Mezzotin Minerals Inc.

Consolidated Financial Statements
For the Years Ended December 31, 2014 and 2013
(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Mezzotin Minerals 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 financial statements. . In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

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 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 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.

(signed) "Paul Ekon"
Paul Ekon
Chief Executive Officer

(signed) "Christine He"
Christine He
Director

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Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mezzotin Minerals Inc.

We have audited the accompanying consolidated financial statements of Mezzotin Minerals Inc. which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, changes in shareholders' 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 audit 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.

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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 Mezzotin Minerals Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred a net loss of $605,737 during the year ended December 31, 2014 and as of that date had an accumulated deficit of $3,318,254. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

Schwartz Levitsky Feldman llp

Toronto, Ontario
April 29, 2015

Chartered Accountants
Licensed Public Accountants

Mezzotin Minerals Inc.

Consolidated Statements of Financial Position
As at December 31
(Expressed in Canadian Dollars)

		2014		2013
Assets				
Current Assets				
Cash	$	71,018	$	550,291
Amounts receivable and other assets		17,418		29,606
Total Current Assets		88,436		579,897
Non-Current Assets				
Property and equipment (note 5)		390,990		596,138
Exploration and evaluation assets (note 6)		476,917		424,495
Total Assets	$	956,343	$	1,600,530
Liabilities				
Current Liabilities				
Trade payables and accruals (note 7)	$	174,013	$	136,229
Due to related parties (note 12e)		894		119,522
Due to government agencies		374		31,982
Total Liabilities		175,281		287,733
Shareholders' Equity				
Share Capital (note 8)		3,397,479		3,397,479
Warrant Reserve (note 8)		-		660,284
Other capital reserve		649,725		(10,559)
Foreign currency translation reserve		52,112		(21,890)
Deficit		(3,318,254)		(2,712,517)
Total Shareholders' Equity		781,062		1,312,797
Total Liabilities and Shareholders' Equity	$	956,343	$	1,600,530

Nature of operations and going concern (note 1)
Related Party Transactions (note 12)
Contingencies (note 15)

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

Mezzotin Minerals Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended December 31

(Expressed in Canadian Dollars)

		2014		2013
Operating Expenses				
Consulting fees	$	51,679	$	132,157
Professional fees		63,020		130,139
Travel		254		19,214
Salaries and wages		101,019		235,780
Shareholder communication		15,410		36,661
General and administrative		90,709		144,747
Impairment of foreign cash (note 13)		(552)		25,136
Impairment of property and equipment		297,221		33,461
Depreciation		8,953		5,472
Foreign exchange (gain) loss		(1,978)		233
Total operating expenses		625,735		763,000
Operating loss		(625,735)		(763,000)
Other Income				
Rental income		(19,881)		(7,724)
Finance income		(117)		(4,147)
Total other income		(19,998)		(11,871)
Net loss		(605,737)		(751,129)
Other comprehensive income				
Items that may be reclassified subsequently to profit:				
Foreign currency translation gain		74,002		57,729
Comprehensive loss	$	(531,735)	$	(693,400)
Loss per share (note 10)	$	(0.01)	$	(0.02)
Weighted average number of shares outstanding - basic and diluted		48,979,100		49,448,766

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

Mezzotin Minerals Inc.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Number	**Amount**	**Warrant Reserve**	**Other Capital Reserve**	**Foreign Currency Translation Reserve**	**Deficit**	**Total**
Balance as at January 1, 2013	49,987,500 $	3,457,983 $	685,569 $	4,492 $	(79,619) $	(1,961,388) $	2,107,037
Shares purchased and cancelled	(1,008,400)	(60,504)		(40,336)			(100,840)
Expiry of warrants			(25,285)	25,285			-
Foreign currency translation differences					57,729		57,729
Net loss						(751,129)	(751,129)
Balance as at December 31, 2013	**48,979,100 $**	**3,397,479 $**	**660,284 $**	**(10,559) $**	**(21,890) $**	**(2,712,517) $**	**1,312,797**
Expiry of warrants			**(660,284)**	**660,284**			**-**
Foreign currency translation differences					**74,002**		**74,002**
Net loss						**(605,737)**	**(605,737)**
Balance as at December 31, 2014	**48,979,100 $**	**3,397,479 $**	**- $**	**649,725 $**	**52,112 $**	**(3,318,254) $**	**781,062**

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

Mezzotin Minerals Inc.

Consolidated Statements of Cash Flows

For the years ended December 31

(Expressed in Canadian Dollars)

		2014		2013
Cash Flows from Operating Activities				
Net loss	$	**(605,737)**	$	(751,129)
Adjustments for non-cash operating items				
Depreciation		**8,953**		5,472
Loss on impairment of property and equipment		**297,221**		33,461
Loss on disposal of property and equipment		**3,161**		9,274
		(296,402)		(702,922)
Changes in non-cash items operating activities				
Amounts receivable and other assets		**33,552**		(32,144)
Trade and other payables		**13,291**		(17,732)
Due to related parties		**(123,268)**		119,522
Due to government agencies		**(32,858)**		30,969
Cash used in operating activities		**(405,685)**		(602,307)
Cash Flows from Investing Activities				
Acquisition of property and equipment		**(68,194)**		(70,485)
Proceeds on disposal of property and equipment		**6,627**		22,836
Acquisition of exploration and evaluation assets		**(13,241)**		(59,926)
Cash used in investing activities		**(74,808)**		(107,575)
Cash Flows from Financing Activities				
Purchase and cancellation of shares		**-**		(100,840)
Cash Used in financing activities		**-**		(100,840)
Effect of exchange rate changes on cash denominated in a foreign currency		**1,220**		(10,802)
Net decrease in cash		**(479,273)**		(821,524)
Cash, beginning of year		**550,291**		1,371,815
Cash, end of year	$	**71,018**	$	550,291

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

1. Nature of Operations and Going Concern

Mezzotin Minerals Inc. ("Mezzotin" or the "Company") was incorporated as Zoolander Corporation on October 27, 2005 by Certificate of Incorporation issued under the Business Corporations Act (Ontario). The Company was a capital pool corporation, as defined pursuant to Policy 2.4 of the TSX Venture Exchange (the "TSX-V") and on May 10, 2011, completed its Qualifying Transaction (the "QT") as that term is defined. The Company acquired all of the issued and outstanding shares of Adsani Exploration (Proprietary) Limited ("Adsani"), a private company incorporated on February 24, 2000 under the laws of the Republic of South Africa, which included its wholly-owned subsidiary Mezzotin Investments (Private) Limited ("Mezzotin ZIM"), a private company incorporated on January 10, 2000 under the laws of Zimbabwe in exchange for the issuance of 20,000,000 common shares of the Company (the "Acquisition"). The Acquisition has been accounted for as a reverse acquisition. On August 22, 2013, the shareholders of the Company approved the name change from Zoolander Corporation to Mezzotin Minerals Inc. The name change was effected by articles of amendment dated September 10, 2013.

Mezzotin's common shares are listed on the TSX-V under the symbol "MEZZ" (previously "ZOO"). The Company's registered office and the principal place of business is located at 150 York Street, Suite 1600, Toronto, Ontario, M5H 3S5.

The Company is a Canadian-based mineral exploration company focused on the exploration for and development of mineral deposits in Africa. The Company is considered to be in the early stages and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation assets is dependent upon securing and maintaining title and beneficial interest in the property and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability of the Company to obtain the necessary financing to complete the development of the mineral interests, and achieving future profitable production, or alternatively, upon the Company's ability to dispose of its interests on a profitable basis. As the Company's assets are located outside of Canada, they are subject to the risk of foreign laws and regulations, including increases in taxes and royalties, foreign currency exchange rate fluctuations, ownership interests and political uncertainty.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company has incurred a net loss of $605,737 during the year and has an accumulated deficit of $3,318,254 from inception and does not currently have any revenue from operations. The Company's ability to continue as a going concern is dependent upon its ability in the future to locate economically recoverable mineral reserves, achieve profitable operations or obtaining the necessary financing to fulfill its obligations as they arise and repay its liabilities when they become due. External financing, predominantly by the issuance of equity or debt, may be sought to finance the operations of the Company. There is no assurance that the Company will be successful at these initiatives. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

2. Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as of December 31, 2014.

These consolidated financial statements were authorized for issuance by the Board of Directors on April 29, 2015.

3. Significant Accounting Policies

Basis of preparation
These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are accounted for at fair value.

Principles of consolidation
These consolidated financial statements include the accounts of the Company and entities over which it has control including its wholly-owned legal subsidiary, Adsani and Adsani's wholly-owned subsidiary Mezzotin ZIM. All material intercompany transactions and related balances are eliminated on consolidation.

On April 30, 2011, the Company acquired all the issued and outstanding shares of Adsani. The transaction was accounted for as a reverse acquisition. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the legal subsidiary, Adsani, as at and for the years ended December 31, 2014 and 2013. The number of common shares outstanding are that of the Company, the legal parent.

Functional and presentation currency
Items included in the financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's subsidiaries is the United States Dollar. The consolidated financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

The assets and liabilities of the subsidiaries that have a functional currency different from that of the Company are translated into Canadian dollars at the closing rate at the date of the statement of financial position, and income and expenses are translated at the average rate for the year, which represents a reasonable approximation of the exchange rates at the date of the transactions. Foreign exchange gain or losses resulting from the translation are recognized in other comprehensive income and included in the foreign currency translation reserve in the shareholders' equity.

Transactions in currencies which are not the Company's functional currency are translated to the functional currency at exchange rates at the date of the transaction. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position, non-monetary items are measured at historical rates of exchange.

Property and equipment
Property and equipment are recorded at acquisition cost less depreciation and accumulated impairment losses.

Where an item of property and equipment comprises significant components with different useful lives, the components are accounted for as separate items (major components) of plant and equipment.

Depreciation is provided at rates calculated to write-off the cost of these assets commencing when available for use, less the estimated residual value, over their estimated useful lives, for the following classes of assets:

	Method	**Rate**
· Exploration equipment	Declining balance	20%
· Vehicles	Declining balance	20%

3. Significant Accounting Policies (cont'd)

Property and equipment (cont'd)

Property and equipment are subject to periodic valuation to test for impairment. If the valuation is materially different that the carrying value of the asset, an impairment in value will be charged to operations in the current period.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but not exclusive to, materials used, surveying costs, geological and geophysical studies, exploratory drilling and sampling, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation, including general and administrative overhead costs, are expensed in the period in which they occur. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there are other circumstances indicating evidence of impairment.

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all exploration and evaluation costs to that property are reclassified as mining assets within property and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

Share issue costs

Costs directly attributable with the raising of capital is charged against the related share capital. Costs related to the shares not yet issued are recorded as deferred financing fees. These fees are deferred until the issuance of the shares to which the fees related to, at which time the fees will be charged against the related share capital, net of any tax effects.

Share-based payments

The Company has a share-based plan to grant options to employees and non-employees. The fair value of options granted, are measured using the Black-Scholes options pricing model, is recognized as a share-based compensation expense and recognized over the length of the vesting period of the options granted, with a corresponding amount recognized in the share-based payments reserve. At each financial reporting date, the number of options recognized as an expense is adjusted to reflect the number of options expected to vest going forward. Consideration received on the exercise of options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Share-based payments to non-employees are measured at fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting period for any indicators that the carrying amount may not be recoverable. 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.

3. Significant Accounting Policies (cont'd)

The 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 for which the estimates of future cash flows have not been adjusted.

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 profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or the cash generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that this 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 periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments
Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: Financial assets at fair value through the statement of loss, loans and receivables, available-for-sale, and held-to-maturity.

Financial assets at fair value through profit or loss ("FVTPL")
Financial assets are classified at fair value through profit or loss when acquired principally for the purpose of trading or are designated as such upon initial recognition. Financial assets classified as FVTPL are measured at fair value with changes therein recognized in the statement of loss. The Company's cash is classified as FVTPL.

Loans and receivables
Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in the active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. Amounts receivable and other assets are classified as loans and receivables.

Available-for-sale
Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any other categories. Available-for-sale financial assets are measured at fair value with changes recognized in equity in the appropriate reserve account. No assets have been or are currently classified as available-for-sale.

Held-to-maturity
Held to maturity financial assets are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in profit and loss. No assets have been or currently classified as held-to-maturity.

Transaction costs associated with FTVL 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. Significant Accounting Policies (cont'd)

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at fair value through the statement of loss ("FVTPL") or other-financial-liabilities.

Financial liabilities at fair value through the statement of loss
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. At December 31, 2014, (2013 - $nil) the Company has not classified any financial liabilities as FVTPL.

Other-financial-liabilities
Other-financial-liabilities are initially measured at fair value, net of directly attributable transaction costs, and 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 are classified as other-financial-liabilities.

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

Asset carried at amortized cost
If there is objective evidence that an impairment loss on the assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets 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 the statement of 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 the statement of loss.

Income taxes
Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current income tax
Current income tax is the expected income tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax
Deferred income taxes are recorded using the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following temporary differences are not provided for: initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

3. Significant Accounting Policies (cont'd)

A deferred tax asset is recognized to the extent that it is probable that the future taxable profits will be available against which the unused tax credits and temporary differences can be utilized. Recognized deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reviewed and reassessed at each reporting date to the extent it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Compound financial instruments

Proceeds received on the issuance of units consisting of common shares and warrants are allocated based on the relative fair value method.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that 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 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 and is applied as an offset to the specific obligation on the statement of financial position.

Loss per share

The basic loss per share is calculated by dividing the net loss attributable to common shareholders of any Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as outstanding stock options and share purchase warrants. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the year ended December 31, 2014 and 2013, all outstanding warrants were anti-dilutive and were not included.

Restoration, rehabilitation, and environmental obligation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and property and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for such costs is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding restoration, rehabilitation, and environmental obligation is added to the carrying amount of the related mineral property asset in the case where technical feasibility has been established, and expensed if technical feasibility is yet to be established. Once capitalized, the cost is amortized as an expense over the economic life of the asset using either unit-of-production method or the straight line method, as appropriate. Following the initial recognition of the restoration, rehabilitation, and environmental obligation, the carrying amount of the liability is adjusted 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.

The Company has no restoration, rehabilitation, and environmental obligations as any disturbance to date are minimal.

3. Significant Accounting Policies (cont'd)

Significant accounting estimates and judgments
The preparation of financial statements using accounting policies consistent with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Critical accounting estimates
Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period the changes are made. Significant areas requiring the use of estimates and assumptions that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to the following: the carrying value and recoverability of exploration and evaluation assets, and property and equipment and their useful lives, impairment of non-financial assets, valuation of share-based payments and the recoverability of deferred income tax assets .

Critical accounting judgments
The critical judgments that the Company's management has made, apart from those involving estimates, in the process of applying the accounting policies that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the determination whether technical feasibility and commercial viability for mineral properties under exploration can be demonstrated, the economic recoverability of the exploration and evaluation assets, the determination of the functional currency for the Company and its subsidiaries, the interpretation and measurement of income taxes payable and deferred income tax assets and liabilities and application of the relevant tax laws and the assumption that the Company will continue as a going concern.

4. New Accounting Standards and Interpretations

The International Accounting Standards Board has issued new and amended standards and interpretations with various implementation and effective dates. The following is a brief summary of the new standards adopted in the current year and under review for future years.

New accounting standards adopted in year:
IAS 32, Financial Instruments: Presentation
The IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments are effective for annual periods beginning on or after January 1, 2014 and were applied retrospectively. The adoption of the amendments did not have a significant impact on the Company's consolidated financial statements.

IAS 36, Impairment of Assets
On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36 requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and were applied prospectively. The adoption of the amendments did not have a significant impact on the Company's consolidated financial statements.

IAS 39, Financial Instruments: Recognition and Measurement
In June 2013, the IASB amended IAS 39-Financial Instruments: Recognition and Measurement, providing guidance on novation of over-the counter derivatives and continued designation for hedge accounting. This amendment did not have a significant impact on the Company's consolidated financial statements.

4. New Accounting Standards and Interpretations (cont'd)

Pronouncements for future adoption:

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, setting out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. IFRS 9 replaces IAS 39 - Financial Instruments: Recognition and Measurement. The new standard establishes a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. It also provides guidance on an entity's own credit risk relating to financial liabilities and has modified the hedge accounting model to better link the economics of risk management with its accounting treatment. Additional disclosures will also be required under the new standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of IFRS 9 on the Company's consolidated financial statements.

IAS 16, Property, Plant and Equipment, and
IAS 38, Intangible Assets

In May 2014, the IASB amended IAS 16 and IAS 38 to clarify that a revenue-based approach to calculate depreciation and amortization generally is not appropriate as it does not reflect the consumption of the economic benefits embodied in the related asset. These amendments must be applied prospectively for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact of amendments to IAS 16 and IAS 38 on the Company's consolidated financial statements.

IFRS 11, Joint Arrangements

In May 2014, the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business, as defined in IFRS 3 - Business Combinations. The amended standard requires the acquirer to apply all of the principles on accounting for business combinations in IFRS 3 and other IFRSs except for any principles that conflict with IFRS 11. These amendments must be applied prospectively for those acquisitions occurring in annual periods beginning on or after January 1, 2016. The amendments to IFRS 11 are not expected to have a significant impact on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 - Leases or other IFRSs. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following a five step methodology. The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets such as property and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after January 1, 2017 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The Company is currently evaluating the impact of IFRS 9 on the Company's consolidated financial statements.

5. Property and Equipment

		Exploration Equipment		Vehicles		Total
Cost						
Balance - January 1, 2013	$	309,663	$	248,327	$	557,990
Additions in 2013		39,172		31,313		70,485
Disposal and impairment of value		-		(65,571)		(65,571)
Foreign currency translation		25,200		13,685		38,885
Balance December 31, 2013	**$**	**374,035**	**$**	**227,754**	**$**	**601,789**
Additions in 2014		**29,884**		**38,310**		**68,194**
Disposal and impairment of value		**(173,540)**		**(135,740)**		**(309,280)**
Foreign currency translation		**28,183**		**15,086**		**43,269**
Balance December 31, 2014	**$**	**258,562**	**$**	**145,410**	**$**	**403,972**
Accumulated Depreciation						
Balance - January 1, 2013	$	-	$	-	$	-
Depreciation in year		-		5,472		5,472
Foreign currency translation				179		179
Balance - December 31, 2013	**$**	**-**	**$**	**5,651**	**$**	**5,651**
Depreciation in year				**8,953**		**8,953**
Disposal		**-**		**(2,423)**		**(2,423)**
Foreign currency translation		**-**		**801**		**801**
Balance December 31, 2014	**$**	**-**	**$**	**12,982**	**$**	**12,982**
Net Book Value						
As at December 31, 2013	$	374,035	$	222,103	$	596,138
As at December 31, 2014	**$**	**258,562**	**$**	**132,428**	**$**	**390,990**

During the year ended December 31, 2014 the Company undertook a current market appraisal of its exploration equipment and vehicles. As a result of the appraisal, the Company recorded a writedown of $297,221 (2013 - $33,461) in the carrying values of these assets.

During the year ended December 31, 2014 the Company recorded a loss of $3,161 (2013 - $9,274) on the disposal of a vehicle.

During the year ended December 31, 2014 the Company charged depreciation of $8,953 (2013 - $5,472) on vehicles which were made available for service in the period.

6. Exploration and Evaluation Assets

Sabi Star Property

The Company owns a 100% interest in the Sabi Star Property held by Adsani, through its wholly-owned subsidiary, Mezzotin ZIM. The property is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares located in Eastern Zimbabwe, approximately 180 kilometers from Harare, the capital of Zimbabwe, approximately 250 kilometers from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

	Mineral Rights		Exploration and Evaluation		Total
Cost					
Balance - January 1, 2013	$	4,265	$	334,923	$	339,188
Additions in year		-		59,926		59,926
Foreign Currency Translation		281		25,100		25,381
Balance - December 31, 2013	**$**	**4,546**	**$**	**419,949**	**$**	**424,495**
Additions in year				**13,241**		**13,241**
Foreign Currency Translation		**407**		**38,774**		**39,181**
Balance - December 31, 2014	**$**	**4,953**	**$**	**471,964**	**$**	**476,917**
Accumulated Depreciation						
Balance - December 31, 2013	$	-	$	-	$	-
Balance - December 31, 2014	**$**	**-**	**$**	**-**	**$**	**-**
Net Book Value						
As at December 31, 2013	$	4,546	$	419,949	$	424,495
As at December 31, 2014	**$**	**4,953**	**$**	**471,964**	**$**	**476,917**

7. Trade Payables and Accruals

		December 31, 2014		December 31, 2013
Falling due within the year:				
Trade payables	$	**127,232**	$	66,945
Accrued liabilities		**46,781**		69,284
	$	**174,013**	$	136,229

8. Share Capital

Authorized share capital
Unlimited number of common shares

Issued and outstanding share capital
Issued share capital for the periods were as follows:

	Number of Shares		Amount
Balance as at January 1, 2013	49,987,500	$	3,457,983
Shares purchased and cancelled (i)	(1,008,400)		(60,504)
Balance as at December 31, 2013	**48,979,100**	**$**	**3,397,479**
No activity in year	**-**		**-**
Balance as at December 31, 2014	**48,979,100**	**$**	**3,397,479**

(i) On June 20, 2013, as part of a termination agreement, the Company reacquired 1,008,400 shares at a price of $0.10 ($100,840) from a former consultant of the Company who, among other things, served as a director and officer of the Company's subsidiaries. The share purchase constituted a "related party transaction" within the meaning of applicable securities legislation but was exempt from the formal valuation and minority shareholder approval requirements as the Company's shares are listed on the TSX Venture Exchange and the fair market value of the transaction does not exceed 25% of the Company's market capitalization, respectively. The purchase price for the shares has been allocated to Share Capital based on the market price of the shares at the agreement date and the excess over market allocated to Other Capital Reserves.

Warrant reserve
The following table summarizes warrant activity and balances at December 31, 2014:

	Number of Warrants		Amount		Weighted Average Exercise Price	Expiry Date
Balance at January 1, 2013	25,000,000	$	685,569	$	0.29	
Expiry of warrants in period	(10,000,000)		(25,285)		0.50	Expired April 30, 2013
Balance at December 31, 2013	**15,000,000**	**$**	**660,284**	**$**	**0.15**	August 30, 2014
Expiry of warrants in period	**(15,000,000)**	**$**	**(660,284)**		**0.15**	**Expired August 30, 2014**
Balance at December 31, 2014	**-**	**$**	**-**	**$**	**-**	

Pursuant to the reverse acquisition, 10,000,000 Mezzotin ZIM Warrants to purchase 10,000,000 Common Shares of the Company were issued to holders of the Adsani Units in exchange for 10,000,000 Adsani Options. Each Mezzotin Warrant was exercisable at $0.50 per warrant for one Common Share of the Company on or before April 30, 2013. The Warrants expired on April 30, 2013 without being exercised.

8. Share Capital (Cont'd)

Pursuant to the private placement financing on August 30, 2012, the Company issued 15,000,000 Warrants to purchase 15,000,000 Common Shares of the Company. Each Warrant was exercisable at $0.15 per Warrant for one Common Share of the Company on or before August 30, 2014. The Warrants expired on August 30, 2014 without being exercised.

As at December 31, 2014 the Company did not have any Warrants outstanding.

Share-based payment reserve

On August 22, 2013 the shareholders of the Company approved a new 10% "rolling" stock option plan for its directors, officers and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. The option price of the shares shall be fixed by the Board but must not be less than the closing sale price of the shares on the Exchange on the day immediately preceding grant.

In the years ended December 31, 2014 and 2013, the Company did not issue any stock options and as of December 31, 2014 and December 31, 2013, the Company had no stock options outstanding.

9. Income Taxes

Income taxes

The Company has not recognized deferred tax assets as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The reconciliation of income tax provision computed at the statutory tax rates for the year ended December 31, 2014 of 26.5% (2013 – 26.5%) in Canada, 28% (2013- 28%) in South Africa and 15% (2013 – 15%) in Zimbabwe to the reported income tax provision is as follows:

	December 31, 2014	December 31, 2013
Net loss before tax	**$(605,737)**	$ (751,129)
Income tax benefit computed at statutory rate	**106,580**	145,757
Non-deductible stock-based compensation	**-**	-
Other non-deductible items	**(45,926)**	(7,647)
Share issue and financing costs	**23,749**	23,749
Non-capital losses for which no tax benefit has been recorded	**(84,403)**	(161,859)
Income tax recovery	**$ -**	$ -

9. Income Taxes (cont'd)

Deferred income taxes

Deferred income tax assets reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The applicable tax rates to be expected is 26.5% in Canada, 28% in South Africa and 15% in Zimbabwe. Significant components of the Company's unrecognized deferred tax assets are as follows:

	December 31, 2014	December 31, 2013
Unrecognized deferred income tax assets (liabilities)		
Non-capital loss carry-forwards in Canada	**$ 554,867**	$ 518,436
Non-capital loss carried forward in Zimbabwe and South Africa	**241,523**	217,608
Undeducted share issuance and financing costs	**4,455**	28,470
Unrecognized deferred tax assets	**$ 800,845**	$ 764,514

Losses carried forward

The Company has available non-capital losses of approximately $2,093,838 (2013 - $1,867,528) that may be carried forward to apply against future income for Canadian tax purposes. The losses expire as follows:

2029	488,386
2030	119,524
2031	528,214
2032	446,549
2033	284,855
2034	226,310
	$ 2,093,838

At December 31, 2014, the Company had a net operating loss carry forward for Mezzotin and Adsani, of $1,679,272 (2013 - $1,518,745), which are available to be carried forward indefinitely.

10. Net Loss per Common Share

The weighted average number of commons shares outstanding is a function of the number of days that any number of shares are outstanding.

For the year ended December 31, 2014, the weighted average number of common shares outstanding was 48,979,100 (2013 – 49,448,766). The Company is reporting a loss, consequently the inclusion of outstanding warrants in a fully diluted per share calculation would be anti-dilutive and is not presented.

11. Capital Management

The Company's objectives when managing its liquidity and capital are as follows:

a) to safeguard the Company's ability to continue as a going concern such that it can continue in its exploration activities to provide returns to shareholders and benefits to other stakeholders.
b) to secure sufficient cash and cash equivalents to fund the Company's business plans, including the exploration activities required for the development of its mineral property interests.

The Company considers the items included in shareholders' equity in the definition of capital.

The Company's primary uses of capital are to finance the exploration and property development activities required on its mineral properties, market and investor development, capital expenditures and operating losses.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the period ended December 31, 2014 and December 31, 2013. As at December 31, 2014 the Company is not subject to any externally imposed capital requirements.

12. Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Following is a summary of the related party transaction:

a) In August 2013, the Company entered into an agreement to lease two vehicles to a company where director of the Company's subsidiary was a senior officer. The lease agreement runs from August 1, 2013 to December 31, 2013 and then month to month thereafter. During the year ended December 31, 2014, the Company recorded Rental Income of $19,881 (2013 – $7,724) related to the agreement.

b) During the year ended December 31, 2014 the Company incurred costs of $19,881 (2013 – $24,718) for office rent paid to a company where a Mezzotin ZIM Director was a senior officer. The rental costs are included in General and Administrative.

c) During the year ended December 31, 2014 the Company incurred costs of $53,750 (2013 - $39,236) for executive and management services to companies controlled by an officer of the Company. The amounts are included in Consulting Fees.

d) During the year ended December 31, 2013 the Company purchased for cancellation a total of 1,008,400 common shares at a cost of $100,840 from a former principal and director of Mezzotin ZIM. (see Note 8).

12. Related Party Transactions (cont'd)

e) During the year ended December 31, 2013 an unrelated company whose CEO is a director of the Company's subsidiary, periodically made disbursements on behalf of Mezzotin ZIM. The Company records the expenses in the normal course and periodically reimburses the company making the disbursements. At December 31, 2013, the Company owes the third party company $119,522 under this arrangement and has recorded this obligation as a related party payable. The Company did not pay any fees for the service or interest on the balance owing. The amount due to the related parties is non-interest bearing, unsecured and is due on demand. This practice ceased in early 2014 and the balances were settled. At December 31, 2014 there was a balance owing to the related company of $894 for incidental charges.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

13. Financial Instruments and Risk Management

Fair values

The Company classifies its financial assets and liabilities using a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements for these assets and liabilities:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents and other financial assets have been classified as level 1. All other financial instruments are classified as level 3.

Financial risks

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks including currency fluctuations and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents, trade and other receivables. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages its limited credit risk by maintaining substantially all its cash and cash equivalents with major financial institutions in Canada and Zimbabwe. At December 31, 2013 the Company has $25,136 on deposit with Trust Bank Corporation in Harare, Zimbabwe. Trust Bank Corporation's banking license has been cancelled and there is uncertainty as to the future of Trust Bank and the ability of the Company to access this cash. Accordingly the Company has taken a writedown on this financial asset. The Company is not in commercial operation and has very limited exposure to accounts receivable risk.

13. Financial Instruments and Risk Management (cont'd)

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows used in operations and exploration activities, anticipated from investing and financing activities, and taking into account the Company's holdings of cash and cash equivalents.

As at December 31, 2014, the Company has cash reserves of $71,018 (2013 - $550,291), other financial assets of $17,418 (2013 - $29,606). As at December 31, 2014 the Company had a working capital deficit of $86,845 compared to working capital of $292,164 at the same time in 2013. Trade and other payables generally have maturities of 30 days or less and are subject to normal trade terms.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rate fluctuations through the interest earned on cash balances; however, management does not believe this exposure is significant.

Foreign currency risk
Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its results of operations from time to time. The Company currently has financial instruments denominated in Canadian dollars. A change in the foreign exchange rate of the Canadian dollar versus another currency may change the value of its financial instruments. The exposure to foreign currency fluctuations may be significant because the functional currency of its operating subsidiary is US dollars.

The Company's funds are kept in Canadian dollars at a major Canadian financial institution. Operating funds are transferred to the operating company as required and is kept on deposit in US dollars. As at December 31, 2014 and 2013, the Company held US currency deposits of $11,227 and $53,337, respectively. The Company believes that a change of 10% in foreign exchange rates would increase/decrease net loss for the period by approximately $15,000 and $15,000, respectively.

The Company does not hedge its foreign exchange risk.

14. Operating Segments

Segmented information is provided on the basis of geographical segments as the Company operates in one industry, the exploration and evaluation of mineral properties, but manages its business and exploration activities through Canada. The business segments provided reflect the management structure of the Company and the way in which the Company's Board of Directors review business performance.

The following is an analysis of the Company's operating losses and results from continuing operations by geographical location:

As at December 31, 2014		**Canada**		**South Africa**		**Zimbabwe**		**Total**
Current assets	$	67,235	$	-	$	21,201	$	88,436
Exploration and evaluation assets	$	-	$	-	$	476,917	$	476,917
Property and equipment assets	$	-	$	-	$	390,990	$	390,990
Total Assets	$	67,235	$	-	$	889,108	$	956,343
Current liabilities	$	110,693	$	-	$	64,588	$	175,281
For the year ended December 31, 2014								
Net loss	$	(136,693)	$	-	$	(469,044)	$	(605,737)

As at December 31, 2013		Canada		South Africa		Zimbabwe		Total
Current assets	$	512,914	$	-	$	66,983	$	579,897
Exploration and evaluation assets	$	-	$	-	$	424,495	$	424,495
Property and equipment	$	-	$	-	$	596,138	$	596,138
Total assets	$	512,914	$	-	$	1,087,616	$	1,600,530
Current liabilities	$	109,944	$	-	$	177,789	$	287,733
For the year ended December, 2013								
Net loss	$	(285,638)	$	(1,843)	$	(463,648)	$	(751,129)

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments. Assets used jointly by reportable segments are reported as part of the Canadian reportable segment; and
- All liabilities are allocated to reportable segments, current and deferred tax liabilities, and other liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

15. Contingencies

a. The Zimbabwe Investment Authority ("ZIA"), through what management of the Company believes to be an unauthorized and administrative error, has served notice that it has cancelled Mezzotin ZIM's investment License. As a result of this action, the Company has been assessed for tax credits previously granted in the amount of US$37,100. This amount has been accrued as a liability at December 31, 2014.

   The cancellation of an Investment License, in general terms, may have other consequences such as the inability to repatriate invested funds and the development of production properties.

   It is the opinion of management that the cancellation of the Investment License will be rectified and has commenced the legal process for its reinstatement.

15. Contingencies (cont'd)

b. The Company may be subject to certain fines and penalties for late remittances to a government agency in 2013. The amount of any fines and penalties, should they be imposed, are indeterminable at this time but are not expected to exceed $30,000. If the Company is assessed, it will expense the amount at that time. As of December 31, 2014 there has been no indication of an assessment of fines or penalties being levied against the Company.

16. Comparative Amounts

Certain prior year numbers have been regrouped for presentation purposes.