**

7. INTEREST IN MINERAL PROPERTIES

On October 26, 2007, the Company acquired 17 mineral properties in Bolivar, Colombia for $500,000. In exchange for this non-monetary transaction, the Company issued 10,000,000 common shares at a market price of $0.05 per share, to the vendor of the claims.

On September 13, 2008, the Company entered into an agreement with the Mining Federation from the Bolivar Department for the exploitation and exploration of the mining sites mentioned in the agreement. This agreement has been terminated by the parties.

7. INTEREST IN MINERAL PROPERTIES, (continued)

On November 11, 2013 the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada.

Under the terms of the option agreement and subject to closing the acquisition, Quia will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Quia can earn 10% by funding $102,000 (paid) towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Quia shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension.

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

	Number of Shares	Stated Value
COMMON SHARES		
Balance, December 31, 2011	**62,198,164**	**10,883,159**
Private placement of units - January 6, 2012 - $0.15 (i)	23,333,333	3,500,000
Private placement of units - October 25, 2012 - $0.05 (ii)	2,706,742	135,337
Private placement of units - October 31, 2012 - $0.05 (iii)	8,457,800	422,890
Share issued for settlement of debt (ii), (iii)	8,835,465	378,358
Warrants issued on private placement	-	(1,520,000)
Cost of issuance		
Cash commissions paid	-	(268,239)
Fair market value assigned to broker warrants	-	(100,000)
Balance, December 31, 2012	**105,531,504**	**13,431,505**
Private placement of units - September 23, 2013 - $0.005 (iv)	70,140,000	350,700
Private placement of units - September 26, 2013 - $0.005 (iv)	4,500,000	22,500
Cost of issuance		
Cash commissions paid	-	(19,652)
Fair market value assigned to broker warrants	-	(1,300)
Shares issued for services	1,500,000	7,500
Balance, December 31, 2013	**181,671,504**	**13,791,253**

Under the requirement of the TSX Venture exchange, 2,444,944 common shares held by directors and officers are held in escrow. 10% of these shares will be released from escrow on the date of the exchange bulletin and the remainder in allotments of 366,741 in 6, 12, 18, 24, 30 and 36 months following the date of the exchange bulletin. As at December 31, 2013, 2,078,199 (December 31, 2012 – 1,344,717) shares have been released.

8. SHARE CAPITAL, (continued)

(i) On January 6, 2012, the Company issued 23,333,334 units at $0.15 pursuant to a private placement for gross proceeds of $3,500,000. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.30 per share, expiring on January 6, 2014.

The fair value of the 11,666,671 share purchase warrants was estimated at $1,404,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; share price of $0.25; and an expected life of 2 years.

The Company paid a cash finder's fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers and 3% on certain proceeds raised by the corporation. In addition, the Company issued 1,242,250 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder and 3% of certain units brought in by the corporation. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.15 expiring after 24 months.

The fair value of the 1,242,250 agent warrants was estimated at $98,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; unit price of $0.15; and an expected life of 2 years.

(ii) On October 25, 2012, the Company issued 5,200,661 units at $0.05 pursuant to a private placement for gross proceeds of $260,033. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 25, 2014. The issuance included settlement of debt in the amount of $124,696 for 2,493,919 units to related parties. The Company did not incur a gain or loss on settlement of debt.

The fair value of the 2,600,331 share purchase warrants was estimated at $37,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100%; share price of $0.05; and an expected life of 1.5 years.

The Company paid a cash finder's fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers. In addition, the Company issued 67,672 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.05 per unit expiring after 18 months.

The fair value of the 67,672 agent warrants was estimated at $2,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100% and an expected life of 1.5 years.

(iii) On October 31, 2012, the Company issued 13,519,346 units at $0.05 and 1,280,000 shares at $0.05 pursuant to a private placement for gross proceeds of $739,967. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 30, 2014. The issuance included settlement of debt in the amount of $317,077 for 5,061,546 units to unrelated parties and 1,280,000 common shares issued to insiders and related parties. The Company realized a gain on settlement of debt of $63,415 (December 31, 2011 - $nil) during the year ended December 31, 2012.

8. SHARE CAPITAL, (continued)

The fair value of the 6,759,673 share purchase warrants was estimated at $79,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.08%; volatility 100% and an expected life of 1.5 years.

(iv) On September 23, 2013 and September 26, 2013, the Company issued 70,140,000 shares and 4,500,000 shares at $0.005 pursuant to a private placement for gross proceeds of $373,200.

The Company paid a cash finder's fee of $19,652 and issued 3,307,200 compensation warrants ("agent warrants"). Each agent warrant is exercisable for one share at a price of $0.05 expiring after 24 months.

The fair value of the 3,307,200 agent warrants was estimated at $1,300 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.21%; volatility 100% and an expected life of 2 years.

Volatility on the above warrant valuations was based on the volatility of similar companies.

(c) Shares to be issued

As at December 31, 2013, consideration of $120,000 (December 31, 2012 - $nil) had been received pertaining to share subscriptions to be settled after the year end. The shares will be settled at $0.08.

9. SHARE BASED PAYMENTS

Quia established a stock option plan to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options vest immediately, unless otherwise stated, and expire on the fifth anniversary from the date of issue unless otherwise specified.

A summary of stock options issued and outstanding is as follows:

	December 31, 2013			December 31, 2012		
		Weighted Average Exercise Price	**Number of Options**		Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year	**$**	**0.53**	**4,159,500**	$	0.54	4,309,500
Transaction during the year:						
Granted		**-**	**-**		-	-
Exercised		**-**	**-**		-	-
Expired		**0.50**	**(1,000,000)**		0.60	(150,000)
Outstanding at end of year		**0.55**	**3,159,500**		0.53	4,159,500
Exercisable at end of year	**$**	**0.55**	**3,159,500**	$	0.53	4,084,500

9. SHARE BASED PAYMENTS, (continued)

The following table provides additional information about outstanding stock options at December 31, 2013:

	No. of Options Outstanding	Weighted Average Remaining Life (Years)		Weighted Average Exercise Price	No. of Options Currently Exercisable		Weighted Average Exercise Price – Exercisable Options
$ 0.15 – 0.30	**259,500**	**1.18**	**$**	**0.15**	**259,500**	**$**	**0.15**
$ 0.40	**400,000**	**1.38**	**$**	**0.40**	**400,000**	**$**	**0.40**
$ 0.60 – 0.65	**2,500,000**	**2.14**	**$**	**0.61**	**2,500,000**	**$**	**0.61**
$ 0.15 - $0.65	**3,159,500**	**1.97**	**$**	**0.55**	**3,159,500**	**$**	**0.55**

Share based payments

During the year ended December 31, 2013, $3,800 of share based payments expense was recognized in relation to the vesting of the options issued on April 1, 2011.

During the year ended December 31, 2012, $38,700 of share based payments expense was recognized in relation to the vesting of the options issued on April 1, 2011.

10. WARRANTS

Month of Expiry	No. of Warrants	Exercise Price
		($)
January 6, 2014	11,666,671	0.30
January 6, 2014 – agent warrants (1)	1,218,917	0.15
April 25, 2014	2,600,331	0.10
April 25, 2014 – agent warrants (2)	67,672	0.05
April 30, 2014	6,759,673	0.10
September 23, 2015	2,947,200	0.05
September 26, 2015	360,000	0.05
	25,620,464	

(1) Upon exercise, 609,459 broker warrants exercisable at $0.30 will be issued and outstanding.
(2) Upon exercise, 67,672 broker warrants exercisable at $0.10 will be issued and outstanding.

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2013:

Grant date	**September 23, 2013**	**September 26, 2013**	**Totals**
No. of warrants	2,947,200	360,000	3,307,200
Exercise price	$ 0.05	$ 0.05	
Share/unit price	$ 0.005	$ 0.005	
Expected life in years	2	2	
Volatility	100%	100%	
Risk-free interest rate	1.21%	1.22%	
Dividend yield	-	-	

10. WARRANTS, (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2012:

Grant date	**January 6, 2012**	**January 6, 2012**	**October 25, 2012**	**October 25, 2012**	**October 31, 2012**	**Totals**
No. of warrants	11,666,671	1,242,250	2,600,331	67,672	6,759,673	22,336,599
Exercise price	$ 0.30	$ 0.15	$ 0.10	$ 0.05	$ 0.10	
Share/unit price	$ 0.25	$ 0.25	$ 0.05	$ 0.05	$ 0.05	
Expected life in years	2	2	1.5	1.5	1.5	
Volatility	100%	100%	100%	100%	100%	
Risk-free interest rate	0.95%	0.95%	1.15%	1.15%	1.08%	
Dividend yield	-	-	-	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

11. RESERVE FOR SHARE BASED PAYMENTS

Year ended	**December 31, 2013**	December 31, 2012
Balance at beginning of year	**$ 1,481,600**	$ 1,442,900
Share based payments	**3,800**	38,700
Balance at end of year	**$ 1,485,400**	$ 1,481,600

12. RESERVE FOR WARRANTS

Year ended	**December 31, 2013**	December 31, 2012
Balance at beginning of year	**$ 5,005,814**	$ 3,385,814
Warrants issued	**1,300**	1,620,000
Balance at end of year	**$ 5,007,114**	$ 5,005,814

13. GST/HST AND OTHER RECEIVABLES

The Company's HST and other receivables arise from two main sources: harmonized services tax ("HST") receivable and value added taxes ("VAT") due from government taxation authorities. These are broken down as follows:

	December 31, 2013	December 31, 2012
GST/HST and VAT receivable	**$ 17,346**	$ 9,034
Total trade and other receivables	**$ 17,346**	$ 9,034

Below is an aged analysis of these amounts:

	As at,	
	December 31, 2013	December 31, 2012
Less than 1 month	**$ -**	$ 9,034
Over 3 months	**17,346**	-
Total trade and other receivables	**$ 17,346**	$ 9,034

The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

The Company holds no collateral for any receivable amounts outstanding as at December 31, 2013.

14. PREPAID EXPENSES

	As at,	
	December 31, 2013	December 31, 2012
Advances to suppliers	**$ 11,531**	$ 87,971
Rent deposit	**16,664**	36,454
Deposit on drilling contract	**-**	196,181
Insurance	**-**	2,083
Other	**-**	79,795
Total prepaid expenses	**$ 28,195**	$ 393,484

15. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	December 31, 2013	December 31, 2012
Less than 1 month	**$ 4,719**	$ 90,998
1 to 3 months	**6,856**	40,921
Over 3 months	**582,016**	359,685
Total Trade and Other Payables	**$ 593,591**	$ 491,604

16. SEGMENTED INFORMATION

Operating Segments

At December 31, 2013 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Colombia and the United States of America. The Company's corporate division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 *'Operating Segments'*. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Segments

Quia is in the business of mineral exploration in Colombia. As such, management has organized the Company's reportable segments by geographic area. The Colombia segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Quia's reportable segments is as follows:

16. SEGMENTED INFORMATION, (continued)

	December 31, 2013	December 31, 2012
	$	$
Consolidated net loss		
Canada	**529,663**	1,214,206
United States of America	**125,081**	-
Colombia	**556,266**	2,754,812
	1,211,010	3,969,018
Significant non-cash items		
Share based payments		
Canada	**3,800**	38,700
	3,800	38,700

As at,	**December 31, 2013**	December 31, 2012
Total assets		
Canada	**76,432**	158,545
Colombia	**68,772**	397,622
	145,204	556,167

17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2013, $nil (2012 - $12,025) was paid for consulting fees to Foundation Markets Inc. ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. In addition, $nil and $16,200 (2012 - $15,000 and $16,200) was paid for consulting fees and rent respectively to Foundation Opportunities Inc. ("FOI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2013 included due to related parties is $28,606 (December 31, 2012 - $4,748) payable to FOI.

During the year ended December 31, 2013, $48,000 (2012 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry"), for CFO, bookkeeping and administrative services, a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. At December 31, 2013 included in due to related parties is $75,400 (December 31, 2012 - $21,160) payable to Cavalry.

During the year ended December 31, 2013, $14,961 (2012 - $52,736) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. At December 31, 2013, included in due to related parties is $32,488 (December 31, 2012 - $22,118) payable to this company.

During the year ended December 31, 2013, $nil (2012 - $60,000) was paid to the VP of exploration. As at December 31, 2013, $28,840 (December 31, 2012, $28,840) is included in due to related parties payable to this VP.

17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION, (continued)

During the year ended December 31, 2013, $12,000 (2012 - $24,000) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2013, due to related parties included $26,526 (December 31, 2012 - $14,526) payable to this individual.

During the year ended December 31, 2013, $45,500 (2012 - $100,000) was paid for services to the chief executive officer. As at December 31, 2013, $99,446 (December 31, 2012, $78,250) is included in due to related parties due to this individual.

During the year ended December 31, 2013, $30,000 (2012 - $60,000) was paid for services to the former chief financial officer. As at December 31, 2013, $60,200 (December 31, 2012 - $26,300) is included in due to related parties is payable to the former chief financial officer.

As of December 31, 2013, the Company received non-secured loans of $127,500 from various directors at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $112,000 (December 31, 2012 - $31,000) is included as loan and interest payable.

During 2013, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $30,000 (December 31, 2012 - $30,000) is included as loan and interest payable.

During 2013, the Company received non-secured loans of $269,200 from the CEO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $152,978 (December 31, 2012 - $143,189) is included as loan and interest payable.

Interest payable related to the above loans as at December 31, 2013 amounts to $9,921 (December 31, 2012 - $6,248).

All key management compensation has been included above.

18. PROVISIONS

	December 31, 2013	December 31, 2012
	$	$
Balance beginning of year	**25,546**	24,778
Effect of foreign exchange	**563**	768
Balance end of year	**$ 26,109**	$ 25,546

As at December 31, 2013, management accrued an estimated amount of $26,109 (December 31, 2012 - $25,546) related to a discrepancy between reported values in deposit by San Lucas Gold Corp. and the reported value by the Banco de la República. Colombian companies are required to disclose funds received from foreign affiliates.

19. INCOME TAXES

Provision for Income Taxes

The Canadian statutory income tax rate of 26.50% (2012 - 26.50%) is comprised of the federal income tax rate at approximately 15% (2012 – 15%) and the provincial income tax rate of approximately 11.50% (2012 – 11.50%).

The reported income taxes differ from the amounts obtained by applying statutory rates of 26.50% (2012 – 26.50%) to the net loss as follows:

		2013		2012
Components of the income tax provision:				
Income taxes at statutory tax rates	**$**	**(321,000)**	$	(1,052,000)
Difference between Canadian and foreign tax rates		**(63,000)**		(176,000)
Changes in current and future tax rates and other		**362,000**		(118,000)
Share issue costs		**(83,000)**		(71,000)
Stock based compensation, and other non deductible expenses		**2,000**		26,000
Change in tax benefits not recognized		**103,000**		1,391,000
Income tax expense	**$**	**-**	$	-

Deferred Taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect to the following deductible temporary differences:

	2013	2012
	$	$
Property, plant and equipment	**71,200**	-
Share issuance costs	**609,800**	923,000
Exploration and evaluation assets	**10,804,600**	10,103,800
Non-capital losses carried forward	**7,629,500**	9,132,700

Deferred tax assets have not been recognized due to the uncertainty of realization.

19. INCOME TAXES, (continued)

Tax Losses Carried Forward

The Company has accumulated non-capital losses for income tax purposes, which can be carried forward to be applied against future taxable income. The right to use the losses expires as follows:

2027	$	176,685
2028		918,464
2029		889,768
2030		1,924,482
2031		1,297,363
2032		1,168,220
2033		817,563
No expiry		436,955
	$	7,629,500

20. SUBSEQUENT EVENT

On April 24, 2014, a statement of claim was filed in BC Small Claims Court against the Company by the optionor on the Murdock Mountain property in the amount of $23,769 in relation to costs the Company is required to pay under the terms of the option agreement. The Company is of the view that the claim is invalid and will be taking steps to discharge the matter.

QUIA RESOURCES INC.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended
December 31, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Quia Resources Inc., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

__________________________, CEO
Yannis Banks

_____________________, CFO
Andres Tinajero

Collins Barrow
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Quia Resources Inc.

We have audited the accompanying consolidated financial statements of Quia Resources Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2012 and December 31, 2011 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Quia Resources Inc. and its subsidiaries as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubts about Quia Resources Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
April 29, 2013

Quia Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	December 31, 2012	December 31, 2011
Assets		
Current Assets		
Cash	$ **46,596**	$ 71,118
GST/HST and other receivables (Note 13)	**9,034**	14,516
Prepaid expenses (Note 14)	**393,484**	272,002
	449,114	357,636
Property, plant and equipment (Note 6)	**107,053**	126,146
	$ **556,167**	$ 483,782
Liabilities		
Current Liabilities		
Trade and other payables (Note 15)	$ **491,604**	$ 760,298
Provisions (Note 18)	**25,546**	24,778
Due to related parties (Note 17)	**195,941**	189,043
Loans and interest payable (Note 17)	**210,437**	60,271
	923,528	1,034,390
Shareholders' Equity		
Share capital (Note 8 (b))	**13,431,505**	10,883,159
Shares to be issued (Note 8 (c))	**-**	106,773
Reserve for warrants (Note 10 & 12)	**5,005,814**	3,385,814
Reserve for share based payments (Note 9 & 11)	**1,481,600**	1,442,900
Reserve for foreign exchange gains (losses)	**30,768**	(21,228)
Accumulated deficit	**(20,317,048)**	(16,348,026)
	(367,361)	(550,608)
	$ **556,167**	$ 483,782

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 16)

Approved on behalf of the Board of Directors on April 29, 2013:

"Yannis Banks" (signed)	"Dan Noone" (signed)
CEO and Director	*Director*

Quia Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,	2012	2011
Expenses		
Management and consulting	$ **476,377**	$ 536,392
Travel and promotion	**72,475**	198,093
Office and general	**493,385**	325,770
Exploration and evaluation expenses	**2,602,232**	4,507,364
Professional fees	**150,182**	374,984
Share based payments (Note 9)	**38,700**	1,299,900
Salaries and benefits	**95,314**	65,688
Foreign exchange loss	**103,768**	45,923
Net loss before the undernoted	**(4,032,433)**	(7,354,114)
Gain on settlement of debt (Note 8(b))	**63,415**	-
Net loss	$ **(3,969,018)**	$ (7,354,114)
Other comprehensive loss		
Net loss	$ **(3,969,018)**	$ (7,354,114)
Exchange gain (loss) on translating foreign operations	**51,996**	(12,391)
	$ **(3,917,022)**	$ (7,366,505)
Loss per share-basic and diluted	$ **(0.045)**	$ (0.119)
Weighted average number of shares outstanding	**88,639,820**	62,049,394

Quia Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Shares to be issued	Deficit	Total
Balance at December 31, 2010	**61,338,628**	**$ 10,661,770**	**$ 179,000**	**$ 3,397,942**	**$ (8,837)**	**$ -**	**$ (8,993,912)**	**$ 5,235,963**
Exercise of stock options	459,500	98,926	-	-	-	-	-	98,926
Reserve transferred on exercise of stock options		36,000	(36,000)	-	-	-	-	-
Exercise of warrants	400,036	74,335	-	-	-	-	-	74,335
Reserve transferred on exercise of agent warrants		72,128	-	(72,128)	-	-	-	-
Warrants issued on exercise of agent warrants		(60,000)	-	60,000	-	-	-	-
Funds received for shares to be issued		-	-	-	-	-	-	-
Share based payments		-	1,299,900	-	-	-	-	1,299,900
Funds received for shares to be issued		-	-	-	-	106,773	-	106,773
Exchange loss on translating foreign operations		-	-	-	(12,391)	-	-	(12,391)
Net loss for the year		-	-	-	-	-	(7,354,114)	(7,354,114)
Balance at December 31, 2011	**62,198,164**	**$ 10,883,159**	**$ 1,442,900**	**$ 3,385,814**	**$ (21,228)**	**$ 106,773**	**$ (16,348,026)**	**$ (550,608)**
Private placements	34,497,875	4,058,227	-	-	-	(106,773)	-	3,951,454
Shares issued for settlement of debt	8,835,465	378,358	-	-	-	-	-	378,358
Warrants issued on private placement		(1,520,000)	-	1,520,000	-	-	-	-
Cost of issuance								
Cash commission paid		(268,239)	-	-	-	-	-	(268,239)
Fair value assigned to broker warrants		(100,000)	-	100,000	-	-	-	-
Share based payments		-	38,700	-	-	-	-	38,700
Exchange gain on translating foreign operations		-	-	-	51,996	-	-	51,996
Net loss for the year		-	-	-	-	-	(3,969,018)	(3,969,018)
Balance at December 31, 2012	**105,531,504**	**$ 13,431,505**	**$ 1,481,600**	**$ 5,005,814**	**$ 30,768**	**$ -**	**$ (20,317,044)**	**$ (367,357)**

Quia Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,	2012	2011
Operating Activities		
Net loss	$ (3,969,022)	$ (7,354,114)
Adjustments to reconcile net loss to cash flow from operating activities:		
Share based payments (Note 9)	38,700	1,299,900
Gain on settlement of debt (Note 8)	(63,415)	-
Amortization	27,653	17,258
Unrealized foreign exchange loss (gain)	48,750	(11,959)
Net change in non-cash working capital items:		
Prepaid expenses	(121,482)	(224,653)
GST/HST and other receivables	5,482	120,297
Trade and other payables	(15,617)	409,890
Cash flow used in operating activities	(4,048,951)	(5,743,381)
Financing Activities		
Issue of common shares, net of issue costs	3,683,215	173,261
Proceeds received for shares to be issued	-	106,773
Amounts received from related parties	70,898	85,768
Loans received	382,900	53,985
Loan repayments	(108,038)	-
Cash flow provided from financing activities	4,028,975	419,787
Investing Activities		
Purchase of property, plant and equipment	(4,546)	(120,949)
Cash flow used in investing activities	(4,546)	(120,949)
Net decrease in cash	(24,522)	(5,444,543)
Cash, beginning of year	71,118	5,515,661
Cash, end of year	$ 46,596	$ 71,118

1. NATURE OF OPERATIONS AND GOING CONCERN

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations. The address of the Company's registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

The Company is in the process of exploring its exploration property for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company's principal projects are located in Bolivar and Antioquia, Colombia. The underlying value of the resource property and the recoverability of the future exploration costs are entirely dependent on the existence of one or more economic recoverable reserves, confirmation of the Company's interest in the underlying claims, and the Company's ability to obtain the necessary financing to complete the exploration, development and future profitable production.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration property and the Company's continued existence is dependent upon the preservation of its interest in the underlying property, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as potential for problems arising from frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company maintaining its mineral property interest, raising sufficient funds to finance exploration activities, identifying a commercial ore body, developing such mineral property interests, and upon the future profitable production or proceeds from the disposition of the mineral property interest. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities, which may be required should the Company be unable to continue as a going concern.

As at December 31, 2012 the Company has a working capital deficiency of $474,414 (December 31, 2011 - $676,754 working capital deficiency), has an accumulated deficit of $20,317,048 (December 31, 2011 - $16,348,026) and has incurred losses of $3,969,022 for the year ended December 31, 2012 (Year ended December 31, 2011 - $7,354,114).

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's Consolidated Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2012.

These consolidated financial statements were authorized by the Board of Directors of the Company on April 29, 2013.

2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.3 Adoption of new and revised standards and interpretations

At the date of authorization of these Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.
- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements'* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement'* - was issued by the IASB in May 2011. IFRS 13 provides a consistent and less complex definition of fair value, establishes a single source of guidance for determining fair value and introduces consistent requirements for disclosures related to fair value measurement. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

2. BASIS OF PRESENTATION, (continued)

2.3 Adoption of new and revised standards and interpretations, (continued)

- IAS 1 '*Presentation of Financial Statements'* - the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.
- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.
- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 '*Investments in Associates and Joint Ventures'* - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

The Company has not early adopted these standards, amendments and interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly controlled subsidiaries: Bolivar Gold Corp, Colombian Mining Corp, QBC Holdings Corp, Kulta Corp, and San Lucas Gold Corp. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Subsidiaries are consolidated when control commences until it ceases.

All intra-Company transactions, balances, income and expenses are eliminated in full on consolidation.

3.2 Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

3.3 Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight line method or unit-of-production method over the following expected useful lives:

- Computer equipment and software 20%
- Furniture and fixtures 10%

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.3 Property, plant and equipment ("PPE"), (continued)

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE, and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

3.4 Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized as its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. As at December 31, 2012, no liability for restoration exists.

3.5 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to parties other than employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, or reliably measured, they are measured at fair value of the share-based payment.

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date and reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserve for share based payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.5 Share based payments, (continued)

Equity settled transactions, (continued)
No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

3.6 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.6 Taxation, (continued)

Deferred income tax, (continued)
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.7 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Dilution is calculated based on the net number of common shares issued after proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year. During the year ended December 31, 2012 and 2011 all the outstanding stock options and warrants were anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.8 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through earnings (loss). The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost using the effective interest rate method as described below. The Company has not classified any financial assets as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has not classified any financial assets as available-for-sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.9 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables, due to related parties and loans and interest payable are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive loss. At December 31, 2012 the Company has not classified any financial liabilities as FVTPL.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash is considered to be level 1 under the fair value hierarchy.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.10 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in earnings (loss).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in earnings (loss).

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale
If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.11 Impairment of nonfinancial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.11 Impairment of nonfinancial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.13 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.14 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to the existence of asset retirement obligations; life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing of assets and the measurement of share-based payments and warrants. The most significant judgements relate to recoverability of capitalized amounts, and recognition of deferred tax assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

3.15 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the subsidiaries in the consolidated group ("Group") are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of Quia Resources Inc. is the Canadian Dollar ("CDN"), and the functional currency of the subsidiaries in the Group is the Colombian Peso ("COL"). The consolidated financial statements are presented in Canadian Dollars which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss. Foreign exchange gains and losses that relate to borrowings and cash are presented in the statement of loss within finance income or cost. All other foreign exchange gains and losses are presented on a net basis in the income statement within Other Income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity as reserves for foreign exchange gains (losses).

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to reserves for foreign exchange gains (losses). When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of loss as part of the gain or loss on sale.

The balance due to the Company from its foreign subsidiary is considered to be an investment in the capital of the subsidiary and is treated as net investment in a foreign operations.

4. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value;
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

As at December 31, 2012, the Company's capital consist of share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses) and deficit in the amount of $(367,361) (December 31, 2011 - $(550,608)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2012. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of cash, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exist. As at December 31, 2012, cash is considered level 1.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if the Company’s access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2012, the Company had a cash balance of $46,596 (December 31, 2011 - $71,118) to settle current liabilities of $923,528 (December 31, 2011 - $1,034,390).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can’t ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company’s holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements.

Market Risks

a) Interest Rate Risk
The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company’s fixed rate debt.

b) Foreign Currency Risk
The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

5. FINANCIAL AND OTHER RISK FACTORS, (continued)

Other Risk Factors

a) Political Risk
The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in this governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

b) Property Risk
The Company's significant mineral properties is the San Lucas Gold Corp property as described in Note 7. Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing property interests. If no additional major properties are acquired by the Company, any adverse development affecting the Company's property would have a materially adverse effect on the Company's financial condition and results of operations.

c) Commodity Price Risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2012, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity Analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts payable, due to related parties, loans and interest payable that are denominated in Colombian pesos. As at December 31, 2012, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the effect on the Company’s comprehensive income for the year ended December 31, 2012 would have been approximately $4,000 (2011 - $32,000) higher/lower respectively as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fixtures	Computer Equipment & Software	Total
Cost			
As at December 31, 2010	7,224	17,102	24,326
Additions	1,060	119,889	120,949
As at December 31, 2011	8,284	136,991	145,275
Additions	**4,546**	**-**	**4,546**
Effects of foreign exchange	**618**	**3,849**	**4,467**
As at December 31, 2012	**13,448**	**140,840**	**154,288**
Accumulated Amortization			
As at December 31, 2010	1,322	549	1,871
Additions	757	16,501	17,258
As at December 31, 2011	2,079	17,050	19,129
Additions	**2,228**	**25,425**	**27,653**
Effects of foreign exchange	**69**	**384**	**453**
As at December 31, 2012	**4,376**	**42,859**	**47,235**
Net Book Value			
As at December 31, 2010	5,902	16,553	22,455
As at December 31, 2011	6,205	119,941	126,146
As at December 31, 2012	**9,072**	**97,981**	**107,053**

7. INTEREST IN MINERAL PROPERTIES

On October 26, 2007, the Company acquired 17 mineral properties in Bolivar, Colombia for $500,000. In exchange for this non-monetary transaction, the Company issued 10,000,000 common shares at a market price of $0.05 per share, to the vendor of the claims. The value of the transaction was based on the equity instrument granted, as the value of the mineral properties could not be reliably measured.

On September 13, 2008, the Company entered into an agreement with the Mining Federation from the Bolivar Department for the exploitation and exploration of the mining sites mentioned in the agreement. This agreement has been terminated by the parties.

On December 8, 2008, the Company issued 848,248 shares at a market price of $0.20 per share to some of the shareholders for the acquisition of mineral properties for $169,650. The value of the transaction was based on the equity instrument granted, as the value of the mineral properties could not be reliably measured.

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

	Number of Shares	Stated Value
COMMON SHARES		
Balance, December 31, 2010	61,338,628	10,661,770
Exercise of stock options	459,500	98,926
Reserve transferred on exercise of stock options	-	36,000
Exercise of warrants	400,036	74,335
Reserve transferred on exercise of agent warrants	-	72,128
Warrants issued on exercise of agent warrants	-	(60,000)
Balance, December 31, 2011	**62,198,164**	**10,883,159**
Private placement of units - January 6, 2012 - $0.15 (i)	23,333,333	3,500,000
Private placement of units - October 25, 2012 - $0.05 (ii)	2,706,742	135,337
Private placement of units - October 31, 2012 - $0.05 (iii)	8,457,800	422,890
Share issued for settlement of debt (ii & iii)	8,835,465	378,358
Warrants issued on private placement	-	(1,520,000)
Cost of issuance		
Cash commissions paid	-	(268,239)
Fair market value assigned to broker warrants	-	(100,000)
Balance, December 31, 2012	**105,531,504**	**13,431,505**

Under the requirement of the TSX Venture exchange, 2,444,944 common shares held by directors and officers are held in escrow. 10% of these shares will be released from escrow on the date of the exchange bulletin and the remainder in allotments of 366,741 in 6, 12, 18, 24, 30 and 36 months following the date of the exchange bulletin. As at December 31, 2012, 1,344,717 (December 31, 2011 – 611,235) shares have been released.

(i) On January 6, 2012, the Company issued 23,333,334 units at $0.15 pursuant to a private placement for gross proceeds of $3,500,000. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.30 per share, expiring on January 6, 2014.

The fair value of the 11,666,671 share purchase warrants was estimated at $1,404,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; share price of $0.25; and an expected life of 2 years.

The Company paid a cash finder’s fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers and 3% on certain proceeds raised by the corporation. In addition, the Company issued 1,242,250 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder and 3% of certain units brought in by the corporation. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.15 expiring after 24 months.

8. SHARE CAPITAL, (continued)

The fair value of the 1,242,250 agent warrants was estimated at $98,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.95%; volatility 100%; unit price of $0.15; and an expected life of 2 years.

(ii) On October 25, 2012, the Company issued 5,200,661 units at $0.05 pursuant to a private placement for gross proceeds of $260,033. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 25, 2014. The issuance included settlement of debt in the amount of $124,696 for 2,493,919 units to related parties. The Company did not incur a gain or loss on settlement of debt.

The fair value of the 2,600,331 share purchase warrants was estimated at $37,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100%; share price of $0.05; and an expected life of 1.5 years.

The Company paid a cash finder's fee equal to 7% of the gross proceeds raised from the Canadian shareholders by the brokers. In addition, the Company issued 67,672 compensation warrants ("agent warrants") equal to 7% of the number of the securities issued as brought in by the relevant finder. Each agent warrant is exercisable for one unit with the same terms as the private placement, at a price of $0.05 per unit expiring after 18 months.

The fair value of the 67,672 agent warrants was estimated at $2,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.15%; volatility 100% and an expected life of 1.5 years.

(iii) On October 31, 2012, the Company issued 13,519,346 units at $0.05 and 1,280,000 shares at $0.05 pursuant to a private placement for gross proceeds of $739,967. Each unit consisted of one common share and ½ common share purchase warrant. Each common share purchase warrant is exercisable for one common share at a price of $0.10 per share, expiring on April 30, 2014. The issuance included settlement of debt in the amount of $317,077 for 5,061,546 units to unrelated parties and 1,280,000 common shares issued to insiders and related parties. The Company incurred a gain on settlement of debt of $63,415 (December 31, 2011 - $nil) during the year ended December 31, 2012.

The fair value of the 6,759,673 share purchase warrants was estimated at $79,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.08%; volatility 100% and an expected life of 1.5 years.

Volatility on the above warrant valuations were based on the volatility of similar companies.

(c) Shares to be issued

As at December 31, 2012, consideration of $nil (December 31, 2011 - $106,773) had been received pertaining to share subscriptions settled after the year end.

9. SHARE BASED PAYMENTS

Quia established a stock option to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified.

A summary of stock options issued and outstanding is as follows:

	December 31, 2012		December 31, 2011	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year	**$ 0.54**	**4,309,500**	$ 0.29	1,559,000
Transaction during the year:				
Granted	**-**	**-**	0.61	3,250,000
Exercised	**-**	**-**	0.22	459,500
Expired	**0.60**	**(150,000)**	0.30	(40,000)
Outstanding at end of year	**0.53**	**4,159,500**	0.54	4,309,500
Exercisable at end of year	**$ 0.53**	**4,084,500**	$ 0.53	4,084,500

The following table provides additional information about outstanding stock options at December 31, 2012:

	No. of Options Outstanding	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**	**Weighted Average Exercise Price – Exercisable Options**
$ 0.15 – 0.30	**459,500**	**2.27**	**$ 0.22**	**459,500**	**$ 0.22**
$ 0.40	**600,000**	**2.39**	**$ 0.40**	**600,000**	**$ 0.40**
$ 0.60 – 0.65	**3,100,000**	**3.14**	**$ 0.61**	**3,025,000**	**$ 0.61**
$ 0.15 - $0.65	**4,159,500**	**3.01**	**$ 0.53**	**4,084,500**	**$ 0.53**

9. SHARE BASED PAYMENTS, (continued)

Share based payments

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share based payments for the stock options issued during the year ended December 31, 2011:

Grant date	January 21, 2011	February 18, 2011	April 1, 2011	Total
No. of options	400,000	2,350,000	500,000	3,250,000
Exercise price	$ 0.34	$ 0.59	$ 0.52	
Share price	$ 0.60	$ 0.60	$ 0.65	
Expected life in years	5	5	5	
Volatility	100%	100%	100%	
Risk-free interest rate	2.60	2.75	2.78	
Dividend yield	-	-	-	
Vesting	100%	100%	40% immediately, 15% every 6 months	
Fair value of options granted	$ 112,000	$ 1,043,000	$ 189,000	$ 1,344,000
Share based payments	$ 112,000	$ 1,043,000	$ 144,900	$ 1,299,900

Volatility on the above warrant valuations were based on the volatility of similar companies.

During the year ended December 31, 2012, $38,700 of share based payments expense was recognized in relation to the vesting of the options issued on April 1, 2011.

10. WARRANTS

Month of Expiry	No. of Warrants	Exercise Price
		($)
January 6, 2013	15,426,574	0.50
January 6, 2013	880,000	0.25
January 6, 2013 – warrant for broker unit (1)	847,423	0.30
January 6, 2013 – agent warrant	95,536	0.50
January 6, 2014	11,666,671	0.30
January 6, 2014 – agent warrants (2)	1,242,250	0.15
April 25, 2014	2,600,331	0.10
April 25, 2014 – agent warrants (3)	67,672	0.05
April 30, 2014	6,759,673	0.10
	39,586,130	

(1) Upon exercise of the agent warrants, 847,423 broker warrants exercisable into one common share at $0.50 will be issued and outstanding.
(2) Upon exercise of the agent warrants, 609,459 broker warrants exercisable into one common share at $0.30 will be issued and outstanding.
(3) Upon exercise of the agent warrants, 67,672 broker warrants exercisable into one common share at $0.10 will be issued and outstanding.

10. WARRANTS, (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2012:

Grant date	**January 6, 2012**	**January 6, 2012**	**October 25, 2012**	**October 25, 2012**	**October 31, 2012**	**Totals**
No. of warrants	11,666,671	1,242,250	2,600,331	67,672	6,759,673	22,336,599
Exercise price	$ 0.30	$ 0.15	$ 0.10	$ 0.05	$ 0.10	
Share/unit price	$ 0.25	$ 0.25	$ 0.05	$ 0.05	$ 0.05	
Expected life in years	2	2	1.5	1.5	1.5	
Volatility	100%	100%	100%	100%	100%	
Risk-free interest rate	0.95%	0.95%	1.15%	1.15%	1.08%	
Dividend yield	-	-	-	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2011:

Grant date	**February 22, 2011**	**March 16, 2011**	**May 12, 2011**	**August 3, 2011**	**Totals**
No. of warrants	101,500	77,518	10,010	8,008	197,036
Exercise price	$ 0.25	$ 0.50	$ 0.50	$ 0.50	
Share/unit price	$ 0.57	$ 0.46	$ 0.45	$ 0.43	
Expected life in years	1.8	1.7	1.6	1.4	
Volatility	100%	100%	100%	100%	
Risk-free interest rate	1.68%	1.48%	1.68%	1.68%	
Dividend yield	-	-	-	-	

11. RESERVE FOR SHARE BASED PAYMENTS

Year ended	**December 31, 2012**	December 31, 2011
Balance at beginning of year	**$ 1,442,900**	$ 179,000
Reserve transferred on exercise of options	**-**	(36,000)
Share based payments	**38,700**	1,299,900
Balance at end of year	**$ 1,481,600**	$ 1,442,900

12. RESERVE FOR WARRANTS

Year ended	**December 31, 2012**	December 31, 2011
Balance at beginning of year	**$ 3,385,814**	$ 3,397,942
Reserve transferred on exercise of warrants	**-**	(72,128)
Warrants issued	**1,620,000**	60,000
Balance at end of year	**$ 5,005,814**	$ 3,385,814

13. GST/HST AND OTHER RECEIVABLES

The Company's HST and other receivables arise from two main sources: harmonized services tax ("HST") receivable and value added taxes ("VAT") due from government taxation authorities. These are broken down as follows:

		December 31, 2012		December 31, 2011
GST/HST and VAT receivable	**$**	**9,034**	$	14,516
Total GST/HST and other receivables	**$**	**9,034**	$	14,516

Below is an aged analysis of the Company's trade and other receivables:

	As at,			
		December 31, 2012		December 31, 2011
Less than 1 month	**$**	**9,034**	$	14,516
Over 3 months		**-**		-
Total GST/HST and other receivables	**$**	**9,034**	$	14,516

At December 31, 2012, GST/HST and other receivables outstanding are HST receivable. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

The Company holds no collateral for any receivable amounts outstanding as at December 31, 2012.

14. PREPAID EXPENSES

	As at,			
		December 31, 2012		December 31, 2011
Advances to suppliers	**$**	**87,971**	$	15,275
Rent deposit		**36,454**		-
Deposit on drilling contract		**196,181**		197,562
Insurance		**2,083**		12,321
Other		**79,795**		46,844
Total prepaid expenses	**$**	**393,484**	$	272,002

15. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	December 31, 2012	December 31, 2011
Less than 1 month	**$ 90,998**	$ 507,819
1 to 3 months	**40,921**	158,495
Over 3 months	**359,685**	93,984
Total Trade and Other Payables	**$ 491,604**	$ 760,298

16. SEGMENTED INFORMATION

Operating Segments

At December 31, 2012 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Colombia. The Company's corporate division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 *'Operating Segments'*. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Segments

Quia is in the business of mineral exploration in Colombia. As such, management has organized the Company's reportable segments by geographic area. The Colombia segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Quia's reportable segments is as follows:

16. SEGMENTED INFORMATION, (continued)

	December 31, 2012	December 31, 2011
	$	$
Consolidated net loss		
Canada	**1,214,206**	2,649,349
Colombia	**2,754,816**	4,704,765
	3,969,022	7,354,114
Significant non-cash items		
Share based payments		
Canada	**38,700**	1,229,900
	38,700	1,229,900

As at,	**December 31, 2012**	December 31, 2011
Total assets		
Canada	**158,545**	106,882
Colombia	**397,622**	376,900
	556,167	483,782

17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2012, $nil (2011 - US$18,000) was paid as a salary to the former Vice President and Director.

During the year ended December 31, 2012, $12,025 (2011 - $nil) was paid for consulting fees to Foundation Market Inc. ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. In addition, $15,000 and $16,200 (2011 - $1,944 and $nil) was paid for consulting fees and rent respectively to Foundation Opportunities Inc. ("FOI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2012 included due to related parties is $4,748 (December 31, 2011 - $1,944) payable to FOI.

During the year ended December 31, 2012, $48,000 (2011 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry"), a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. At December 31, 2012 included due to related parties is $21,160 (December 31, 2011 - $nil) payable to the Company.

During the year ended December 31, 2012, $52,736 (2011 - $76,570) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. At December 31, 2012, included in due to related parties is $22,118 (December 31, 2011 - $34,063) payable to this company.

During the year ended December 31, 2012, $60,000 (2011 - $144,000) was paid to the VP of exploration. As at December 31, 2012, $28,840 is included in due to related parties (December 31, 2011, $68,747) payable to this VP.

17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION, (continued)

During the year ended December 31, 2012, $24,000 (2011 - $115,315) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2012, due to related parties included $14,526 (December 31, 2011 - $58,864) payable to this individual.

During the year ended December 31, 2012, $100,000 (2011 - $56,250) was paid for services to the chief executive officer. As at December 31, 2012, $78,250 is included in due to related parties (December 31, 2011, $14,125) due to this individual.

During the year ended December 31, 2012, $nil (2011 - $44,060) was paid for services to the former chief executive officer and current director.

During the year ended December 31, 2012, $60,000 (2011 - $60,000) was paid for services to the chief financial officer. As at December 31, 2012 included in due to related parties is $26,300 (December 31, 2011 - $11,300) payable to the chief financial officer.

During 2011, the Company received non-secured loans of $30,000 from Foundation Opportunities Inc., a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest, at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of the financing. As at December 31, 2012 $nil (December 31, 2011 - $30,000) is included as loans and interest payable.

During 2011, the Company received non-secured loans of $30,000 from a director at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of financing. As at December 31, 2012 $nil (December 31, 2011 - $30,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $86,000 from various directors at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $31,000 (December 31, 2011 - $nil) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $60,000 from the CFO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $30,000 (December 31, 2011 - $nil) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $236,900 from the CEO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $143,189 (December 31, 2011 - $nil) is included as loan and interest payable.

Interest payable related to the above loans as at December 31, 2012 amounts to $6,248 (December 31, 2011 - $271).

All transactions with related parties were in the normal course of operations.

All key management compensation has been included above.

18. PROVISIONS

	December 31, 2012		December 31, 2011	
Balance beginning of year	**$**	**24,778**	$	24,346
Effect of foreign exchange		**768**		432
Balance end of year	**$**	**25,546**	$	24,778

As at December 31, 2012, management accrued an estimated amount of $25,546 (December 31, 2011 - $24,778) related to a discrepancy between reported values by San Lucas Gold Corp. and the reported value by the Banco de la República. Colombian companies are required to disclose funds received from foreign affiliates.

19. INCOME TAXES

Provision for Income Taxes

The Canadian statutory income tax rate of 26.50% (2011 - 28.25%) is comprised of the federal income tax rate at approximately 15% (2011 – 16.5%) and the provincial income tax rate of approximately 11.50% (2011 – 11.75%). The Colombian income tax rate is approximately 33% (2011 – 33%).

The reported income taxes differ from the amounts obtained by applying statutory rates of 26.50% (2011 – 28.25%) to the net loss as follows:

		2012		2011
Components of the income tax provision:				
Income taxes at statutory tax rates	**$**	**(1,052,000)**	$	(2,078,000)
Difference between Canadian and foreign tax rates		**(176,000)**		(376,000)
Changes in current and future tax rates and other		**(118,000)**		196,000
Share issue costs		**(71,000)**		(1,000)
Stock based compensation, and other non deductible expenses		**26,000**		371,000
Deferred tax asset not recognized		**1,391,000**		1,888,000
Income tax expense	**$**	**-**	$	-

Deferred Income Taxes

The primary differences which give rise to the deferred income tax recoveries at December 31, 2012 and December 31, 2011 are as follows:

19. INCOME TAXES, (continued)

	2012	2011
	$	$
Deferred income tax assets		
Share issuance costs	**203,000**	214,000
Mineral properties and other	**3,222,000**	2,342,000
Operating losses carried forward	**2,548,000**	2,026,000
	5,973,000	4,582,000
Less : deferred tax asset not recognized	**(5,973,000)**	(4,582,000)
Net deferred tax assets	**-**	-

Deferred income tax assets have not been recognized due to the uncertainty of realization.

Tax Losses Carried Forward

The Company has accumulated non-capital losses for income tax purposes, which can be carried forward to be applied against future taxable income. The right to use the losses expires as follows:

2027	$	113,270
2028		918,464
2029		889,768
2030		1,924,482
2031		1,351,825
2032		1,295,444
No expiry		2,425,896
	$	9,019,149

SCHEDULE "B"
ANNUAL MANAGEMENT DISCUSSION &ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

QUIA RESOURCES INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the year ended December 31, 2014

Management's discussion and analysis (MD&A) is current to April 30, 2015 and is management's assessment of the operations and the financial results together with future prospects of Quia Resources Inc. ("Quia" or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended December 31, 2014 and 2013, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Quia's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. This MD&A should be read in conjunction with the most recent Annual Information form ("AIF") on file with the provincial securities regulatory authorities. Additional information relevant to Quia's activities, including Quia's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. During the reporting period, the Company was engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia. The Company has exited Columbia and refocused on agricultural minerals in North America. In this regard, the Company has acquired an option, subject to regulatory approval and due diligence, to earn a 65% interest in the Murdock Mountain phosphate project in Nevada. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of commodities, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Quia seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

As at April 30, 2015, the directors and officers of the Company were:

Yannis Banks	CEO and Director
Adam Szweras	Director and Corporate Secretary
Roger Dent	Director
Paul Lin	Director
Lew Lawrick	Director
Anthony Roodenburg	Director
Richard Brown	VP Business Development
Al Quong	Chief Financial Officer

Iain Kelso, P.Geo. is the "Qualified Person" for the Company under the definition of National Instrument 43-101.

2. Recent Developments

Financing Developments

On June 17, 2014, the Company closed a non-brokered private placement of secured convertible debentures for total gross proceeds of $340,286. These debentures were issued at face value and are convertible, at the option of the holder, at any time prior to the maturity date, into common shares of the Company at a conversion price equal to $0.10 per common share. The debentures mature 3 years from the closing date. The debentures are secured by the shares currently owned by the Company in the capital stock of 2243734 Ontario Limited which owns the Company's interest in the Murdock Mountain property.

The rate of interest on the Debentures is 14% per annum, payable semi annually in equal installments on December 31, and June 30, of each year beginning on December 31, 2014 in common shares of the Company.

As an incentive for purchasing Debentures, the Company issued to subscribers 6,667 bonus warrants for every $1,000 of Debentures purchased, which resulted in the issuance 2,268,689 bonus warrants. Each bonus warrant is exercisable into shares at a price of $0.15 per Share (post-Consolidation), for a period of 3 years from the closing date.

On June 10, 2014, the Company settled $331,916 in debt through the issuance of 4,741,656 common shares. The common shares were valued at $237,083 based on the stock market price on the date of settlement. As a result, the Company recorded a gain on settlement of debt of $94,833 for the year ended December 31, 2014. Included in the issuance, 3,105,525 shares were issued to related parties for settlements of outstanding fees and loans to the following: $94,030 to FMI Advisory Capital Inc. (formerly Foundation Opportunities Inc.), $61,840 to Cavalry Corporate Solutions, $19,095 to William Richard Brown, $34,798 to Iain Kelso and $7,610 to Ping Lin.

On September 23, 2013 and September 26, 2013, the Company issued 70,140,000 shares and 4,500,000 shares at $0.005 pursuant to a private placement for gross proceeds of $373,200.

The Company paid a cash finder's fee of $16,536 and issued 3,307,200 compensation warrants ("agent warrants"). Each agent warrant is exercisable for one share at a price of $0.05 expiring after 24 months.

The fair value of the 3,307,200 agent warrants was estimated at $1,300 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.21%; volatility 100% and an expected life of 2 years.

Exploration Developments

On November 11, 2013, the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada ("Murdock Mountain").

The Company believes, based on historical samples as discussed in its press release dated November 11, 2013, that Murdock Mountain has the potential to host phosphate that is low in heavy metals and radioactive minerals and also has other favourable geochemical characteristics that have the potential to enable Murdock Mountain to be a source of direct raw rock application phosphate to organic agricultural markets. The Company also believes the project is favourably located to transportation infrastructure and proximal to large organic markets in the Western United States.

Under the terms of the option agreement, Quia will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Quia has earned 10% by funding $102,000 towards technical and environmental studies, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Quia shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension.

On October 19, 2014, the Company entered into an amending agreement to the Option Agreement as described below. The amending agreement extends the earn-in time frame by 6

months and provides for further automatic extensions based upon the timelines for the Bureau of Land Management to conclude their sage grouse study being conducted for the state of Nevada and northeastern California, which encompasses the Murdock Mountain area. In conjunction with the amending agreement, the option holder withdrew the statement of claim that had been filed on April 24, 2014, in BC Small Claims Court against the Company in the amount of $23,769.

Quia entered into an agreement to acquire the option on the Murdock Mountain property through the acquisition of 2243734, which is a private company that holds the option on Murdock Mountain. This transaction is a non-arm's length transaction as Yannis Banks is an insider of both the Corporation and 2243734, as he is a shareholder of 2243734 and the CEO and Director of Quia. In addition, a family trust whose beneficiaries are the minor children of the Corporate Secretary and Director of Quia, is also a shareholder of 2243734. Such participation is considered to be a "related party transaction", as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the shares issued to or the consideration paid by such persons will not exceed 25% of Quia's market capitalization.

Prior to completing the acquisition, the Company established an independent committee to consider the acquisition and to negotiate with 2243734 for the purchase. Neither Yannis Banks nor Adam Szweras were involved in the negotiation. The independent committee considered the acquisition in the Company's best interests and the purchase price fair and reasonable, and thus recommended the acquisition to the Company's board, which approved the transaction. Quia acquired 2243734 for a total consideration of one ($1) dollar.

The Company's near-term objective with the Murdock Mountain is to complete the permitting required to enable the Company to conduct a drill program, subject to being successful with its permitting efforts and securing adequate financing. The Company also plans to conduct testing to demonstrate the agricultural effectiveness of the Murdock Mountain phosphate. Per the Company's press release dated June 11, 2014, the Bureau of Land Management ("BLM") has been conducting a study of sage grouse for the state of Nevada and northeast California, encompassing the Company's project. The BLM has not yet completed the study and until the study is completed, the BLM will not consider granting further permits for exploration to the Company. The Company continues to monitor the situation and is awaiting the conclusion of the study.

The Company is also researching and evaluating other agricultural mineral projects which could be synergistic with Murdock Mountain.

San Lucas Property:

The San Lucas Property (the "San Lucas Property") consists of 17 semi-contiguous concession contracts comprising a total area of approximately 6,980 hectares in the Department of Bolivar, Colombia. Quia, through its wholly owned subsidiary San Lucas Gold Corp., held 100% interest in San Lucas Property until it sold San Lucas Gold Corp to Enneract Corporation as more fully described below.

From August 2010 to May 2012 Quia conducted its Phase 1 exploration program at San Lucas consisting of soil sampling, mapping, geophysics a 4,292 metre drill program primarily testing

the La Colina and La Rueda targets. Drilling at La Rueda confirmed the presence of narrow, high-grade gold mineralization in the area of Rueda South. Its along-strike position with Rueda North (and drill intercepts there) suggests the potential for a mineralized vein system with a strike length of approximately 1300 metres. Two other priority targets had been identified remained untested: the Durmiente target and Libertad target.

Due to the downturn in the overall gold industry, the challenging financial markets for early stage gold exploration and the high-cost nature of exploration at San Lucas due to its remote location, the Company made the decision to sell the San Lucas property. On June 19, 2014, the Company entered into an agreement with Enneract Corporation ("Enneract"), a private Panamanian company, to sell its subsidiary, San Lucas Gold Corp, which holds the San Lucas gold property in Colombia, subject to approval of the TSX Venture Exchange. The transaction is an arm's-length transaction and no finder's fee is payable in connection with the agreement. A former director of Quia has an interest in Enneract.

The Company closed the sale on July 18, 2014. Under the terms of the agreement, Quia will receive a number of common shares resulting in an equity ownership of 5% of Enneract, as well as a 2% net smelter return royalty (the "Royalty"), of which Enneract can buy back half for US $500,000. In addition, Quia has a right to participate in financings of Enneract to maintain its pro-rata position and a right of first refusal with respect to the sale or joint-venture of the property. The purchaser of the subsidiary is acquiring the subsidiary including its liabilities, and therefore those liabilities will no longer be the obligation of Quia and will no longer be part of the Company's consolidated financial statements.

Corporate Developments

While the Company successfully closed a private placement of convertible debentures on June 17, 2014, a settlement of debt for shares on June 10, 2014 and two tranches of a private placement on September 23 and 26, 2013, the Company is seeking further funding to fund operations and to carry out further exploration.

3. Overall Performance

For the year ended December 31, 2014, the Company's cash position decreased by $8,976 to $196 from $9,172 at December 31, 2013. This decrease is primarily due to loans received by Directors and Management of the Company and funds received for debentures issued offset by exploration and evaluation expenditures, repayment of loans and general operating costs incurred in this period.

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If in the future a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is

unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Results of Operations

Selected Annual Information

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	$	$	$
Loss from continuing operations	(311,207)	(654,744)	(1,214,206)
Income (loss) from discontinued operations	319,085	(556,266)	(2,754,812)
Net income (loss)	7,878	(1,211,010)	(3,969,018)
Loss per weighted average share			
– from operations - basic and diluted	(0.015)	(0.006)	(0.014)
– from discontinued operations – basis and diluted	0.015	(0.004)	(0.031)
– net income (loss) – basis and diluted	0.000	(0.010)	(0.045)
Total Net Assets	29,790	145,204	556,167

Three month period ended December 31, 2014

The Company incurred a net loss of $80,401 or $0.004 a share for the three month period ended December 31, 2014, compared with a net loss of $323,390 or $0.03 a share for the same period ended December 31, 2013.

For the three month period ended December 31, 2014, management and consulting fees is comparable, increasing by $2,000 to $28,000 from $26,000 in the same period in 2013.

Travel and promotion expenses for the three month period ended December 31, 2014 decreased by $5,297 to $989 from $6,286 in the same period in 2013. Travel expenses decreased as the Company controlled costs wherever possible in light of the current financial situation.

Total office and general costs decreased in the three month period ended December 31, 2014, by $16,758 to $27,254 from $44,012 in 2013. The decrease mainly reflects the fact that the Company was conserving cash and decreasing overall activities in the prior period as it focused on raising money.

Total exploration and evaluation costs decreased in the three month period ended December 31, 2014, by $144,319 to $29,811 from $174,130 in 2013. The decrease is due to the fact that operations at San Lucas are included in discontinued operations. As such, the Company did not incur any exploration and evaluation expenditures from continuing operations in the comparative period. In the current period, the Company incurred minor expenditures on the Murdock Mountain property which was not held in the comparative period.

Professional fees decreased by $11,467 to $3,362 during the three month period ended December 31, 2014 compared to $14,829 in the same period in 2013. The expense decreased as the Company's operations have decreased in light of the current financial situation.

Year ended December 31, 2014

The Company had a net income of $7,878 or $0.0003 a share for the year ended December 31, 2014, compared with a net loss of $(1,211,010) or $(0.096) a share for the same period ended December 31, 2013. The Company incurred a loss from continuing operations of $(311,207), compared to $(654,744) in the comparative period.

For the year ended December 31, 2014, management and consulting fees decreased by $49,086 to $131,826 from $180,912 in the same period in 2013. Management and consulting fees decreased in the comparable period as some consultants left the Company and some members of the management team were replaced, and as the Company tries to conserve cash.

Travel and promotion expenses for the year ended December 31, 2014 decreased by $28,471 to $1,230 from $29,701 in the same period in 2013. Travel expenses decreased as the Company controlled costs wherever possible in light of the current financial situation.

Total office and general costs decreased in the year ended December 31, 2014, by $49,932 to $148,932 from $198,864 in 2013. The decrease mainly reflects the Company's current cash position and the economic times and the fact that the Company is conserving cash and decreasing overall activities as it focuses on raising money. The decrease is also due to deposits forfeited in the comparative period.

Total exploration and evaluation costs decreased in the year ended December 31, 2014, by $130,278 to $43,852 from $174,130 in 2013. The decrease is due to the fact that operations at San Lucas are included in discontinued operations. As such, the Company did not incur any exploration and evaluation expenditures from continuing operations in the comparative period. In the current period, the Company incurred minor expenditures on the Murdock Mountain property which was not held in the comparative period.

Professional fees decreased by $22,560 to $29,454 during the year ended December 31, 2014 compared to $52,014 in the same period in 2013. The expense decreased as the Company's operations have decreased in light of the current financial situation.

The Company incurred share based payments for the year ended December 31, 2014 of $9,900 compared to $3,800 for the same period in 2013. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares.

Total salaries and benefits costs decreased in the year ended December 31, 2014, by $37,500 to $nil from $37,500 in 2013. The decrease in salaries expense is due to the CEO being paid through salary in the comparative period and billing as a consultant in the current period.

4. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	December 31, 2014 $	**September 30, 2014** $	**June 30, 2014** $	**March 31, 2014** $
Total Revenue	-	-	-	-
Net Income (loss)	(80,401)	358,588	(178,343)	(91,966)
Income (loss) Per Share – basic and diluted	$(0.004)	$0.016	$(0.009)	$(0.001)

	December 31, 2013 $	**September 30, 2013** $	**June 30, 2013** $	**March 31, 2013** $
Total Revenue	-	-	-	-
Net Loss	(277,753)	(121,142)	(543,760)	(222,718)
Loss Per Share– basic and diluted	$(0.001)	$(0.001)	$(0.005)	$(0.002)

Working Capital
As at December 31, 2014, the Company had net working capital deficiency of $666,571 compared to a working capital deficiency of $1,177,626 as at December 31, 2013.

A summary of the Company's cash position and changes in cash for the years ended December 31, 2014 and 2013 are provided below:

	Year ended December 31,	
	2014	2013
Cash used in operating activities – net	**(421,070)**	(1,094,215)
Cash used in investing activities	**-**	-
Cash provided by financing activities	**218,141**	723,575
Cash provided by discontinued operations	**193,953**	378,910
Increase (decrease) in cash	**(8,976)**	8,270
Cash, beginning of period	**9,172**	902
Cash, end of period	**196**	9,172

Liquidity Outlook

Quia had cash of $196 available at December 31, 2014, a decrease of $8,976 from the balance at December 31, 2013 of $9,172. This decrease is primarily due to loans received by Directors and Management of the Company and funds received for debentures issued offset by exploration and evaluation expenditures, repayment of accounts payable and general operating costs incurred in this period.

As noted above, the Company's working capital increased by $511,055 to a working capital deficiency of $666,571 from a working capital deficiency of $1,177,626 at December 31, 2013, primarily due to the elimination of the net liabilities of the discontinued operations. The Company cannot ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term requirements.

5. Related-party Transactions

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2014, $16,200 (2013 - $16,200) was paid for rent to FMI Advisory Capital Inc. (formerly Foundation Opportunities Inc.) ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2014 included in due to related parties is $28,442 (December 31, 2013 - $28,606) payable to FMI.

During the year ended December 31, 2014, $8,000 (2013 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry") for CFO, book keeping and administrative services, a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. As of February 2014, the agreement has been terminated. At December 31, 2014 included due to related parties is $22,600 (December 31, 2013 - $75,400) payable to Cavalry.

During the year ended December 31, 2014, $25,300 (2013 - $14,961) in legal fees were incurred for services provided by a law firm in which the Treasurer and Director of the Company is a partner. At December 31, 2014, included in due to related parties is $54,583 (December 31, 2013 - $32,488) payable to this law firm.

During the year ended December 31, 2014, $nil (2013 - $nil) was paid to the former VP of exploration. As at December 31, 2014, $nil (December 31, 2013, $28,840) is included in due to related parties payable to this former VP.

During the year ended December 31, 2014, $nil (2013 - $12,000) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2014, due to related parties included $7,431 (December 31, 2013 - $26,526) payable to this individual.

During the year ended December 31, 2014, $45,200 (2013 - $45,500) was paid for services to the chief executive officer (the "CEO"). As at December 31, 2014, $95,500 (December 31, 2013, $99,446) is payable to the CEO and is included in due to related parties.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement which includes the services of the Company's Chief Financial Officer. Branson is an entity in which FMI owns 49% of the shares. During the year ended December 31, 2014, $56,500 (2013 - $nil) in management, accounting and administrative services were provided by Branson. As at December 31, 2014 $56,500 (December 31, 2013 - $nil) is included in due to related parties.

During the year ended December 31, 2014, $nil (2013 - $30,000) was paid for services to the former chief financial officer. As at December 31, 2014, $60,200 (December 31, 2013 - $60,200) is included in due to related parties.

In 2012, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2014, $37,500 (December 31, 2013 - $30,000) is included in loans and interest payable relating to principal. The loan is currently in default.

As of December 31, 2014, $46,000 and $4,600 respectively (December 31, 2013 - $112,000) is outstanding as loans and interest due to various directors. The loans are non-secured, bear interest at the rate of 10% per annum and are payable at the closing of financing.

Over the course of 2012 to 2014, the Company received loans of $269,200 from the CEO. The loans are non-secured and bear interest at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2014, $165,800 (December 31, 2013 - $152,978) is included in loans and interest payable relating to principal.

During the year the company issued $340,286 in convertible debentures. Of this amount, $79,000 in debentures was purchased by directors of the Company. $75,000 was purchased by a company in which one of the director's is the chief executive officer; and, $80,000 in debentures was issued to an individual who is related to a director. The terms of these debentures can be found in note 18 of the December 31, 2014 audited financial statements.

In prior years, the Company received non-secured, loans payable from a former director in the amount of $17,500, bearing interest at 10% per annum. The total outstanding amount as at December 31, 2013 was $17,500 included in due to related parties. In 2014, $17,500 in loans payable plus accrued interest of $800 was converted into convertible debentures.

During the year ended December 31, 2014, 3,105,525 shares were issued to related parties for settlements of outstanding fees and loans to the following: $94,030 to Foundation Opportunities Inc., $61,840 to Cavalry Corporate Solutions, $19,095 to William Richard Brown, $34,798 to Iain Kelso and $7,610 to Ping Lin.

Disclosure of Outstanding Share Data April 30, 2015

	Authorized	**Outstanding**
Voting or equity securities issued and outstanding	Unlimited Common Shares	23,403,480 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 1,595,000 common shares b) 3,417,575 Warrants exercisable to acquire common shares of the Company.

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Dividends
The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Critical Accounting Estimates

Assessment of Recoverability of Deferred Income Tax Assets

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Estimate of Share Based Payments and Associated Assumptions

Quia uses the fair value method in accounting for share based payments. Under this method, share based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to reserve for share based payments.

The Company recorded share based payments based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 9 of the December 31, 2014 audited consolidated financial statements for a full disclosure.

Assessment of Recoverability of Receivables Including HST

The carrying amount of accounts receivables, and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Impairment of Long-lived Assets

Quia reviews long lived assets for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that

the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations
At December 31, 2014, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are sill in the exploration stages. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing and the measurement of share-based payments and warrants. The most significant judgements relate to recoverability of capitalized amounts, recognition of deferred tax assets and liabilities.

6. Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, accounts receivable, accounts payable and accrued liabilities.

Cash has been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require

stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Fair Value

The carrying amount of cash, provisions, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists. As at December 31, 2014, all financial instruments measured at fair value are considered level 1.

Fair value hierarchy and liquidity risk disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash as at December 31, 2014. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

(i) Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level two includes inputs that are observable other than quoted prices included in level one.

(ii) Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in GAAP.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

B) Market Risk

i.) Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt; changes in interest rates could result in fair value risk on the Company's fixed rate debt.

ii.) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

iii.) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2014, the Company had a cash balance of $196 (December 31, 2013 - $9,172) to settle current liabilities of $696,361 (December 31, 2013 - $1,276,105).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements.

iv.) Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2014, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

v.) Political risk

The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in these governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions

In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

7. Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Quia to fund the capital and operating expenses necessary to achieve the business objectives of Quia, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

8. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

April 30, 2015

Yannis Banks
Chief Executive Officer

QUIA RESOURCES INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the year ended December 31, 2013

Management's discussion and analysis (MD&A) is current to April 30, 2014 and is management's assessment of the operations and the financial results together with future prospects of Quia Resources Inc. ("Quia" or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended December 31, 2013 and 2012, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Quia's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. This MD&A should be read in conjunction with the most recent Annual Information form ("AIF") on file with the provincial securities regulatory authorities. Additional information relevant to Quia's activities, including Quia's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia and has recently expanded its focus to agricultural minerals in North America. The Company recently acquired an option, subject to regulatory approval and due diligence, to earn a 65% interest in the Murdock Mountain phosphate project in Nevada. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of commodities, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Quia seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

As at April 30, 2014, the directors and officers of the Company were:

Yannis Banks	CEO and Director
Adam Szweras	Director and Corporate Secretary
Roger Dent	Director
Paul Lin	Director
Lew Lawrick	Director
Iain Kelso	Director
Richard Brown	VP Business Development
Marco Guidi	Chief Financial Officer

Iain Kelso, P.Geo. is the "Qualified Person" for the Company under the definition of National Instrument 43-101.

2. Recent Developments

Financing Developments

On September 23, 2013 and September 26, 2013, the Company issued 70,140,000 shares and 4,500,000 shares at $0.005 pursuant to a private placement for gross proceeds of $373,200.

The Company paid a cash finder's fee of $16,536 and issued 3,307,200 compensation warrants ("agent warrants"). Each agent warrant is exercisable for one share at a price of $0.05 expiring after 24 months.

The fair value of the 3,307,200 agent warrants was estimated at $1,300 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.21%; volatility 100% and an expected life of 2 years.

On October 31, 2012, the Company closed the second tranche of the non-brokered private placement announced August 15, 2012 (in cash and debt conversions) consisting of 13,519,348 units ("Units") and 1,280,000 common shares ("Common Shares") for aggregate gross proceeds of $739,967.30. This second tranch closing included the settlement of debt in the amount of $317,077.30 for 5,061,546 units to unrelated parties and 1,280,000 Common Shares issued to insiders and related parties. Combined with the first tranche closed on October 25, 2012, the total gross proceeds closed under the non-brokered private placement thus far amount to $1,000,000.

On October 25, 2012, the Company closed the first tranche of the non-brokered private placement announced on August 15, 2012, consisting of 5,200,661 units ("Units") for aggregate gross proceeds of $260,033.05. The securities are subject to a four month hold period expiring February 26, 2013. Canaccord Genuity Corp. and Foundation Markets Inc., acting as finders, received cash commissions of $3,383.60 and $1,890 respectively, and Canaccord Genuity Corp., received 67,672 compensation options ("Compensation Options"), each Compensation Option being exercisable into one Unit within 18 months of closing at an exercise price of $0.05.

January 6, 2012, the Company closed a non-brokered private placement consisting of 23,333,334 units for aggregate gross proceeds of $3,500,000.

Each Unit consists of one common share of the Company and one half of one warrant. Each full Warrant entitles the holder to acquire one common share of the Company at a price of $0.30 per Common Share for a period of 24 months from the closing date. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the common shares of the Company trade at or above $0.60 for a full 20 consecutive trading days after May 7, 2012 and the Company has provided Warrant holders with 30 days prior written notice of the accelerated Warrant exercise date.

The securities are subject to a four month hold period which expired on May 7, 2012. Canaccord Genuity Corp., Foundation Markets Inc., Union Securities Inc., and Raymond James Inc. acting as finders, received cash commissions of $178,428, $9,835, $3,360, and $1,050 respectively, and Canaccord Genuity Corp., Union Securities Inc., and Raymond James Inc. acting as finders, received 1,189,517, 22,400, and 23,333 compensation options ("Compensation Options") respectively, each Compensation Option being exercisable into one Unit within 24 months of closing at an exercise price of $0.15.

Exploration Developments

On November 11, 2013, the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada ("Murdock Mountain").

The Company believes, based on historical samples as discussed in its press release dated November 11, 2013, that Murdock Mountain has the potential to host phosphate that is low in heavy metals and radioactive minerals and also has other favourable geochemical characteristics that have the potential to enable Murdock Mountain to be a source of direct raw rock application phosphate to organic agricultural markets. The Company also believes the project is favourably located 6km from rail and proximal to large organic markets in the Western United States.

Under the terms of the option agreement, Quia will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Quia can earn 10% by funding $102,000 towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Quia has earned the initial 10% interest by funding the $102,000. Quia shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension.

Quia entered into an agreement to acquire the option on the Murdock Mountain property through the acquisition of 2243734, which is a private company that holds the option on Murdock Mountain. This transaction is a non-arm's length transaction as Yannis Banks is an insider of both the Corporation and 2243734, as he is a shareholder of 2243734 and the CEO and Director of Quia. In addition, a family trust whose beneficiaries are the minor children of the Corporate Secretary and Director of Quia, is also a shareholder of 2243734. Such participation is considered to be a "related party transaction", as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the shares issued to or the consideration paid by such persons will not exceed 25% of Quia's market capitalization.

Prior to completing the acquisition, the Company established an independent committee to consider the acquisition and to negotiate with 2243734 for the purchase. Neither Yannis Banks nor Adam Szweras were involved in the negotiation. The independent committee considered the acquisition in the Company's best interests and the purchase price fair and reasonable, and thus recommended the acquisition to the Company's board, which approved the transaction. Quia acquired 2243734 for a total consideration of one ($1) dollar.

The Company's near-term objective with the Murdock Mountain is to complete the permitting required to enable the Company to conduct its planned drill program in the latter part of the year, subject to being successful with its permitting efforts and securing adequate financing. The Company also plans to conduct testing to demonstrate the agricultural effectiveness of the Murdock Mountain phosphate.

The San Lucas Property (the "San Lucas Property") consists of 17 semi-contiguous concession contracts comprising a total area of approximately 6,980 hectares in the Department of Bolivar, Colombia. Quia, through its wholly owned subsidiary San Lucas Gold Corp., holds 100% interest in San Lucas Property.

From August 2010 to May 2012 Quia conducted its Phase 1 exploration program at San Lucas consisting of soil sampling, mapping, geophysics a 4,292 metre drill program.

The drilling program primarily tested two targets, the La Colina and La Rueda targets. The La Colina target consisted of a gold-in-soil anomaly coincident with the contact between gneissic rocks and quartz diorite porphyry rocks to the east, a strong uranium-thorium anomaly, and a strong IP chargeability anomaly. The drilling established the presence of a disseminated gold system hosted within tectonic breccias and potentially continuous over a strike length of 800 metres.

The La Rueda target consisted of a gold-in-soil anomaly coincident with a granodiorite instrusive body and a cluster of small scale artisanal mines. Five holes were drilled to test two mapped vein systems. Drilling confirmed the presence of narrow, high-grade gold mineralization in the area of Rueda South. Its along-strike position with Rueda North (and drill intercepts there) suggests the potential for a mineralized vein system with a strike length of approximately 1300 metres. The holes which tested the cross-cutting north-west structure showed interesting alteration but did not return any significant gold values.

Two other priority targets had been identified which remain to be tested: The Durmiente target and Libertad target.

Altogether, the phase 1 surface and drill program significantly advanced the Company's understanding of the geology of the project and provided encouraging information regarding both the potential for a significant high-grade mesothermal system with multiple parallel zones that extend over significant strike lengths, as well as the potential for porphyry-type deposits.

Since the completion of the phase 1 drill program the company has focused on re-logging its drill core and conducting further interpretive work with the aim of better understanding the geology of the area and to assist it in planning its phase 2 program. The Company completed a new structural and geological interpretation of the entire Guamoco area, with the assistance of third party consultants with significant experience in Colombia, which has generated two new priority 1 targets and four new priority 2 targets for follow-up.

The Company is continuing to seek out joint-venture partners, alternative sources of financing or strategic transactions to enable exploration at San Lucas to move forward. There is no assurance that these efforts will be successful.

Corporate Developments

While the Company successfully closed two tranches of a private placement on September 23 and 26, 2013, October 25, 2012 and October 31, 2012, the Company is seeking further funding to fund operations and to carry out further exploration. In this regard, the Company is also considering joint ventures and other financing alternatives which may better allow the Company to move its exploration plans forward in the current challenging financing environment for junior exploration companies. The Company has initiated discussions with several parties in this regard. There is no guarantee that any of these discussions will culminate in an investment, joint-venture or other type of transaction or financing arrangement, however, the company is putting significant effort into pursuing such alternative financing sources.

3. Overall Performance

For the year ended December 31, 2013, the Company's cash position decreased by $29,722 to $16,874 from $46,596 at December 31, 2012. This increase is primarily due to the private placement completed on September 23 and 26, 2013 for gross proceeds of $373,200 and by loans given by Directors and Management of the Company offset by exploration and evaluation expenditures and general operating costs incurred in this period.

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If in the future a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Results of Operations

Selected Annual Information

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	$	$	$
Loss before income taxes	1,211,010	3,969,018	7,354,114
Net Loss	1,211,010	3,969,018	7,354,114
Loss per weighted average share – basic and diluted	$0.010	$0.045	$0.119
Total Assets	145,204	556,167	483,782

Three month period ended December 31, 2013

The Company incurred a net loss of $323,390 or $0.001 a share for the three month period ended December 31, 2013, compared with a net loss of $259,829 or $0.003 a share for the same period ended December 31, 2012.

For the three month period ended December 31, 2013, management and consulting fees decreased by $48,508 to $26,000 from $74,508 in the same period in 2012. Management and consulting fees decreased in the comparable period as some consultants left the Company and some members of the management team were replaced, and as the Company tries to conserve cash.

Travel and promotion expenses for the three month period ended December 31, 2013 decreased by $4,562 to $6,160 from $10,722 in the same period in 2012. Travel expenses decreased as the Company controlled costs wherever possible in light of the current financial situation.

Total office and general costs decreased in the three month period ended December 31, 2013, by $25,071 to $64,602 from $89,673 in 2012. The decrease mainly reflects the Company's current cash position and the economic times and the fact that the Company is conserving cash and decreasing overall activities as it focuses on raising money.

Total exploration and evaluation costs increased in the three month period ended December 31, 2013, by $216,704 to $202,967 from $(13,737) in 2012. The Company is currently developing its wholly owned San Lucas Gold project and during the quarter acquired the option on the

Murdock Mountain project. The previous quarters negative expense reflects very little exploration costs in the last quarter of the year and foreign exchange on the expenditures.

Professional fees decreased by $75,597 to $14,829 during the three month period ended December 31, 2013 compared to $90,426 in the same period in 2012. The expense decreased as the Company's operations have decreased in light of the current financial situation.

The Company incurred share based payments for the three month period ended December 31, 2013 of $nil compared to $5,100 for the same period in 2012. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares. The decrease is due to graded vesting recognizing a higher expense in the earlier part of the vesting period of the options.

Total salaries and benefits costs decreased in the three month period ended December 31, 2013, by $37,389 to $6,584 from $43,973 in 2012. The decrease in salaries expense mainly reflects the Company's current cash position and the economic times and the fact that the Company is conserving cash as it focuses on raising money.

Year ended December 31, 2013

The Company incurred a net loss of $1,211,010 or $0.010 a share for the year ended December 31, 2013, compared with a net loss of $3,969,018 or $0.045 a share for the same year ended December 31, 2012.

For the year ended December 31, 2013, management and consulting fees decreased by $295,465 to $180,912 from $476,377 in the same period in 2012. Management and consulting fees decreased in the comparable period as some consultants left the Company and some members of the management team were replaced, and as the Company tries to conserve cash.

Travel and promotion expenses for the year ended December 31, 2013 decreased by $42,774 to $29,701 from $72,475 in the same period in 2012. Travel expenses decreased as the Company controlled costs wherever possible in light of the current financial situation.

Total office and general costs decreased in the year ended December 31, 2013, by $87,958 to $405,427 from $493,385 in 2012. The expense decreased as the Company's operations have decreased in light of the current financial situation.

Total exploration and evaluation costs decreased in the year ended December 31, 2013, by $2,106,624 to $495,608 from $2,602,232 in 2012. The Company is currently developing its wholly owned San Lucas Gold project and the optioned Murdock Mountain project. The decrease mainly reflects the Company's current cash position and the economic times and the fact that the Company is conserving cash and decreasing exploration activities as it focuses on raising money.

Professional fees decreased by $98,168 to $52,014 during the year ended December 31, 2013 compared to $150,182 in the same period in 2012. The expense decreased as the Company's operations have decreased in light of the current financial situation.

The Company incurred share based payments for the year ended December 31, 2013 of $3,800 compared to $38,700 for the same period in 2012. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares. The decrease is due to graded vesting recognizing a higher expense in the earlier part of the vesting period of the options.

Total salaries and benefits costs decreased in the year ended December 31, 2013, by $31,347 to $63,967 from $95,314 in 2012. Salaries expense decreased in the comparable period as some employees left the Company and some members of the management team were replaced, and as the Company tries to conserve cash.

4. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	December 31, 2013 $	September 30, 2013 $	June 30, 2013 $	March 31, 2013 $
Total Revenue	-	-	-	-
Net Loss	323,390	121,142	543,760	222,718
Loss Per Share – basic and diluted	$0.001	$0.001	$0.005	$0.002

	December 31, 2012 $	September 30, 2012 $	June 30, 2012 $	March 31, 2012 $
Total Revenue	-	-	-	-
Net Loss	259,829	573,732	1,693,644	1,441,817
Loss Per Share– basic and diluted	$0.001	$0.007	$0.020	$0.017

Working Capital

As at December 31, 2013, the Company had net working capital deficiency of $1,213,690 compared to a working capital deficiency of $474,414 as at December 31, 2012.

A summary of the Company's cash position and changes in cash for the years ended December 31, 2013 and 2012 are provided below:

	Years ended December 31,	
	2013	2012
Cash used in operating activities – net	**(753,297)**	(4,048,951)
Cash used in investing activities	**-**	(4,546)
Cash provided by financing activities	**723,575**	4,028,975
Decrease in cash	**(29,722)**	(24,522)
Cash, beginning of year	**46,596**	71,118
Cash, end of year	**16,874**	46,596

Liquidity Outlook

Quia had cash of $16,874 available at December 31, 2013, a decrease of $29,722 from the balance at December 31, 2012 of $46,596. This decrease is mainly due to private placements closed on September 23 and 26, 2013 for gross proceeds of $373,200 offset by exploration and evaluation expenditures and general operating expenses. In the comparative period, the Company closed private placements for gross proceeds of $3,500,000 closed on January 6, 2012 as well as two tranches for the private placement closed in October 2012 of $260,033 and $739,967 respectively, of which $317,077 from the second tranche represented settlements of debt.

As noted above, the Company's working capital decreased by $739,276 to a working capital deficiency of $1,213,690 from a working capital deficiency of $474,414 at December 31, 2012. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term requirements.

5. Related-party Transactions

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2013, $nil (2012 - $12,025) was paid for consulting fees to Foundation Markets Inc. ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. In addition, $nil and $16,200 (2012 - $15,000 and $16,200) was paid for consulting fees and rent respectively to Foundation Opportunities Inc. ("FOI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2013 included due to related parties is $28,606 (December 31, 2012 - $4,748) payable to FOI.

During the year ended December 31, 2013, $48,000 (2012 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry") for CFO, book keeping and administrative services, a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. At December 31, 2013 included due to related parties is $75,400 (December 31, 2012 - $21,160) payable to the Company.

During the year ended December 31, 2013, $14,961 (2012 - $52,736) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. At December 31, 2013, included in due to related parties is $32,488 (December 31, 2012 - $22,118) payable to this company.

During the year ended December 31, 2013, $nil (2012 - $60,000) was paid to the VP of exploration. As at December 31, 2013, $28,840 (December 31, 2012, $28,840) is included in due to related parties payable to this VP.

During the year ended December 31, 2013, $12,000 (2012 - $24,000) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2013, due to related parties included $26,526 (December 31, 2012 - $14,526) payable to this individual.

During the year ended December 31, 2013, $45,500 (2012 - $100,000) was paid for services to the chief executive officer. As at December 31, 2013, $99,446 (December 31, 2012, $78,250) is included in due to related parties due to this individual.

During the year ended December 31, 2013, $30,000 (2012 - $60,000) was paid for services to the former chief financial officer. As at December 31, 2013, $60,200 (December 31, 2012 - $26,300) is included in due to related parties is payable to the former chief financial officer.

As of December 31, 2013, the Company received non-secured loans of $127,500 from various directors at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $112,000 (December 31, 2012 - $31,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $30,000 (December 31, 2012 - $30,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $269,200 from the CEO at the rate of 10% per annum payable at the closing of a financing. As at December 31, 2013, $152,978 (December 31, 2012 - $143,189) is included as loan and interest payable.

Interest payable related to the above loans as at December 31, 2013 amounts to $9,921 (December 31, 2012 - $6,248).
All transactions with related parties were in the normal course of operations.

All key management compensation has been included above.

Disclosure of Outstanding Share Data April 30, 2014

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	181,671,504 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 3,159,500 common shares b) 12,734,876 Warrants exercisable to acquire common shares of the Company.

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Subsequent Events
On April 24, 2014, a statement of claim was filed in BC Small Claims Court against the Company by the optionor on the Murdock Mountain property in the amount of $23,769 in relation to costs the Company is required to pay under the terms of the option agreement. The optionor has failed to discharge it's duties under the option agreement and when it does so, the

Company will pay these amounts in due course. The Company is of the view that the claim is invalid and will be taking steps to discharge the matter.

Dividends
The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Critical Accounting Estimates

Assessment of Recoverability of Deferred Income Tax Assets

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Estimate of Share Based Payments and Associated Assumptions
Quia uses the fair value method in accounting for share based payments. Under this method, share based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to reserve for share based payments.

The Company recorded share based payments based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 9 of the December 31, 2013 audited consolidated financial statements for a full disclosure.

Assessment of Recoverability of Receivables Including HST
The carrying amount of accounts receivables, and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Impairment of Long-lived Assets
Quia reviews long lived assets for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that

the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations
At December 31, 2013, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are sill in the exploration stages. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing and the measurement of share-based payments and warrants. The most significant judgements relate to recoverability of capitalized amounts, recognition of deferred tax assets and liabilities.

6. Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, accounts receivable, accounts payable and accrued liabilities.

Cash has been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require

stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Fair Value

The carrying amount of cash, provisions, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists. As at December 31, 2013, all financial instruments measured at fair value are considered level 1.

Fair value hierarchy and liquidity risk disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash as at December 31, 2013. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

(i) Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level two includes inputs that are observable other than quoted prices included in level one.

(ii) Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in GAAP.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

B) Market Risk

i.) Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt; changes in interest rates could result in fair value risk on the Company's fixed rate debt.

ii.) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

iii.) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2013, the Company had a cash balance of $16,874 (December 31, 2012 - $46,596) to settle current liabilities of $1,276,105 (December 31, 2012 - $923,528).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements.

iv.) Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2013, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

v.) Political risk

The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in these governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loans receivable, accounts payable, due to related parties, loans and interest payable and provisions that are denominated in Colombian pesos. As at December 31, 2013, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company's comprehensive income for the year ended December 31, 2013 would have been approximately $20,800 higher/lower respectively as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper

use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions
In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

7. Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and

environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Quia to fund the capital and operating expenses necessary to achieve the business objectives of Quia, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

8. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

April 30, 2014

Yannis Banks
Chief Executive Officer

QUIA RESOURCES INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the year ended December 31, 2012

Management's discussion and analysis (MD&A) is current to April 29, 2013 and is management's assessment of the operations and the financial results together with future prospects of Quia Resources Inc. ("Quia" or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended December 31, 2012 and 2011, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Quia's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. This MD&A should be read in conjunction with the most recent Annual Information form ("AIF") on file with the provincial securities regulatory authorities. Additional information relevant to Quia's activities, including Quia's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of gold, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Quia seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

As at April 29, 2013, the directors and officers of the Company were:

Yannis Banks	CEO and Director
Dan Noone	Chairman
Adam Szweras	Director and Corporate Secretary
Richard Brown	Director and VP Business Development
Paul Lin	Director
Lew Lawrick	Director
Iain Kelso	Director
Andres Tinajero	Chief Financial Officer

Iain Kelso, P.Geo. is the "Qualified Person" for the Company under the definition of National Instrument 43-101.

2. Recent Developments

Financing Developments

On October 25, 2012, the Company closed the first tranche of the non-brokered private placement announced on August 15, 2012, consisting of 5,200,661 units ("Units") for aggregate gross proceeds of $260,033.05. The securities are subject to a four month hold period expiring February 26, 2013. Canaccord Genuity Corp. and Foundation Markets Inc., acting as finders, received cash commissions of $3,383.60 and $1,890 respectively, and Canaccord Genuity Corp., received 67,672 compensation options ("Compensation Options"), each Compensation Option being exercisable into one Unit within 18 months of closing at an exercise price of $0.05.

On October 31, 2012, the Company closed the second tranche of the non-brokered private placement announced August 15, 2012 (in cash and debt conversions) consisting of 13,519,348 units ("Units") and 1,280,000 common shares ("Common Shares") for aggregate gross proceeds of $739,967.30. This second tranch closing included the settlement of debt in the amount of $317,077.30 for 5,061,546 Units to unrelated parties and 1,280,000 Common Shares issued to insiders and related parties. Combined with the first tranche closed on October 25, 2012, the total gross proceeds closed under the non-brokered private placement thus far amount to $1,000,000.

January 6, 2012, the Company closed a non-brokered private placement consisting of 23,333,334 units for aggregate gross proceeds of $3,500,000.

Each Unit consists of one common share of the Company and one half of one warrant. Each full Warrant entitles the holder to acquire one common share of the Company at a price of $0.30 per Common Share for a period of 24 months from the closing date. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the common shares of the Company trade at or above $0.60 for a full 20 consecutive trading days after May 7, 2012 and the Company has provided Warrant holders with 30 days prior written notice of the accelerated Warrant exercise date.

The securities are subject to a four month hold period which expired on May 7, 2012. Canaccord Genuity Corp., Foundation Markets Inc., Union Securities Inc., and Raymond James Inc. acting as finders, received cash commissions of $178,428, $9,835, $3,360, and $1,050 respectively, and Canaccord Genuity Corp., Union Securities Inc., and Raymond James Inc. acting as finders, received 1,189,517, 22,400, and 23,333 compensation options ("Compensation Options") respectively, each Compensation Option being exercisable into one Unit within 24 months of closing at an exercise price of $0.15.

Exploration Developments

The San Lucas Property (the "San Lucas Property") consists of 17 semi-contiguous concession contracts comprising a total area of approximately 6,980 hectares in the Department of Bolivar, Colombia. Quia, through its wholly owned subsidiary San Lucas Gold Corp., holds 100% interest in San Lucas Property. On February 21, 2012 San Lucas Gold Corp entered into an agreement to acquire two adjacent concessions totaling 2,158 hectares. Following the acquisition, the company's land holdings total approximately 9,138 hectares.

In its Phase 1 surface campaign completed between August 2010 and February 2011, Quia conducted approximately 28 square kilometres of surface soil sampling and geologic mapping over target areas identified through the previously completed airborne geophysical survey and satellite image structural interpretation.
In May 2011, subsequent to completion of the first phase of surface work, Quia completed 10 line kilometres of induced polarization and ground magnetic surveys over anomalies identified through the Phase 1 surface campaign.

The Phase 1 drilling campaign began June 11th with drill hole SL1102 at Platform B. Drilling at hole SL1101 from Platform A began June 29th. At the end of 2011, 3,134 metres had been completed in 14 holes. In January 2012 Quia terminated its drill contractor and replaced them with a new contractor with a smaller rig-type better suited to the conditions of the San Lucas property. As of March 20th, the phase one drill program re-started with one drill rig. In May 2012, the phase 1 drill program was completed, with an additional 1,157 metres drilled in 6 holes, for a total of 4,292 metres in 20 holes.

The majority of drilling in 2011 focused on the La Colina target - a gold-in-soil anomaly coincident with the contact between gneissic rocks and quartz diorite porphyry rocks to the east, a strong uranium-thorium anomaly, and a strong IP chargeability anomaly. The drilling established

the presence of a disseminated gold system hosted within tectonic breccias and potentially continuous over a strike length of 800 metres.

In 2012, drilling focused on the south-west part of the La Rueda target (Rueda South) -- a gold-in-soil anomaly coincident with a granodiorite instrusive body and a cluster of small scale artisanal mines. Two vein systems were mapped in the area, one trending north-east, and one north-west. Five holes were drilled to test the two vein systems. Drilling confirmed the presence of narrow, high-grade gold mineralization in the area of Rueda South. Its along-strike position with Rueda North (and drill intercepts there) suggests the potential for a mineralized vein system with a strike length of approximately1300 metres. The holes which tested the cross-cutting north-west structure showed interesting alteration but did not return any significant gold values. One hole was also drilled in 2012 to test a shear zone target that was more recently interpreted, north-west of La Colina, which consisted of a 1.5km long multi-element geochemical anomaly coincident with a magnetic high. The hole did not return any significant gold values but did contain an intersection of above-background copper values. The Durmiente target and Libertad targets remain to be drill tested.

Altogether, the phase 1 surface and drill program significantly advanced the Company's understanding of the geology of the project and provided encouraging information regarding both the potential for a significant high-grade mesothermal system with multiple parallel zones that extend over significant strike lengths, as well as the potential for porphyry-type deposits. The company plans to incorporate both deposit models in its next phase of exploration.

Since the completion of the phase 1 drill program the company has focused on re-logging all of its drill core with the aim of better understanding the geology of the area and to assist it in planning its phase 2 program. Subject to securing adequate financing or a joint-venture partner, the company is planning to complete more surface work at the Libertad and Durmiente targets to get them to the drill-ready stage, do follow-up surface work on other anomalies that have been identified on the property, and conduct further regional reconnaissance exploration on parts of the property which have not been visited yet.

The Libertad structure is a north-south striking, steeply dipping mineralized vein-breccia system that is hosted within black schistose rocks of the Caja Marca Terrane in the north block of the Company's property. The Libertad structure is directly associated with the north-south striking Palestina fault system which locally separates the metamorphic rocks of the Caja Marca Terrane from the plutonic rocks of the Norosí batholith to the east. Based on its exposed position in several tunnels, the Libertad structure can be mapped with confidence over a strike length of 600 metres along which its true width has been observed to vary between 1 and 3.5 metres. Results of soil sampling indicate the structure has a continuous strike of at least 1 km and is open in both directions. Separate underground channel samples returned grades as high as 39 g Au/t and 100 g Ag/t.

The Durmiente area is a large geochemical and magnetic anomaly. The anomaly is expressed by a strong Ag-Pb-As-Cu-Mo (+Au) correlation and is also coincident with a topographic high and at least two magnetic anomalies, each of which measure approximately 600 by 600 metres in size.

Corporate Developments

While the Company successfully closed two tranches of a private placement on October 25, 2012 and October 31, 2012, the Company is seeking further funding to adequately carry out its planned phase 2 exploration program. In this regard, the Company is also considering joint ventures and other financing alternatives which may better allow the Company to move its exploration plans forward in the current challenging financing environment for junior exploration companies. The Company has initiated discussions with several parties in this regard. There is no guarantee that any of these discussions will culminate in an investment, joint-venture or other type of transaction or financing arrangement, however, the company is putting significant effort into pursuing such alternative financing sources.

3. Overall Performance

For the year ended December 31, 2012, the Company's cash position decreased by $24,522 to $46,596 from $71,118 at December 31, 2011. This decrease is primarily due to exploration and evaluation expenditures and general operating costs incurred in this period offset by the private placements closed on January 6, 2012 and October 2012.

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If in the future a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Results of Operations

Selected Annual Information

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
	$	$	$
Loss before income taxes	3,969,022	7,354,114	3,297,418
Net Loss	3,969,022	7,354,114	3,297,418
Loss per weighted average share – basic and diluted	$0.045	$0.119	$0.080
Total Assets	556,167	483,782	5,720,278

Three month period ended December 31, 2012

The Company incurred a net loss of $259,829 or $0.003 a share for the three month period ended December 31, 2012, compared with a net loss of $2,216,964 or $0.035 a share for the same period ended December 31, 2011.

For the three month period ended December 31, 2012, management and consulting fees increased by $108,668 to $74,508 from $(34,160) in the same period in 2011. Management and consulting fees decreased in the comparable period as some consultants left the Company and some members of the management team were replaced. However, due to reclassifications of certain consulting fees to exploration and evaluation expenditures during the last quarter of fiscal 2011, the expense increased overall as the prior year had a negative expense for the quarter.

Travel and promotion expenses for the three month period ended December 31, 2012 increased by $368,845 to $10,722 from $(358,123) in the same period in 2011. Travel expenses decreased as the Company controlled costs wherever possible in light of the current financial situation. However, due to reclassifications of certain travel costs to exploration and evaluation expenditures during the last quarter of fiscal 2011, the expense increased overall as the prior year had a negative expense for the quarter.

Total office and general costs increased in the three month period ended December 31, 2012, by $168,819 to $89,673 from $(79,146) in 2011. The expense increased due to the Company transitioning the office to Medellin from Bogota during the year. The expense is further increased due to reclassifications of certain office and general costs to exploration and evaluation expenditures during the last quarter of fiscal 2011, the expense increased overall as the prior year had a negative expense for the quarter.

Total exploration and evaluation costs decreased in the three month period ended December 31, 2012, by $2,701,997 to $(13,737) from $2,688,260 in 2011. The Company is currently developing its wholly owned San Lucas Gold project. The decrease mainly reflects the Company's current cash position and the economic times and the fact that the Company is conserving cash and decreasing exploration activities as it focuses on raising money. The higher exploration costs during 2011 is also due to account reclassifications in the prior year quarter from various expense accounts to exploration and evaluation. The current quarters negative expense reflects very little exploration costs in the last quarter of the year and foreign exchange on the expenditures.

Professional fees increased by $25,366 to $90,426 during the three month period ended December 31, 2012 compared to $65,060 in the same period in 2011. The increase is attributable to higher legal fees on general corporate matters during 2012 in relation to lawyers in Colombia for work in connection with the Company's property and local operations.

The Company incurred share based payments for the three month period ended December 31, 2012 of $5,100 compared to $20,100 for the same period in 2011. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares. The decrease is due to graded vesting recognizing a higher expense in the earlier part of the vesting period of the options.

Total salaries and benefits costs increased in the three month period ended December 31, 2012, by $175,655 to $43,973 from $(131,682) in 2011. Salaries expense increased in the comparative quarter due to more employees being hired in Colombia. The amount further increased due to reclassifications of certain salary costs to exploration and evaluation expenditures during the last quarter of fiscal 2011, the expense increased overall as the prior year had a negative expense for the quarter.

Year ended December 31, 2012

The Company incurred a net loss of $3,969,022 or $0.045 a share for the year ended December 31, 2012, compared with a net loss of $7,354,114 or $0.119 a share for the same period ended December 31, 2011.

For the year ended December 31, 2012, management and consulting fees decreased by $60,015 to $476,377 from $536,392 in the same period in 2011. Management and consulting fees decreased in the comparable period as some consultants left the Company and some members of the management team were replaced.

Travel and promotion expenses for the year ended December 31, 2012 decreased by $125,618 to $72,475 from $198,093 in the same period in 2011. The decrease is due to the fact that travel related to the properties decreased in the year as the Company conserved cash due to the market conditions.

Total office and general costs increased in the year ended December 31, 2012, by $167,615 to $493,385 from $325,770 in 2011. The expense increased due to the Company transitioning the office to Medellin from Bogota during the year.

Total exploration and evaluation costs decreased in the year ended December 31, 2012, by $1,905,132 to $2,602,232 from $4,507,364 in 2011. The Company is currently developing its wholly owned San Lucas Gold project. The decrease mainly reflects the Company decreasing activity on the property due to its current financial situation.

Professional fees decreased by $224,802 to $150,182 during the year ended December 31, 2012 compared to $374,984 in the same period in 2011. The decrease is attributable to higher legal fees on general corporate matters during 2011 and higher fees due to the conversion to IFRS.

The Company incurred share based payments for the year ended December 31, 2012 of $38,700 compared to $1,299,900 for the same period in 2011. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares. The decrease is due to graded vesting recognizing a higher expense in the earlier part of the vesting period of the options.

Total salaries and benefits costs increased in the year ended December 31, 2012, by $29,626 to $95,314 from $65,688 in 2011. The increase is due to the CEO being hired on as an employee as opposed to consulting fees in the prior year.

4. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	December 31, 2012 $	September 30, 2012 $	June 30, 2012 $	March 31, 2012 $
Total Revenue	-	-	-	-
Net Loss	259,829	573,732	1,693,644	1,441,817
Loss Per Share – basic and diluted	$0.001	$0.007	$0.020	$0.017

	December 31, 2011 $	September 30, 2011 $	June 30, 2011 $	March 31, 2011 $
Total Revenue	-	-	-	-
Net Loss	2,216,964	1,674,255	1,417,220	2,045,675
Loss Per Share– basic and diluted	$0.035	$0.027	$0.023	$0.033

Working Capital

As at December 31, 2012, the Company had net working capital deficiency of $474,414 compared to a working capital deficiency of $676,754 as at December 31, 2011.

A summary of the Company's cash position and changes in cash for the years ended December 31, 2012 and 2011 are provided below:

	Years ended December 31,	
	2012	2011
Cash used in operating activities – net	**(4,048,951)**	(5,743,381)
Cash used in investing activities	**(4,546)**	(120,949)
Cash provided by financing activities	**4,028,975**	419,787
Decrease in cash	**(24,522)**	(5,444,543)
Cash, beginning of year	**71,118**	5,515,661
Cash, end of year	**46,596**	71,118

Liquidity Outlook

Quia had cash of $46,596 available at December 31, 2012, a decrease of $24,522 from the balance at December 31, 2011 of $71,118. This decrease is mainly due to exploration and evaluation expenditures and general operating expenses in the period offset by the private placement for gross proceeds of $3,500,000 closed on January 6, 2012 as well as proceeds from two tranches of $260,033 and $739,967, respectively, of which $317,077 from the second tranche represented settlements of debt, received for the private placement closed in October 2012.

As noted above, the Company's working capital decreased by $202,340 to a working capital deficiency of $474,414 from a working capital deficiency of $676,754 at December 31, 2011.

The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term requirements.

5. Related-party Transactions

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2012, $nil (2011 - US$18,000) was paid as a salary to the former Vice President and Director.

During the year ended December 31, 2012, $12,025 (2011 - $nil) was paid for consulting fees to Foundation Market Inc. ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. In addition, $15,000 and $16,200 (2011 - $1,944 and $nil) was paid for consulting fees and rent respectively to Foundation Opportunities Inc. ("FOI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2012 included due to related parties is $4,748 (December 31, 2011 - $1,944) payable to FOI.

During the year ended December 31, 2012, $48,000 (2011 - $48,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry"), a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest. At December 31, 2012 included due to related parties is $21,160 (December 31, 2011 - $nil) payable to the Company.

During the year ended December 31, 2012, $52,736 (2011 - $76,570) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. At December 31, 2012, included in due to related parties is $22,118 (December 31, 2011 - $34,063) payable to this company.

During the year ended December 31, 2012, $60,000 (2011 - $144,000) was paid to the VP of exploration. As at December 31, 2012, $28,840 is included in due to related parties (December 31, 2011, $68,747) payable to this VP.

During the year ended December 31, 2012, $24,000 (2011 - $115,315) was paid to the Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2012, due to related parties included $14,526 (December 31, 2011 - $58,864) payable to this individual.

During the year ended December 31, 2012, $100,000 (2011 - $56,250) was paid for services to the chief executive officer. As at December 31, 2012, $78,250 is included in due to related parties (December 31, 2011, $14,125) due to this individual.

During the year ended December 31, 2012, $nil (2011 - $44,060) was paid for services to the former chief executive officer and current director.

During the year ended December 31, 2012, $60,000 (2011 - $60,000) was paid for services to the chief financial officer. As at December 31, 2012 included in due to related parties is $26,300 (December 31, 2011 - $11,300) payable to the chief financial officer.

During 2011, the Company received non-secured loans of $30,000 from Foundation Opportunities Inc., a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest, at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of the financing. As at December 31, 2012 $nil (December 31, 2011 - $30,000) is included as loans and interest payable.

During 2011, the Company received non-secured loans of $30,000 from a director at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of financing. As at December 31, 2012 $nil (December 31, 2011 - $30,000) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $86,000 from various directors at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $31,000 (December 31, 2011 - $nil) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $60,000 from the CFO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $30,000 (December 31, 2011 - $nil) is included as loan and interest payable.

During 2012, the Company received non-secured loans of $236,900 from the CEO at the rate of 10% per annum payable the earlier of December 31, 2012 or the closing of financing. As at December 31, 2012 $143,189 (December 31, 2011 - $nil) is included as loan and interest payable.

Interest payable related to the above loans as at December 31, 2012 amounts to $6,248 (December 31, 2011 - $271).

All transactions with related parties were in the normal course of operations.

All key management compensation has been included above.

Disclosure of Outstanding Share Data April 29, 2013

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	105,531,504 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 4,159,500 common shares b) 22,313,283 Warrants exercisable to acquire common shares of the Company.

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Dividends
The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and

does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Critical Accounting Estimates

Assessment of Recoverability of Future Income Tax Assets

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable

profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Estimate of Share Based Payments and Associated Assumptions

Quia uses the fair value method in accounting for share based payments. Under this method, share based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to reserve for share based payments.

The Company recorded share based payments based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 9 of the December 31, 2012 consolidated financial statements for a full disclosure.

Assessment of Recoverability of Receivables Including HST

The carrying amount of accounts receivables, and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Impairment of Long-lived Assets

Quia reviews long lived assets for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations

At December 31, 2012, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are sill in the exploration stages. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing and the measurement of share-based payments and warrants. The most significant judgements relate to recoverability of capitalized amounts, recognition of deferred tax assets and liabilities.

6. Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, accounts receivable, accounts payable and accrued liabilities.

Cash has been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.
Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Fair Value

The carrying amount of cash, provisions, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exist. As at December 31, 2012, all financial instruments measured at fair value are considered level 1.

Fair value hierarchy and liquidity risk disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash as at December 31, 2012. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

(i) Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level two includes inputs that are observable other than quoted prices included in level one.

(ii) Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in GAAP.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

B) Market Risk

i.) Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company's fixed rate debt.

ii.) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

iii.) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2012, the Company had a cash balance of $46,596 (December 31, 2011 - $71,118) to settle current liabilities of $923,528 (December 31, 2011 - $1,034,390).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term requirements.

iv.) Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance

that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of December 31, 2012, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

v.) Political risk

The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in this governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loans receivable, accounts payable, due to related parties, loans and interest payable and provisions that are denominated in Colombian pesos. As at December 31, 2012, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company's comprehensive income for the year ended December 31, 2012 would have been approximately $4,000 (2011 - $32,000) higher/lower respectively as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the

reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions
In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

7. Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Quia to fund the capital and operating expenses necessary to achieve the business

objectives of Quia, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

8. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

April 29, 2013

Yannis Banks
Chief Executive Officer

SCHEDULE "C"
INTERIM MANAGEMENT DISCUSSION & ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

THE TINLEY BEVERAGE COMPANY INC.
(formerly QUIA RESOURCES INC.)

Unaudited Interim Condensed Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three and nine month periods ended
September 30, 2015 and 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of The Tinley Beverage Company Inc. (formerly Quia Resources Inc.), are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Jeffrey Maser
_________________________, CEO
Jeffrey Maser

Al Quong
____________________, CFO
Al Quong

NOTICE TO READER

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2015 and 2014 have not been reviewed by the Company's auditors.

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		**Sept 30, 2015**		December 31, 2014
Assets				
Current Assets				
Cash	$	**309,729**	$	196
Sales tax receivable		**41,043**		3,580
Prepaid expenses		**2,495**		26,014
	$	**353,267**	$	29,790
Liabilities				
Current Liabilities				
Trade and other payables	$	**93,090**	$	116,708
Due to related parties (Note 10)		**98,074**		325,255
Loans and interest payable (Note 10)		**60,937**		254,398
		252,101		696,361
Convertible debentures (Note 11)		**-**		208,402
		252,101		904,763
Shareholders' Deficiency				
Share capital (Note 6 (b))		**15,367,521**		14,011,456
Shares to be issued (Note 6 (b))		**225,000**		-
Conversion component of convertible debentures (Note 11)		**-**		84,995
Reserve for warrants (Note 8)		**5,043,914**		5,080,491
Reserve for share based payments (Note 7)		**1,500,250**		1,495,300
Reserve for foreign exchange losses		**(28,734)**		(27,035)
Accumulated deficit		**(22,006,785)**		(21,520,180)
		101,166		(874,973)
	$	**353,267**	$	29,790

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 9)

Approved on behalf of the Board of Directors on November 24, 2015:

"Jeff Maser" (signed) — *CEO and Director*

"Adam Szweras" (signed) — *Director*

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Expenses				
Exploration and evaluation expenses	$ **-**	$ 3,217	$ **-**	$ 14,041
Office and general	**31,893**	65,188	**134,339**	121,678
Management and consulting	**122,591**	55,326	**321,404**	103,826
Professional fees	**45,151**	9,971	**91,506**	26,192
Share based payments (Note 7)	**-**	6,250	**4,950**	6,250
Travel and promotion	**39**	241	**3,045**	241
Foreign exchange (gain) loss	**1,881**	1,237	**4,298**	754
	(201,555)	(141,430)	**(559,542)**	(272,982)
Gain on forgiveness of debt	**72,937**	-	**72,937**	-
Gain on settlement of debt	**-**	-	**-**	94,833
Loss from continuing operations	**(128,618)**	(141,430)	**(486,605)**	(178,149)
Gain from discontinued operations (Note 12)	**-**	500,023	**-**	266,428
Net income (loss)	**(128,618)**	358,593	**(486,605)**	88,279
Other comprehensive income (loss)				
Items that will be reclassified subsequently to loss				
Exchange differences on translating foreign operations	**-**	-	**(1,699)**	5,101
Total comprehensive income (loss)	**(128,618)**	358,593	**(488,304)**	93,380
Loss per share-basic and diluted				
Loss per share - from continuing operations	$ **(0.003)**	$ (0.006)	$ **(0.017)**	$ (0.009)
Income (loss) per share - from discontinued operations	**0.000**	$ 0.022	$ **0.000**	$ 0.013
Income (loss) per share - net income (loss)	**(0.003)**	$ 0.016	$ **(0.017)**	$ 0.004
Weighted average number of shares outstanding	**42,082,721**	22,908,807	**29,370,346**	20,129,815

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Share Capital		Reserves						
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Conversion component of convertible Debentures	Shares to be issued	Deficit	Total
Balance at December 31, 2013	**18,167,151**	**$ 13,791,253**	**$ 1,485,400**	**$ 5,007,114**	**$ (6,610)**	**$ -**	**120,000**	**$ (21,528,058)**	**$ (1,130,901)**
Shares issued for settlement of debt	4,741,656	237,083	-	-	-	-	-	-	237,083
Fair value assigned to warrants	-	(14,700)	-	14,700	-	-	-	-	-
Cost of issuance	-		-	-	-	-	-	-	-
Cash issue costs	-	(2,180)	-	-	-	-	-	-	(2,180)
Funds transferred to convertible debentures issued	-	-	-	-	-	-	(120,000)	-	(120,000)
Fair value assigned to warrants issued on convertible debentures	-	-	-	58,677	-	-	-	-	58,677
Conversion component of convertible debentures	-	-	-	-	-	7,769	-	-	7,769
Share based payments	-		6,250	-	-	-	-	-	6,250
Commission on the issuance of convertible debentures	-	-	-	-	-	(83)	-	-	(83)
Exchange gain on translating foreign operation	-	-	-	-	5,101	-	-	-	5,101
Net loss for the period	-	-	-	-	-	-	-	88,279	88,279
Balance at September 30, 2014	**22,908,807**	**$ 14,011,456**	**$ 1,491,650**	**$ 5,080,491**	**$ (1,509)**	**$ 7,686**	**- $**	**(21,439,779) $**	**(850,005)**
Fair value assigned to warrants issued on convertible debentures	-	-	-	-	-	-	-	-	-
Conversion component of convertible debentures	-	-	-	-	-	77,309	-	-	77,309
Share based payments	-	-	3,650	-	-	-	-	-	3,650
Exchange gain on translating foreign operation	-	-	-	-	(25,526)	-	-	-	(25,526)
Net income for the period	-	-	-	-	-	-	-	(80,401)	(80,401)
Balance at December 31, 2014	**22,908,807**	**$ 14,011,456**	**$ 1,495,300**	**$ 5,080,491**	**$ (27,035)**	**$ 84,995**	**- $**	**(21,520,180) $**	**(874,973)**
Share based payments	-	-	4,950	-	-	-	-	-	4,950
Private placement	38,000,000	380,000	-	-	-	-	225,000	-	605,000
Shares issued for settlement of debentures	23,609,363	389,754	-	(58,677)	-	(84,995)	-	-	246,082
Shares to be issued for settlement of debt	33,194,998	398,340	-	-	-	-	-	-	398,340
Shares to be issued for settlement of promissory notes	17,505,897	210,071	-	-	-	-	-	-	210,071
Fair value assigned to warrants		(22,100)		22,100					
Exchange gain on translating foreign operation	-	-	-	-	(1,699)	-	-	-	(1,699)
Net loss for the period	-	-	-	-	-	-	-	(486,605)	(486,605)
Balance at September 30, 2015	**135,219,065**	**$ 15,367,521**	**$ 1,500,250**	**$ 5,043,914**	**$ (28,734)**	**$ -**	**225,000**	**$ (22,006,785)**	**$ 101,166**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the nine month period ended September 30,	2015	2014
Operating Activities		
Net loss	$ **(486,605)**	$ 88,279
Adjustments to reconcile net loss to cash flow from operating activities:		
Share based payments (Note 7)	**4,950**	6,250
Amortization	**-**	6,000
Accretion	**-**	10,221
Interest	**45,898**	-
Unrealized foreign exchange loss	**793**	5,101
Gain on forgiveness of debt	**(72,937)**	
Gain on settlement of debt	**-**	(94,833)
Gain on sale of discontinued operations	**-**	(500,023)
Net change in non-cash working capital items:		
Prepaid expenses	**23,519**	(43,052)
Sales tax receivable	**(37,463)**	5,932
Trade and other payables	**382,159**	158,806
Cash flow used in operating activities	**(139,686)**	(357,319)
Financing Activities		
Issuance of share capital, net of share issue costs	**380,000**	-
Shares to be issued	**225,000**	-
Convertible debentures issued, net of issue costs	**-**	217,283
Amounts paid to related parties	**(161,681)**	(42,965)
Loans received	**5,900**	11,433
Cash flow provided from financing activities	**449,219**	185,751
Cash flow provided from discontinued operations	**-**	167,264
Net increase (decrease) in cash	**309,533**	(4,304)
Cash, beginning of period	**196**	9,172
Cash, end of period	$ **309,729**	$ 4,868

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

The Tinley Beverage Company Inc. (the "Company" or "Tinley"), formerly Quia Resources Inc. was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company's objective is to develop and launch a line of hemp oil-based functional beverages, and was up until the change in business, engaged in the acquisition, exploration and development of properties for the mining of agricultural minerals in North America and Columbia. The address of the Company's registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company raising sufficient funds to finance development activities, and secure distribution channels. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities. These circumstances may cast substantial doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern

As at September 30, 2015, the Company has working capital of $101,166 (December 31, 2014 - $666,571 working capital deficiency), has an accumulated deficit of $22,006,785 (December 31, 2014 - $21,520,180) and has incurred a loss of $486,605 for the nine month period ended September 30, 2015 (2014 - $88,279 income).

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated 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 the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These audited consolidated financial statements were authorized by the Board of Directors of the Company on November 23, 2015.

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2014 annual financial statements.

2.3 Adoption of new and revised standards and interpretations

Standards and interpretations adopted
The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2015. For the purpose of preparing and presenting the Financial Information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

New standards and interpretations not yet effective

2. BASIS OF PRESENTATION (continued)

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which are not yet effective and which the Company has not early adopted. However the Company is currently assessing what impact the application of these standards or amendments will have on the interim unaudited consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

3. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. The Company will not spend any additional amounts on the property. In light of the above, the Company will also no longer continue to assess new properties.

As at September 30, 2015, the Company's capital consists of share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses) and deficit in the amount of $101,166 (December 31, 2014 - $(874,973)).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine month period ended September 30, 2015. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of due to related parties and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Credit Risk

4. FINANCIAL AND OTHER RISK FACTORS (continued)

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian and United States chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2015, the Company had a cash balance of $309,729 (December 31, 2014 - $196) to settle current liabilities of $252,101 (December 31, 2014 - $904,763).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company cannot ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements (see note 1). Subsequent to year-end, the Company has raised an additional $1,170,500 (note 13).

Market Risks

a) Interest Rate Risk
The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt; changes in interest rates could result in fair value risk on the Company's fixed rate debt.

b) Foreign Currency Risk
The Company operates in Canada and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar denominated obligations.

5. INTEREST IN MINERAL PROPERTIES

Murdock Mountain Property:

On November 11, 2013 the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada.

Under the terms of the option agreement and subject to closing the acquisition, Tinley will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Tinley has earned 10% by funding $102,000, which has been paid towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Tinley shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension. The option agreement has been further amended on October 9, 2014 to extend the earn-in time by 6 months and provides for further automatic extensions based

5. INTEREST IN MINERAL PROPERTIES (continued)

upon the timelines for the Bureau of Land Management to conclude their sage grouse study being conducted for the State of Nevada, and Northeastern California, which encompasses the Murdock Mountain area.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

	Number of Shares	Stated Value
COMMON SHARES		
Balance, January 1, 2014	**18,167,151**	**$13,791,253**
Shares issued for debt	4,741,656	237,083
Cost of issuance		
Cash issue costs	-	(2,180)
Fair market value assigned to broker warrants	-	(14,700)
Balance, December 31, 2014	**22,908,807**	**$14,011,456**
Private placement	38,000,000	380,000
Shares issued for debt	33,194,998	398,340
Shares issued for debentures	23,609,363	389,754
Shares issued for prmissory notes	17,505,897	210,071
Fair market value assigned to warrants		(22,100)
Balance, September 30, 2015	**135,219,065**	**$15,367,521**

Under the requirement of the TSX Venture exchange, 2,444,944 common shares held by directors and officers were held in escrow. 10% of these shares were released from escrow on the date of the exchange bulletin and the remainder in allotments of 366,741 in 6, 12, 18, 24, 30 and 36 months following the date of the exchange bulletin. As at September 30, 2015, all 2,444,944 (December 31, 2014 – 2,444,944) shares have been released.

On September 30, 2015, the Company converted $398,340 of debt, $210,071 of promissory notes and $389,754 of convertible debentures into 33,194,998, 17,505,897 and 23,609,363 common shares respectively.

7. SHARE BASED PAYMENTS

Tinley established a stock option plan to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options vest immediately, unless otherwise stated, and expire on the fifth anniversary from the date of issue unless otherwise specified.

A summary of stock options issued and outstanding is as follows:

7. SHARE BASED PAYMENTS (continued)

	September 30, 2015			December 31, 2014		
		Weighted Average Exercise Price	**Number of Options**		Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period/year	**$**	**0.48**	**1,645,950**	$	5.46	315,950
Transaction during the period/year:						
Consolidation 10:1		**-**	**-**		-	-
Post consolidation	**$**	**0.48**	**1,645,950**		5.46	315,950
Granted		**-**	**-**		0.10	1,525,000
Expired		**(0.23)**	**(275,950)**		6.00	(195,000)
Outstanding at end of year		**0.53**	**1,370,000**		0.48	1,645,950
Exercisable at end of year	**$**	**0.53**	**1,370,000**	$	0.48	1,645,950

The following table provides additional information about outstanding stock options at September 30, 2015:

	No. of Options Outstanding	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**		**Weighted Average Exercise Price – Exercisable Options**
$ 0.10	**1,275,000**	**3.83**	**$**	**0.10**	**1,275,000**	**$**	**0.10**
$ 6.00 – 6.50	**95,000**	**0.40**	**$**	**6.26**	**95,000**	**$**	**6.26**
$ 1.50 - $6.50	**1,370,000**	**3.85**	**$**	**0.53**	**1,370,000**	**$**	**0.53**

Share based payments

During the nine month period ended September 30, 2015, $4,950 of share based payments expense was recognized in relation to the vesting of the options issued on July 17, 2014.

8. WARRANTS

Month of Expiry	**No. of Warrants**	**Exercise Price**
		($)
June 10, 2016	818,166	0.10
June 17, 2017	2,268,689	0.15
August 13, 2017	16,000,000	0.02
August 23, 2017	3,000,000	0.02
September 30, 2017	2,956,694	0.03
	25,043,549	

The following table summarizes the assumptions used with the Black-Scholes valuation model during the nine month period ended September 30, 2015:

8. WARRANTS (continued)

Grant date	August 23, 2015	August 23, 2015	September 30, 2015	Totals
No. of warrants	16,000,000	3,000,000	2,956,694	21,956,694
Exercise price	$ 0.02	$ 0.02	$ 0.03	
Share/unit price	$ 0.005	$ 0.005	$ 0.005	
Expected life in years	2	2	3	
Volatility	100%	100%	100%	
Risk-free interest rate	0.41%	0.33%	0.52%	
Dividend yield	-	-	-	

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2014:

Grant date	June 10, 2014	June 17, 2014	Totals
No. of warrants	818,166	2,268,689	3,086,855
Exercise price	$ 0.10	$ 0.15	
Share/unit price	$ 0.05	$ 0.06	
Expected life in years	2	3	
Volatility	100%	100%	
Risk-free interest rate	1.08%	1.20%	
Dividend yield	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

9. SEGMENTED INFORMATION

Operating Segments

Tinley is in the business of manufacturing hemp oil-infused beverages. Previously it had been in the business of mineral exploration in the United States of America and Columbia. As such, management has organized the Company's reportable segments by geographic area. The Colombia segment was responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. On July 18, 2014, the Company ceased to operate in Columbia as the Company sold its wholly-owned subsidiary, San Lucas Gold Corp. ("San Lucas"), which holds 100% of Tinley's Colombia-based mining interests (note 12).

Information concerning Tinley's reportable segments is as follows:

9. SEGMENTED INFORMATION (continued)

	September 30, 2015	December 31, 2014
		$
Consolidated net income (loss)		
Canada	**(486,605)**	(274,999)
United States of America	**-**	(36,208)
Colombia	**-**	319,085
	(486,605)	7,878
Significant non-cash items		
Share based payments		
Canada	**4,950**	9,900
	4,950	9,900

As at,	**September 30, 2015**	December 31, 2014
Total assets		
Canada	**353,267**	29,790
Colombia	**-**	-
	353,267	29,790

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and key management compensation are as follows:

During the nine month period ended September 30, 2015, $12,150 (2014 - $12,500) was incurred for rent to FMI Capital Advisory Inc. (formerly Foundation Opportunities Inc.) ("FMICAI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect, through a family trust for the benefit of the minor children of the director, and direct interest respectively. The Company and FMICAI also entered into a consulting agreement on May 15, 2015. In consideration for services, the Company agreed to pay a monthly fee of $11,000. For the nine month period ended September 30, 2015, $55,500 was incurred. At September 30, 2015, included in due to related parties is $28,607 (December 31, 2014 - $28,442) payable to FMICAI.

During the nine month period ended September 30, 2015, $nil (2014 - $8,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry") for CFO, book keeping and administrative services, a company in which the Secretary and Director of the Company has an indirect, through a family trust for the benefit of the minor children of the director, interest and in which the CEO and Director is a director and has an indirect interest. As of February 2014, the agreement has been terminated. At September 30, 2015, included due to related parties is $nil (December 31, 2014 - $22,600) payable to Cavalry.

During the nine month period ended September 30, 2015, $61,540 (2014 - $25,107) was incurred for legal fees to a company in which the Secretary and Director of the Company is a partner. At September 30, 2015, included in due to related parties is $23,935 (December 31, 2014 - $54,583) payable to this company.

During the nine month period ended September 30, 2015, $nil (2014 - $nil) was paid to the Vice-President,

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

Business Development and a Director for exploration related costs. At September 30, 2015, included in due to related parties is $nil (December 31, 2014 - $7,431) payable to this individual.

During the nine month period ended September 30, 2015, $20,000 (2014 - $nil) was paid for services to the chief executive officer. As at September 30, 2015, $21,010 (December 31, 2014, $nil) is payable to the CEO and is included in due to related parties.

During the nine month period ended September 30, 2015, $42,500 (2014 - $45,000) was paid for services to the former chief executive officer. As at September 30, 2015, $8,635 (December 31, 2014, $95,500) is payable to the former chief executive officer and is included in due to related parties.

During the nine month period ended September 30, 2015, $nil (2014 - $nil) was paid for services to the former chief financial officer. As at September 30, 2015, $nil (December 31, 2014 - $60,200) is included in due to related parties is payable to the former chief financial officer.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement which includes the services of the Company's Chief Financial Officer. Branson is an entity in which a Company with a related director has a 49% interest. During the nine month period ended September 30, 2015, $50,000 (2014 - $35,000) in management, accounting and administrative services were provided by Branson. As at September 30, 2015, $15,820 (December 31, 2014 - $56,500) is included in due to related parties.

In 2012, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at September 30, 2015, $38,710 (December 31, 2014 - $37,500) is included in loans and interest payable relating to principal. The loan is currently in default.

As of September 30, 2015, $10,000 and $1,727 respectively (December 31, 2014 - $46,000 and $4,600) is outstanding as loans and interest due to various directors. The loans are non-secured, bear interest at the rate of 10% per annum and are payable at the closing of financing.

Over the course of 2012 to 2014, the Company received loans of $269,200 from the former CEO. The loans are non-secured and bear interest at the rate of 10% per annum payable at the closing of a financing. As at September 30, 2015, $10,000 (December 31, 2014 - $165,800) is included in loans and interest payable relating to principal.

During 2014, the company issued $340,286 in convertible debentures. Of this amount, $79,000 in debentures was purchased by directors of the Company. $75,000 was purchased by a company in which one of the director's is the chief executive officer; and, $80,000 in debentures was issued to an individual who is related to a director. The debentures were converted into 14,145,319 common shares and 2,729,798 warrants on September 30, 2015.

All key management compensation has been included above.

Pursuant to the debt settlement agreement as described in Note 6, $245,675 of the debt, $288,961 of the debentures, and $230,071 of the promissory notes owing to related parties has been converted to common shares and warrants.

11. CONVERTIBLE DEBENTURES

On June 17, 2014, the Company closed its non-brokered private placement of secured convertible debentures (the "Debentures") for total gross proceeds of $340,286. These debentures were issued at face value and are convertible, at the option of the holder, at any time prior to the maturity date, into common shares of the

Company at a conversion price equal to $0.10 per common share. The debentures mature 3 years from the closing date. The debentures are secured by the shares currently owned by the Company in the capital stock of 2243734 Ontario Ltd which owns the Company's interest in the Murdock Mountain property.

The rate of interest on the Debentures is 14% per annum, payable semi-annually in common shares of the Company on December 31, and June 30, of each year beginning on December 31, 2014.

As an incentive for purchasing Debentures, the Company issued to subscribers 6,667 bonus warrants for every $1,000 of Debentures purchased, which resulted in the issuance 2,268,689 bonus warrants. Each bonus warrant is exercisable into shares at a price of $0.15 per Share (post-Consolidation), for a period of 3 years from the closing date and had a value of $58,678 (see note 8 for estimates used in the valuation of warrants). The warrant value of $58,678 has been recognized in equity for the year ended December 31, 2014.

The debentures are classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being amortized over the term of the debenture utilizing the effective interest rate method at a 39.4% per annum discount rate.

On September 30, 2015, the Company converted the convertible debentures into 23,609,362 common shares and 2,956,694 warrants.

12. DISCONTINUED OPERATIONS

On June 19, 2014, the Company entered into an agreement to sell its wholly-owned subsidiary, San Lucas Gold Corp. ("San Lucas"), to Enneract Corporation ("Enneract"), a private Panamanian company. San Lucas Gold Corp holds 100% of Tinley's Colombia-based mining interests. The transaction closed on July 18, 2014.

The operating results for nine month periods ended September 30, 2015 and 2014 related to San Lucas have been presented separately as the loss from discontinued operations in the consolidated statements of income and comprehensive loss. The breakdown of the loss for the nine month periods ended September 30, 2015 and 2014 from discontinued operations is as follows:

12. DISCONTINUED OPERATIONS (continued)

		Three month period ended September 30, 2015	Three month period ended September 30, 2014	**Nine month period ended September 30, 2015**	Nine month period ended September 30, 2014
Exploration and evaluation	$	-	-	**-**	(105,964)
Office and general		-	-	**-**	(57,343)
Management and consulting		-	-	**-**	(10,153)
Salaries and benefits		-	-	**-**	(26,047)
Foreign exchange		-	-	**-**	(34,088)
Loss from discontinued operations		-	-	**-**	(233,595)
Gain on disposal		-	-	**-**	500,023
Net earnings from discontinued operations	$	-	500,023	**-**	266,428

13. SUBSEQUENT EVENT

a) On October 6, 2015, the Company completed a consolidation of the Common Shares on a five for one (5:1) basis and changed its name to "The Tinley Beverage Company Inc".

b) On November 3, 2015, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $1,170,500, issuing a total of 11,705,000 units, at a price of $0.10 per Unit. Each Unit consists of one Common Share and one half of one Common Share purchase warrant. Each full Warrant entitles the holder to acquire one Common Share at a price of $0.20 per Common Share for a period of 24 months from the closing date.

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the nine month period ended September 30, 2015

Management's discussion and analysis (MD&A) is current to November 24, 2015 and is management's assessment of the operations and the financial results together with future prospects of The Tinley Beverage Company Inc. ("Tinley" or the "Company"). This MD&A should be read in conjunction with our unaudited interim condensed consolidated financial statements for the nine month periods ended September 30, 2015 and 2014 and our audited consolidated financial statements and related notes for the years ended December 31, 2014 and 2013, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Tinley's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. This MD&A should be read in conjunction with the most recent Annual Information form ("AIF") on file with the provincial securities regulatory authorities. Additional information relevant to Tinley's activities, including Tinley's Press Releases can be found on SEDAR at www.sedar.com.

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1. Description of Business

The Tinley Beverage Company Inc. (the "**Company**" or "**Tinley**"), formerly Quia Resources Inc. was incorporated under the laws of the Province of Ontario, Canada by articles of Incorporation dated October 26, 2007. On October 6, 2015, the Company completed the Change of Business (as hereinafter defined), and pursuant to the Articles of Amendment dated October 6, 2015, the Company changed its name to "The Tinley Beverage Company Inc".

Tinley's objective is to create premium hemp-infused beverages that have the potential to become some of the first national brands in this emerging category in the United States. Over the next 12 months, the Company intends to develop and launch a line of hemp-based functional beverages that are designed to help with three health objectives: vitality, sleep and cognitive health.

Prior to the Change of Business, the Company was engaged in the acquisition, exploration and development of properties for the mining of agricultural minerals in North America and had been, up until the sale of the San Lucas Property, engaged in exploration for precious metals in Colombia. The Company retains an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada

As at November 24, 2015, the directors and officers of the Company were:

Jeffrey Maser	Chief Executive Officer and Director
Al Quong	Chief Financial Officer
Adam Szweras	Director and Corporate Secretary
Yannis Banks	Director
Roger Dent	Director
Paul Lin	Director
David Posner	Director
Anthony Roodenburg	Director

2. Recent Developments

Financing Developments

In June 2015, the Company entered into agreements to convert $389,753.33 of the outstanding balance of the Convertible Debentures into equity as follows: $212,352.04 was converted into Common Shares at a price of $0.012 ($0.06 post-consolidation) per Common Share, resulting in issuance of 17,695,975 (3,539,195 post-consolidation) Common Shares; and $177,402.29 was converted into units at a price of $0.03 ($0.15 post-consolidation) per Unit, resulting in issuance of 5,913,390 (1,182,678 post-consolidation) Units. Each Unit is comprised of one Common Share and one half of one Common Share purchase warrant (each, a "**Debenture Conversion Warrant**"). Each Debenture Conversion Warrant is exercisable into one Common Share at a price of $0.04 ($0.20 post-consolidation) per Common Share for a period of 24 months from the date of issuance. The Debenture Conversions were completed on September 30, 2015.

In June 2015, the Company entered into agreements to convert insider loans (the "**Insider Loans**") totaling $210,070.77 into Common Shares at a price of $0.012 ($0.06 post-consolidation) per Common Share, resulting in issuance of 17,505,897 (3,501,179 post-consolidation) Common Shares. The conversion of Insider Loans was completed on September 30, 2015.

In June 2015, the Company entered into agreements to settle debts in the aggregate amount of $398,339.98, (the "**Debt Settlement Agreement**"), the terms of which are further outlined in the press release dated July 7, 2015, as follows: an amount of $146,056.34 has been settled with non-arm's length parties by converting the amount into Common Shares at a price of $0.012 ($0.06 post-consolidation) per Common Share, resulting in issuance of 12,171,360 (2,434,272 post-consolidation) Common Shares; and an amount of $252,283.63 has been settled with non-arm's length parties by converting the amount into Common Shares at a price of $0.012 ($0.06 post-consolidation) per Common Share, resulting in issuance of 21,023,635 (4,204,727 post-consolidation) Common Shares. The Debt Settlements were completed on September 30, 2015.

In August 2015, the Company closed two tranches of a non-brokered private placement consisting of an aggregate of 38,000,000 (7,600,000 post-consolidation) units (the "**Private Placement Units**") for aggregate gross proceeds of $380,000 (the "**Equity Private Placement**"). Each Private Placement Units is comprised of one (1) Common Share and one half (1/2) of one Common Share purchase warrant (each, a "**Private Placement Warrant**"), with each whole Private Placement Warrant exercisable into one (1) Common Share at a price of $0.02 ($0.10 post-consolidation) per Common Share for a period of 24 months after the closing date. The term of the Private Placement Warrants is subject to an acceleration right at the option of the Company, provided that the Common Shares trade at or above $0.05 ($0.25 post-consolidation) and the Company has provided the warrant holders with a 30 days prior written notice of the accelerated warrant exercise date. The approval of this offering by the TSX Venture Exchange (the

"**TSXV**") was conditional on providing undertakings by more than 50% of the shareholders of the Company to support the **Consolidation** (as hereinafter defined) and such undertakings had been provided.

On October 6, 2015, the Company completed the consolidation of issued and outstanding common shares on the basis of 5:1.

On November 3, 2015, the Company closed the first tranche (the "**First Tranche**") of a non-brokered private placement for gross proceeds of $1,170,500, issuing a total of 11,705,000 units of the Issuer (the "**PP Units**"), at a price of $0.10 per PP Unit. Each PP Unit consists of one (1) Common Share and one half (1/2) of one Common Share purchase warrant (each, a "**PP Warrant**"). Each full PP Warrant entitles the holder to acquire one (1) Common Share at a price of $0.20 per Common Share for a period of 24 months from the closing date. The First Tranche forms a part of a broader non-brokered private placement of up to $1,500,000, whereby up to 15,000,000 PP Units are offered.

Business Developments

In September 2015, the Company announced that further to its review of potential strategies to maximize shareholder value in the mineral exploration space and specifically strategic alternatives relating to the Company's Murdock Mountain Project, and given the difficult state of the mineral resource space, it had elected to focus on other business opportunities to maximize shareholder value. As a result, it had decided to reposition its business operations as a "Diversified Industries" issuer targeting beverages infused with hemp oil extracts in the United States (the "**Change of Business**").

In light of the proposed Change of Business, on October 29, 2015, the Company entered into an asset purchase agreement (the "**Acquisition Agreement**") with Jeffrey Maser, which was negotiated at arm's length. Pursuant to the terms of the Acquisition Agreement, among other things, the Company purchased from Mr. Maser assets (collectively, the "**Purchased Assets**") relating to, directly or indirectly, the development, manufacturing, marketing, selling and distributing hemp stalk oil infused beverages (the "**Business**").

The purchase price for the acquisition of the Purchased Assets is $162,500 and shall be satisfied in full by the Company paying to the Vendor at closing $12,500 in cash and issuing to the Vendor an aggregate of 3,000,000 Common Shares at a price of $0.05 per Share, subject to regulatory escrow requirements and additional performance escrow requirements.

Effective as of market close on September 30, 2015, the Company has completed its delisting from the TSX Venture Exchange and has submitted the initial draft of the listing statement for review by the Canadian Securities Exchange.

Jeffrey Pencer was appointed Head of Product Development and Distribution on October 29, 2015.

Overall Performance

For the three month period ended September 30, 2015, the Company's cash position increased by $309,533 to $309,729 from $196 at December 31, 2014.

Results of Operations

Selected Annual Information

	Nine Months Ended June 30, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
	$	$	$
Loss from continuing operations	(486,605)	(311,207)	(654,744)
Income (loss) from discontinued operations	-	319,085	(556,266)
Net income (loss)	(486,605)	7.878	(1,211,010)
Income (loss) per weighted average share			
– from operations - basic and diluted	(0.017)	(0.015)	(0.006)
– from discontinued operations - basic and diluted	-	0.015	(0.004)
– net income (loss) - basic and diluted	(0.017)	0.000	(0.010)
Total Net Assets	353,267	29,790	145,204

Three month period ended September 30, 2015

The Company incurred a net loss of $128,618 or $0.003 a share for the three month period ended September 30, 2015, compared with a net income of $358,593 or $0.009 a share for the same period ended September 30, 2014. The income in 2014 resulted from a gain from discontinued operations of $500,023. The Company's loss from continuing operations was $141,430.

For the three month period ended September 30, 2015, management and consulting fees increased by $67,265 to $122,591 from $55,326 in the same period in 2014. The increase in the current period is due to consulting fees accrued for four consultants in relation to the evaluation of new potential business opportunities and change in business.

Travel and promotion expenses for the three month period ended September 30, 2015 decreased by $202 to $39 from $241 in the same period in 2014.

Total office and general costs decreased in the three month period ended September 30, 2015, by $33,295 to $31,893 from $65,188 in 2014. The decrease is mainly due to the decrease in debenture interest and accretion as the debentures were settled in the current period, and increased expenses in the prior year as the Company started increasing overall activities after a year of conserving cash in 2014.

Professional fees increased by $35,180 to $45,151 during the three month period ended September 30, 2015 compared to $9,971 in the same period in 2014. The increase is mainly due to legal fees incurred for general matters.

Nine month period ended September 30, 2015

The Company incurred a net loss of $486,605 or $0.017 a share for the nine month period ended September 30, 2015, compared with a net income of $93,380 or $0.004 a share for the same period ended September 30, 2014.

For the nine month period ended September 30, 2015, management and consulting fees increased by $217,578 to $321,404 from $103,826 in the same period in 2014. The increase in the current period is due to consulting fees accrued for four consultants in relation to the evaluation of new potential business opportunities and change in business.

Travel and promotion expenses for the nine month period ended September 30, 2015 increased by $2,804 to $3,045 from $241 in the same period in 2014.

Total office and general costs increased slightly in the nine month period ended September 30, 2015, by $12,661 to $134,339 from $121,678 in 2014. The increase is mainly due to interest on debentures, and higher marketing costs. The increase also reflects the Company's cash position and the economic times and the fact that the Company was conserving cash and decreasing overall activities in 2014.

Total exploration and evaluation costs decreased in the nine month period ended September 30, 2015, by $14,041 to $nil from $14,041 in 2014. The decrease is due to the fact that operations at San Lucas were discontinued in 2014. As such, the Company did not incur any exploration and evaluation expenditures from continuing operations in the comparative period. In the prior period, the Company also incurred minor expenditures on the Murdock Mountain property.

Professional fees increased by $65,314 to $91,506 during the nine month period ended September 30, 2015 compared to $26,192 in the same period in 2014. The increase is mainly due to legal fees incurred for general matters, and the fact the Company's operations in 2014 decreased in light of the financial situation at that time.

The Company incurred share based payments for the nine month period ended September 30, 2015 of $4,950 compared to $6,250 for the same period in 2014. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares.

3. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	September 30, 2015	**June 30, 2015**	**March 31, 2015**	**December 31, 2014**
	$	$	$	$
Total Revenue	-	-	-	-
Net Income (loss)	(128,618)	(275,987)	(82,001)	(80,401)
Income (loss) Per Share – basic and diluted	$(0.003)	$(0.012)	$(0.004)	$(0.004)

	September 30, 2014	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
	$	$	$	$
Total Revenue	-	-	-	-
Net Loss	358,588	(178,343)	(91,966)	(277,753)
Loss Per Share– basic and diluted	$0.016	$(0.009)	$(0.001)	$(0.001)

Working Capital

As at September 30, 2015, the Company had net working capital deficiency of $101,166 compared to a working capital deficiency of $666,571 as at December 31, 2014.

A summary of the Company's cash position and changes in cash for the nine month periods ended September 30, 2015 and 2014 are provided below:

	Nine months ended September 30,	
	2015	2014
Cash used in operating activities – net	**(139,686)**	(357,319)
Cash used in investing activities	**-**	-
Cash provided by financing activities	**449,219**	185,751
Cash provided by discontinued operations	**-**	167,264
Decrease in cash	**309,533**	(4,304)
Cash, beginning of period	**196**	9,172
Cash, end of period	**309,729**	4,868

Liquidity Outlook

Tinley had cash of $309,729 available at September 30, 2015, an increase of $309,533 from the balance at December 31, 2014 of $196. This increase is primarily due to the private placement in August 2015 for gross proceeds of $380,000. The Company's working capital increased by $767,737 to a working capital of $101,166 from a working capital deficiency of $666,571 at December 31, 2014.

4. Related-party Transactions

Related party transactions and key management compensation are as follows:

During the nine month period ended September 30, 2015, $12,150 (2014 - $12,500) was incurred for rent to FMI Capital Advisory Inc. (formerly Foundation Opportunities Inc.) ("FMICAI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect, through a family trust for the benefit of the minor children of the director, and direct interest respectively. The Company and FMICAI also entered into a consulting agreement on May 15, 2015. In consideration for services, the Company agreed to pay a monthly fee of $11,000. For the nine month period ended September 30, 2015, $55,500 was incurred. At September 30, 2015, included in due to related parties is $28,607 (December 31, 2014 - $28,442) payable to FMICAI.

During the nine month period ended September 30, 2015, $nil (2014 - $8,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry") for CFO, book keeping and administrative services, a company in which the Secretary and Director of the Company has an indirect, through a family trust for the benefit of the minor children of the director, interest and in which the CEO and Director is a director and has an indirect interest. As of February 2014, the agreement has been terminated. At September 30, 2015, included due to related parties is $nil (December 31, 2014 - $22,600) payable to Cavalry.

During the nine month period ended September 30, 2015, $61,540 (2014 - $25,107) was incurred for legal fees to a company in which the Secretary and Director of the Company is a partner. At September 30, 2015, included in due to related parties is $23,935 (December 31, 2014 - $54,583) payable to this company.

During the nine month period ended September 30, 2015, $nil (2014 - $nil) was paid to the Vice-President, Business Development and a Director for exploration related costs. At September 30, 2015, included in due to related parties is $nil (December 31, 2014 - $7,431) payable to this individual.

During the nine month period ended September 30, 2015, $20,000 (2014 - $nil) was paid for services to the chief executive officer. As at September 30, 2015, $21,010 (December 31, 2014, $nil) is payable to the CEO and is included in due to related parties.

During the nine month period ended September 30, 2015, $42,500 (2014 - $45,000) was paid for services to the former chief executive officer. As at September 30, 2015, $8,635 (December 31, 2014, $95,500) is payable to the former chief executive officer and is included in due to related parties.

During the nine month period ended September 30, 2015, $nil (2014 - $nil) was paid for services to the former chief financial officer. As at September 30, 2015, $nil (December 31, 2014 - $60,200) is included in due to related parties is payable to the former chief financial officer.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement which includes the services of the Company's Chief Financial Officer. Branson is an entity in which a Company with a related director has a 49% interest. During the nine month period ended September 30, 2015, $50,000 (2014 - $35,000) in management, accounting and administrative services were provided by Branson. As at September 30, 2015, $15,820 (December 31, 2014 - $56,500) is included in due to related parties.

In 2012, the Company received non-secured loans of $35,000 from the former CFO at the rate of 10% per annum payable at the closing of a financing. As at September 30, 2015, $38,710 (December 31, 2014 - $37,500) is included in loans and interest payable relating to principal. The loan is currently in default.

As of September 30, 2015, $10,000 and $1,727 respectively (December 31, 2014 - $46,000 and $4,600) is outstanding as loans and interest due to various directors. The loans are non-secured, bear interest at the rate of 10% per annum and are payable at the closing of financing.

Over the course of 2012 to 2014, the Company received loans of $269,200 from the former CEO. The loans are non-secured and bear interest at the rate of 10% per annum payable at the closing of a financing. As at September 30, 2015, $10,000 (December 31, 2014 - $165,800) is included in loans and interest payable relating to principal.

During 2014, the company issued $340,286 in convertible debentures. Of this amount, $79,000 in debentures was purchased by directors of the Company. $75,000 was purchased by a company in which one of the director's is the chief executive officer; and, $80,000 in debentures was issued to an individual who is related to a director. The debentures were converted into 14,145,319 common shares and 2,729,798 warrants on September 30, 2015.

All key management compensation has been included above.

Pursuant to the debt settlement agreement as described in Note 6, $245,675 of the debt, $288,961 of the debentures, and $230,071 of the promissory notes owing to related parties has been converted to common shares and warrants.

Disclosure of Outstanding Share Data November 24, 2015

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	38,748,813 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 274,000 common shares b) 11,161,210 Warrants exercisable to acquire common shares of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Critical Accounting Estimates

Assessment of Recoverability of Deferred Income Tax Assets

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Estimate of Share Based Payments and Associated Assumptions

Tinley uses the fair value method in accounting for share based payments. Under this method, share based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to reserve for share based payments.

The Company recorded share based payments based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 7 of the September 30, 2015 unaudited interim condensed consolidated financial statements for a full disclosure.

Assessment of Recoverability of Receivables Including HST

The carrying amount of accounts receivables, and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Impairment of Long-lived Assets

Tinley reviews long lived assets for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations

At September 30, 2015 and December 31, 2014, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are sill in the exploration

stages. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; life of property, plant and equipment, depreciation and depletion of assets; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing and the measurement of share-based payments and warrants. The most significant judgements relate to recoverability of capitalized amounts, recognition of deferred tax assets and liabilities.

5. Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, accounts receivable, accounts payable and accrued liabilities.

Cash has been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Financial Risk Factors

Fair Value

The carrying amount of cash, provisions, due to related parties, and trade and other payables approximate fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists. As at September 30, 2015, all financial instruments measured at fair value are considered level 1.

Fair value hierarchy and liquidity risk disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash as at June 30, 2015. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used

to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

(i) Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level two includes inputs that are observable other than quoted prices included in level one.

(ii) Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in GAAP.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, and United States chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

B) Market Risk

i.) <u>Interest Rate Risk</u>

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt; changes in interest rates could result in fair value risk on the Company's fixed rate debt.

ii.) <u>Foreign Currency Risk</u>

The Company's functional currency is the Canadian dollar. The Company operates in Canada, and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar denominated obligations.

iii.) <u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30,

2015, the Company had a cash balance of $309,729 (December 31, 2014 - $196) to settle current liabilities of $252,101 (December 31, 2014 - $904,763).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company can't ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash. The Company is currently seeking sources of funding to meet short term liabilities, and short term cash requirements.

Risk Factors

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks actually occur, the Company's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Company Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

Limited operating history in its new area of business.
The Company has a limited operating history in its new area of business, is in the early-stage development and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company also has no history of earnings.

Because the Company has a limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Additional financing
The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In

addition, the Company may need to raise significant additional funds sooner in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

Competition

The beverage industry is highly competitive. The Company will compete with numerous other businesses in the beverage industry, many of which possess greater financial and marketing resources and other resources than the Company. The beverage business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labor, and governmental regulations. Any change in these factors could materially and adversely affect the Company's operations. The Company's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Company will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Reliance on Management

The success of the Company is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on the Company's business and prospects in the short term. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they

are can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

The Products Sold by the Company May Become Subject to Regulation Governing Food and Related Products

The activities of the Company are subject to regulation by governmental authorities. Achievement of the Company's Business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of the Company.

While cannabidiol ("**CBD**") can be found in certain strains of cannabis, which faces significant restrictions on use and distribution under the United States Controlled Substances Act ("**CSA**"), the Company is not sourcing CBD from cannabis at present.

While oil derived from industrial hemp stalk that has naturally occurring THC content equal to or less than 0.3% is excluded from the definition of marijuana under the CSA, there is no certainty that this exclusion could not be altered by court or governmental action or re-interpretation. There is no certainty that the United States Food and Drug Administration ("**FDA**") will not regulate the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("**DSHEA**"), or would otherwise be permitted for use under the DSHEA.

The Company relies on the supply of hemp stalk oil extracts, which is imported into the United States from other countries, as the United States Drug Enforcement Administration ("**DEA**") has taken a position that CBD is a marijuana derivative and, therefore, a Schedule I drug. Currently, the definition of "marijuana" in the CSA does not include the plant's "mature stalks", which are

used to create hemp (which only contains trace amounts of THC and has no psychoactive effect). Hemp stalk oil is not scheduled under the CSA and therefore, is also not under the enforcement authority of the DEA. Currently, the DEA does not take jurisdiction over hemp stalk oil products, but controls hemp cultivation, and companies that wish to cultivate hemp in the United States must apply for a permit with the DEA. If in future DEA takes jurisdiction to regulate hemp stalk oil products, the Company may become subject to additional licensing requirements, which may require additional capital. There is no assurance that the Company will be able to obtain any such licenses, or be eligible to apply for such licenses, which would adversely affect the Company's Business.

Risks Associated with Increasing Competition
There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Due to the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations the Company.

Risks Inherent in an Agricultural Business
A part of the Company's business revolves around growing of hemp, an agricultural product, although the Company will not itself grow or sell hemp. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company intends to manufacture its products indoors under climate controlled conditions, carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Product Liability
As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or

with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Company are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. Company may lose a significant amount of revenue and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company is establishing procedures to test finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Operating Risk and Insurance Coverage

While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth
The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Dividends
The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Company Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities
There can be no assurance that an active and liquid market for the Company Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations
The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Internal Control over Financial Reporting
Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions
In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all

relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Murdock Mountain Property:

On November 11, 2013 the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada.

Under the terms of the option agreement and subject to closing the acquisition, Tinley will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, Tinley has earned 10% by funding $102,000, which has been paid towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. Tinley shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension. The option agreement has been further amended on October 9, 2014 to extend the earn-in time by 6 months and provides for further automatic extensions based

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

6. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with

that contained in the unaudited interim condensed consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements with management. The Board of Directors has approved the unaudited interim condensed consolidated financial statements on the recommendation of the Audit Committee.

November 24, 2015

Jeffrey Maser
Chief Executive Officer

SCHEDULE "D"

FORM 51-102F6 EXECUTIVE COMPENSATION FORM

EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Information Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and each of the issuer's three mostly highly compensated executive officers whose total compensation exceeds $150,000. Based on these requirements, the executive officers of the Corporation for whom disclosure is required under Form 51-102F6 are Yannis Banks (Chief Executive Officer), Al Quong (Chief Financial Officer), Marco Guidi (former Chief Financial Officer) and Andres Tinajero (former Chief Financial Officer),who are collectively referred to as the "**Named Executive Officers**" or "**NEO's**".

SUMMARY COMPENSATION TABLE

Name and Principal Position of Named Executive Officer	Year	Salary (CDN$)	Option-Based Awards (CDN$)	Non-Equity Incentive Plan Compensation		All Other Compensation (CDN$)	Total Compensation (CDN$)
				Annual Incentive Plans (CDN$)	Long-Term Incentive Plans (CDN$)		
Yannis Banks Chief Executive Officer	2014	40,000	$7,312.5[(4)]	N/A	N/A	N/A	47,312.5
	2013	45,500	N/A	N/A	N/A	N/A	45,500
	2012	100,000	N/A	N/A	N/A	N/A	100,000
Al Quong[(1)] Chief Financial Officer	2014	3,000	N/A	N/A	N/A	N/A	3,000
Marco Guidi [(2)] Former Chief Financial Officer	2014	9,000	N/A	N/A	N/A	N/A	9,000
	2013	6,000	N/A	N/A	N/A	N/A	6,000

Notes:

(1) Mr. Quong was appointed as the Chief Financial Officer on October 16, 2014.

(2) Mr. Guidi resigned as Chief Financial Officer effective October 16, 2014

(3) Mr. Banks was granted options on July 17, 2014. The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 100% volatility, risk-free interest rate of 1.61% per annum, a dividend rate of 0% resulting in a weighted average grant-date fair value of stock options of $0.0325.

NEO Outstanding Option-Based Awards

The table below reflects all option-based awards for each Named Executive Officer outstanding as at December 31, 2014. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

NEO OPTION–BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2014				
Name of Named Executive Officer	**Number of Securities Underlying Unexercised Options[1]**	**Option Exercise Price (CDN$/Security)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options (CDN$)**
Yannis Banks Chief Executive Officer	225,000	$0.10	July 17, 2019	N/A
	50,000	$6.50	April 1, 2016	N/A

Incentive Award Plans

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended December 31, 2014. The only incentive award plan of the Corporation during fiscal 2014 was the Stock Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED DECEMBER 31, 2014		
Name of Executive Officer	**Option-Based Awards – Value Vested During Fiscal 2014 (CDN$)**	**Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2014 (CDN$)**
Yannis Banks Chief Executive Officer	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set out below is information as of December 31, 2014 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance. The only incentive award plan of the Corporation during fiscal 2014 was the Stock Option Plan. See "Matters to be Acted on at the Meeting – Ratification and Approval of the Stock Option Plan ".

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at December 31, 2014 (a)	Weighted average exercise price of outstanding options, warrants and rights as at December 31, 2014 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at December 31, 2014 (c)
Stock Option Plan	315,950	$1.61	1,974,931

Compensation Discussion and Analysis

Introduction

The Compensation Discussion and Analysis section of this Information Circular sets out the objectives of the Corporation's executive compensation arrangements, the Corporation's executive compensation philosophy and the application of this philosophy to the Corporation's executive compensation arrangements. It also provides an analysis of the compensation design, and the decisions that the Board made in fiscal 2014 with respect to the Named Executive Officers. When determining the compensation arrangements for the Named Executive Officers, the Compensation Committee considers the objectives of: (i) retaining an executive critical to the success of the Corporation and the enhancement of Shareholder values; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. See the "Statement of Corporate Governance" above for more discussion on the Compensation Committee.

Benchmarking

The Compensation Committee considers a variety of factors when designing and establishing, reviewing and making recommendations for executive compensation arrangements for all executive officers of the Corporation. The Corporation typically does not position executive pay to reflect a single percentile within the junior mining industry for each executive. Rather, in determining the compensation level for each executive, the Compensation Committee looks at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by the other companies in the junior mining and oil and gas industry, and pay equity considerations.

Elements of Compensation

The compensation paid to the Named Executive Officers in any year consists of two primary components:

(a) base salary; and

(b) long-term incentives in the form of stock options granted under the Stock Option Plan.

The Corporation believes that making a significant portion of the Named Executive Officer's compensation based on a base salary and long-term incentives supports the Corporation's executive compensation philosophy, as these forms of compensation allow those most accountable for the Corporation's long-term success to acquire and hold the Corporation's shares. The key features of these two primary components of compensation are discussed below:

1. Base Salary

Base salary recognizes the value of an individual to the Corporation based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Corporation competes for talent. Base salaries for the Named Executive Officers are reviewed annually. Any change in base salary of a Named Executive Officer is generally determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Corporation (in particular, companies in the junior mining industry) and a review of the performance of the Corporation as a whole and the role such executive officer played in such corporate performance.

2. Stock Option Awards

The Corporation provides long-term incentives to the Named Executive Officers in the form of stock options as part of its overall executive compensation strategy. (For a description of the material terms of the Stock Option Plan, see "Ratification and Approval of the Stock Option Plan" above). The Compensation Committee believes that stock option grants serve the Corporation's executive compensation philosophy in several ways: firstly, it helps attract, retain, and motivate talent; secondly, it aligns the interests of the Named Executive Officers with those of the Shareholders by linking a specific portion of the officer's total pay opportunity to share price; and finally, it provides long-term accountability for Named Executive Officers.

Risk

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices

The Compensation Committee conducts a yearly review of Directors' compensation having regard to various reports on current trends in Directors' compensation and compensation data for Directors of reporting issuers of comparative size to the Corporation. Director compensation is currently limited to the grant of stock options pursuant to the Plan. Management of the Corporation reviews the compensation of officers of the Corporation for the prior year and in comparison to industry standards via information disclosed publicly and obtained through copies of surveys. Management makes recommendations on compensation to the Compensation Committee. The Compensation Committee reviews and makes suggestions with respect to compensation proposals, and then makes a recommendation to the Board of Directors.

The Compensation Committee is comprised of two Directors, Messrs. Lin and Szweras.

The Compensation Committee's responsibility is to formulate and make recommendations to the Directors of the Corporation in respect of compensation issues relating to Directors and officers of the Corporation. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

(i) to review the compensation philosophy and remuneration policy for officers of the Corporation and to recommend to the Directors of the Corporation changes to improve the Corporation's ability to recruit, retain and motivate officers;

(ii) to review and recommend to the Directors of the Corporation the retainer and fees to be paid to Directors of the Corporation;

(iii) to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and

determine (or make recommendations to the Directors of the Corporation with respect to) the CEO's compensation level based on such evaluation;

(iv) to recommend to the Directors of the Corporation with respect to non-CEO officer and Director compensation including to review management's recommendations for proposed stock option, share purchase plans and other incentive-compensation plans and equity-based plans for non-CEO officer and Director compensation and make recommendations in respect thereof to the Directors of the Corporation;

(v) to administer the stock option plan approved by the Directors of the Corporation in accordance with its terms including the recommendation to the Directors of the Corporation of the grant of stock options in accordance with the terms thereof; and

(vi) to determine and recommend for the approval of the Directors of the Corporation bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate. The Compensation Committee is currently comprised of two members, however a greater number can be appointed by the Board from time to time, and a majority of the members of the Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, Meetings of the Committee are to take place at least once per year and at such other times as the Chair of the Compensation Committee may determine.

A compensation consultant has not, at any time since the Corporation became a reporting issuer, been retained to assist in determining compensation for any of the Corporation's Directors and officers; however, with respect to compensation matters, the Compensation Committee has gathered publicly available compensation information, and conducts ongoing discussions with other members of management in industry with respect to compensation.

Termination and Change of Control Benefits and Management Contracts

As at December 31, 2014, there were no contracts, agreements or plans of arrangement that provide for payment to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a Named Executive Officer's responsibilities except for Mr. Banks as noted in the Management Contract section below.

Yannis Banks – Chief Executive Officer

The Corporation entered into a consulting agreement dated January 1, 2014 with Mr. Banks. Mr. Banks serves as the Chief Executive Officer on the following terms: $5,000 paid in monthly plus a six thousand dollar ($6,000) bonus for every two hundred and fifty thousand dollars ($250,000) raised by the Corporation up to a maximum of thirty six thousand dollars ($36,000). In addition, Mr. Banks is eligible to receive discretionary bonuses and stock options as determined by the Board. In the event of termination for cause, Mr. Banks is entitled to receive only the payments received up to the date he receives the notice of termination. In the event of termination without cause, Mr. Banks is entitled to receive twelve months notice or twelve months' salary in lieu of notice. In the event of a Change of Control, Mr. Banks is entitled to receive eighteen months of salary. In 2014, Mr. Banks forgave $20,000 in consulting fees.

Branson Agreement

On March 1, 2014, the Corporation entered into an agreement with Branson Corporate Services Inc. ("**Branson**") to provide a Chief Financial Officer, controllership and bookkeeping services, administrative services and general and back office services for a monthly fee of $5,000 plus applicable taxes of which $3,000 to be paid in cash and $2,000 to be accrued; to be converted into Common Shares in the capital of the Corporation. On October 16, 2014, Al Quong was appointed the Chief Financial Officer of the Corporation, designated consultant to provide the services of Chief Financial Officer to the Corporation. On May 1, 2015, the Corporation entered into a revised agreement with Branson for a monthly fee of $5,000 plus applicable taxes to be paid in cash. Al Quong is employed by Branson and is compensated by Branson.

Compensation of Directors

The Corporation did not pay any fees to directors for serving on the Board (or any subcommittee) beyond reimbursing such directors for travel and related expenses. Individual Director Compensation for Fiscal 2014

The following table provides a summary of all amounts of compensation provided to the directors of the Corporation during the fiscal year ended December 31, 2014.

DIRECTOR COMPENSATION TABLE FOR FISCAL 2014					
Name[1]	**Fee Earned (CDN$)**	**Option-Based Awards (CDN$)**	**Non-Equity Incentive Plan Compensation (CDN$)**	**All Other Compensation (CDN$)**	**Total (CDN$)**
Daniel Noone [2]	Nil	Nil	Nil	Nil	Nil
Adam Szweras	Nil	Nil	Nil	Nil	Nil
Paul Lin	Nil	Nil	Nil	Nil	Nil
Lewis Lawrick[3]	Nil	Nil	Nil	Nil	Nil
Roger Dent	Nil	Nil	Nil	Nil	Nil
Anthony Roodenburg	Nil	Nil	Nil	Nil	Nil

Notes:
(1) The relevant disclosure for Mr. Banks is provided in the Summary Compensation Table for NEO's above.
(2) Mr. Noone resigned from the Board on March 7, 2014
(3) Mr. Lawrick will not be standing for re-election

Director Outstanding Option-Based Awards

The table below reflects all option-based awards for each director of the Corporation outstanding as at December 31, 2014. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

DIRECTOR OPTION–BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2014				
Name of Director [1]	**Number of securities Underlying Unexercised Options**	**Option Exercise Price (CDN$/Security)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options (CDN$)**
Daniel Noone[2]	Nil	N/A	N/A	N/A
Adam Szweras	Nil	N/A	N/A	N/A
Paul Lin	Nil	N/A	N/A	N/A
Roger Dent	Nil	N/A	N/A	N/A
Anthony Roodenburg	Nil	N/A	N/A	N/A
Lewis Lawrick[3]	Nil	N/A	N/A	N/A

Notes:
(1) The relevant disclosure for Mr. Banks is provided in the Summary Compensation Table for NEO's above.
(2) Mr. Noone resigned from the Board on March 7, 2014
(3) Mr. Lawrick will not be standing for re-election

The following table provides information concerning the incentive award plans of the Corporation with respect to each director of the Corporation during the fiscal year ended December 31, 2014. The only incentive award plans of the Corporation during fiscal 2014 was the Stock Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED DECEMBER 31, 2014		
Name of Director [1]	**Option-Based Awards – Value Vested During Fiscal 2014 (CDN$)**	**Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2014 (CDN$)**
Daniel Noone[2]	Nil	Nil
Adam Szweras	Nil	Nil
Paul Lin	Nil	Nil
Roger Dent	Nil	Nil
Anthony Roodenburg	Nil	Nil
Lewis Lawrick[3]	Nil	Nil

Notes:
(1) The relevant disclosure for Mr. Banks is provided in the Summary Compensation Table for NEO's above.
(2) Mr. Noone resigned from the Board on March 7, 2014
(3) Mr. Lawrick will not be standing for re-election

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **THE TINLEY BEVERAGE COMPANY INC.**, hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **THE TINLEY BEVERAGE COMPANY INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this 19th day of January 2016.

__*Jeffrey Maser___/"signed"/*____________________
President and Chief Executive Officer

____*David Posner___/"signed"/*________________
Director

____*Adam K. Szweras___/"signed"/*______________
Director and Corporate Secretary