FINORE MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEAR ENDED DECEMBER 31, 2014, PERIOD ENDED DECEMBER 31, 2013
AND YEAR ENDED JULY 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Finore Mining Inc.

We have audited the accompanying consolidated financial statements of Finore Mining 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 equity and cash flows for the year ended December 31, 2014, five month period ended December 31, 2013 and year ended July 31, 2013, 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.

Auditors' 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 auditors' 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.

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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Finore Mining Inc. as at December 31, 2014 and 2013 and its financial performance and its cash flows for the year ended December 31, 2014, five month period ended December 31, 2013 and year ended July 31, 2013 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 describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Finore Mining Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada　　　　Chartered Accountants

April 30, 2015

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31
(Expressed in Canadian Dollars, unless stated otherwise)

	Note	**2014** **$**	2013 $
ASSETS			
Current			
Cash		**10,182**	220,511
Short-term investment		**-**	11,555
Receivables		**4,758**	7,335
Prepaid expenses		**8,311**	5,150
Total Current Assets		**23,251**	244,551
Equipment	3	**2,634**	-
Exploration and evaluation assets	4	**11,035,197**	10,745,589
TOTAL ASSETS		**11,061,082**	10,990,140
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9	**359,056**	268,853
Shareholders' Equity			
Share capital	5	**16,703,563**	16,656,886
Reserves	5	**1,834,032**	1,834,032
Deficit		**(7,835,569)**	(7,769,631)
Total Shareholders' Equity		**10,702,026**	10,721,287
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,061,082**	10,990,140

Nature of Operations and Going Concern 1

Subsequent Events 12

"Peter Tegart"
Peter Tegart, Director

"Mohan Vulimiri"
Mohan Vulimiri, Director

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2014, THE FIVE MONTH PERIOD ENDED DECEMBER 31, 2013 AND THE YEAR ENDED JULY 31, 2013
(Expressed in Canadian Dollars, unless stated otherwise)

	Note	For the Year Ended December 31, 2014	For the Five Months ended December 31, 2013	For the Year Ended July 31, 2013
General and Administrative Expenses				
Advertising and promotion		**$ -**	$ -	$16,108
Consulting fees	9	**90,370**	104,947	65,461
Insurance		**3,627**	2,267	9,932
Office and general		**3,682**	39	2,646
Professional fees		**28,674**	29,340	48,790
Rent		**15,411**	-	-
Transfer agent and filing fees		**18,749**	18,191	32,990
Travel and entertainment		**175**	-	1,826
Operating loss		**(160,688)**	(154,784)	(177,753)
Foreign exchange loss		**(684)**	(52,064)	(6,239)
Gain on debt settlement		**37,500**	12,334	104,109
Loss and comprehensive loss for the period		**$ (123,872)**	$ (194,514)	$ (80,383)
Basic and diluted loss per share		**$ (0.01)**	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		**15,793,743**	15,394,360	10,042,036

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars, unless stated otherwise)

	Common Shares		Reserves				
	Number of Shares	Amount $	Option Reserve $	Warrant Reserve $	Other Reserve $	Deficit $	Total Shareholders' Equity $
Balance – July 31, 2012	**4,000,798**	**11,182,216**	**1,511,157**	**322,875**	**6,149**	**(7,500,883)**	**5,521,514**
Issuance pursuant to mineral property amended option agreement	6,800,000	4,265,000	-	-	-	-	4,265,000
Share issuance cost	-	(17,730)	-	-	-	-	(17,730)
Non-brokered Private Placement	4,438,334	1,177,500	-	-	-	-	1,177,500
Transfer of other reserve to deficit	-	-	-	-	(6,149)	6,149	-
Net loss for the year	-	-	-	-	-	(80,383)	(80,383)
Balance – July 31, 2013	**15,239,132**	**16,606,986**	**1,511,157**	**322,875**	**-**	**(7,575,117)**	**10,865,901**
Net loss for the period	-	-	-	-	-	(194,514)	(194,514)
Shares issued for debt settlement	250,000	50,000	-	-	-	-	50,000
Share issuance costs	-	(100)	-	-	-	-	(100)
Balance – December 31, 2013	**15,489,132**	**16,656,886**	**1,511,157**	**322,875**	**-**	**(7,769,631)**	**10,721,287**
Net loss for the year	-	-	-	-	-	(123,872)	(123,872)
Gain on common control transaction	-	-	-	-	-	57,934	57,934
Issuance pursuant to mineral property amended option agreement (Note 4)	91,771	9,177	-	-	-	-	9,177
Debt settlement (Note 5b)	375,000	37,500	-	-	-	-	37,500
Balance – December 31, 2014	**15,955,903**	**16,703,563**	**1,511,157**	**322,875**	**-**	**(7,835,569)**	**10,702,026**

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014, THE FIVE MONTH PERIOD ENDED December 31, 2013 AND THE YEAR ENDED JULY 31, 2013
(Expressed in Canadian Dollars, unless stated otherwise)

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	For the Year Ended December 31, 2014	For 5 months ended December 31, 2013	For the Year Ended July 31, 2013
Loss for the period	**$ (123,872)**	$ (194,514)	$ (80,383)
Adjustments for items not involving cash:			
Foreign exchange loss	**-**	20,495	4,563
Gain on debt settlement	**(37,500)**	(12,334)	(104,109)
Changes in non-cash working capital:			
Decrease (increase) in receivables	**20,483**	(641)	10,345
(Increase) decrease in prepaid expenses	**(3,161)**	6,493	17,394
Increase in accounts payable and accrued liabilities	**33,544**	112,308	66,581
Net cash flows used in operating activities	**(110,506)**	(68,193)	(85,609)
INVESTING ACTIVITIES			
Short-term investment	**11,555**	(52)	-
Acquisition of subsidiary	**774**	-	-
Exploration and evaluation assets	**(112,152)**	(52,442)	(973,040)
Net cash flows used in investing activities	**(99,823)**	(52,494)	(973,040)
CASH FLOWS FROM FINANCING ACTITVITIES			
Share issuance cost	**-**	(100)	(240)
Proceeds from issuance of shares	**-**	-	1,177,500
Net cash flows used in financing activities	**-**	(100)	1,177,260
Increase (Decrease) in cash	**(210,329)**	(120,787)	118,611
Cash beginning of the period	**220,511**	341,298	222,687
Cash, end of the period	**$ 10,182**	$ 220,511	341,298

Supplemental cash flow information (Note 6)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Finore Mining Inc. (the "Company") was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity is the exploration of exploration and evaluation assets. On September 26, 2011, the Company changed its name from Otterburn Ventures Inc. to Finore Mining Inc. and the Company's common shares began trading on Canadian National Stock Exchange, now known as Canadian Securities Exchange ("CSE") under the new symbol of "FIN." On April 9, 2012, the Company's common shares have commenced trading in the United States on the OTC market's OTCQX International under the symbol of "FNREF". Effective January 1, 2014, the Company's shares ceased trading on the OTC market.

Pursuant to the approval by its shareholders of a share consolidation at its annual general meeting of its shareholders ("AGM") held on May 23, 2014, the Company's board of directors, on June 16, 2014, proceeded with a consolidation of the issued and outstanding common shares of the Company on the basis of a one (1) post-consolidated Common Share for each ten (10) pre-consolidation Common Shares. All comparable data has been adjusted for the aforementioned consolidation.

The head office, principal address and registered office of the Company are located at Suite 2000, 1066 West Hastings Street, Vancouver, B.C., V6E 3X2.

The Company is in the process of exploring its exploration and evaluation assets interests and has not yet determined whether its exploration and evaluation assets interests contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets interests, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The Company had a working capital deficiency and an accumulated deficit. These consolidated financial statements have been prepared under the assumption of 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.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's financial statements for the period ending December 31, 2014, including comparatives are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the audit committee and Board of Directors on April 30, 2015.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

Basis of Consolidation

The subsidiary of the Company is as follows:

			Portion of Ownership Interest and Voting Power Held		
Name of Subsidiary	Principal Activity	Place of Incorporation and Operation	December 31, 2014	December 31, 2013	July 31, 2013
Nortec Minerals Oy ("NMO")	Mineral Property Exploration	Finland	100%	-	-

These consolidated financial statements include the accounts of the Company and its subsidiary company. Intercompany balances and transactions, and any unrealized income and expense arising from inter-company transactions are eliminated in preparing these consolidated financial statements.

Foreign Currencies

The Company's reporting and functional currency is the Canadian dollar as no single currency was clearly dominant. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash

Cash is comprised of cash deposited at Canadian banks and short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash. The cash is denominated in Canadian dollars.

Short-Term Investment

Short-term investment, which is a fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, is recorded at fair value. During the year ended December 31, 2013, the Company has deposited $11,500 of principal, accruing $55 of interest, as a security deposit for the corporate credit card for the periods presented. As at December 31, 2014, the corporate credit card was cancelled and therefore the security deposit was no longer required and was redeemed.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to profit or loss at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to the results of profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Equipment

Exploration equipment is recorded at cost less accumulated depreciation.

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

The Company depreciates its assets as follows:

Category	Method	Useful life
Exploration equipment	Straight-line	5 years

The depreciation method, useful life and residual values are assessed annually.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Decommissioning and restoration liability

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company did not have any significant decommissioning and restoration obligations for the periods presented.

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 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.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Warrants issued in equity financing transactions (Cont'd)

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the share issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

From time to time in connection with private placements, the Company issues compensatory warrants to agents ("Agent Warrants") as commission for services. Awards of Agent Warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants are issued. Any consideration received upon exercise of Agent Warrants is credited to share capital. The application of the fair value based method requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the Agent Warrants.

Comprehensive loss

Comprehensive loss is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale. The Company does not have any items representing comprehensive income or loss.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) attributable to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Current and deferred income taxes

(a) Current 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 at the end of each reporting period.

(b) Deferred Tax

Deferred income tax is provided for based on temporary differences, at the end of each reporting period, 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, 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 or 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.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period 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 the end of each reporting period 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 end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the profit or 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 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.

2. Financial instruments – recognition and measurement

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

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

Financial assets and liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at FVTPL are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as FVTPL.
b) Short-term investments have been classified as FVTPL.
c) Receivables have been classified as loans and receivables.
d) Accounts payable and accrued liabilities have been classified as other financial liabilities.

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

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 profit or 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 profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or 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.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of non-financial assets

At the end of each reporting period, 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.

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 cash generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot 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.

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, 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.

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates 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. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- whether or not an impairment has occurred in its exploration and evaluation assets;
- the inputs used in the accounting for share-based payments expense; and
- income taxes

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting judgments and estimates (Cont'd)

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

- the accounting policies for exploration and evaluation assets;
- classification of financial instruments; and
- determination of functional currency.

New Standards, Interpretations and Amendments Adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted the following new standards without any significant effect on its financial statements.

IAS 32 – Financial Instruments: Presentation ("IAS 32")

The IASB amended IAS 32, "Financial Instruments: Presentation" to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

New Standards, Interpretations and Amendments Adopted

IAS 36 – Impairment of Assets ("IAS 36")

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal.

(Expressed in Canadian Dollars, unless stated otherwise)

IFRIC 21 – Levies ("IFRIC 21")

An interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Standards Not Yet Adopted

IFRS 9 – Financial Instruments ("IFRS 9")

New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018. The Company is currently assessing the impact that these standards will have on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

3. Equipment

	Exploration equipment $	**Total $**
Cost		
Balance at December 31, 2013	-	-
Additions	3,221	3,221
Balance at December 31, 2014	**3,221**	**3,221**
Depreciation		
Balance at December 31, 2013	-	-
Depreciation/reduction	587	587
Balance at December 31, 2014	**587**	**587**
Carrying amounts		
Balance at December 31, 2013	-	-
Balance at December 31, 2014	**2,634**	**2,634**

(Expressed in Canadian Dollars, unless stated otherwise)

4. EXPLORATION AND EVALUATION ASSETS

Läntinen Koillismaa Mineral Claims, North-eastern Finland

Balance July 31, 2013	**$**	**10,683,532**
Exploration costs		
Assay Sampling		4,350
Consulting - geological		8,349
Consulting - administrative and general		48,480
Office and general		(21,112)
Project administration		8,540
Reports		12,066
Surveying		253
Travel		1,131
Balance December 31, 2013	**$**	**10,745,589**
Acquisition costs		1
Exploration costs		
Camp expenses		18,680
Consulting - geological		5,250
Project administration and general		11,507
Landowner costs		105,151
Professional fees		59,426
Professional fees – legal		89,593
Balance December 31, 2014	**$**	**11,035,197**

On July 21, 2011, the Company entered into a binding letter of intent with Nortec Minerals Corp. ("Nortec"), whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the Läntinen Koillismaa Project (the "Project"). The binding letter of intent was replaced and superseded by the option agreement with Nortec (the "Nortec Option Agreement") dated August 24, 2011. The effective date of the Nortec Option Agreement is September 6, 2011 (the "Effective Date"), which is the date the CSE accepted the filing of the option agreement. On September 7, 2011, the Company issued 185,000 common shares at $4.50 per share for a total of $832,500 as finder fees in connection with the option.

On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec has granted the Company the right to acquire 70% interest in the Project by: a) issuing an additional 2,700,000 shares of the Company (issued at a value of $3,240,000); b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment (full amount not paid on time); and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of directors. As the result, the remaining outstanding option obligations under the Nortec Option Agreement were not fulfilled.

On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Project for, among other things, 4,100,000 shares of the Company. On February 19, 2013, the Company issued 4,100,000 shares valued at $1,025,000 to Nortec. As at December 31, 2013, Nortec holds a total of 8,322,721 shares of the Company which equates to a 54% interest.

Effective May 6, 2014, the Company acquired a 100% interest in the Läntinen Koillismaa Project from Nortec through the acquisition of Nortec Minerals OY ("NMO"), the subsidiary that holds title to the LK property. The Company has made the final payment to Nortec, comprised of 91,771 shares in Finore, pursuant to Second Amendment Agreement. As at December 31, 2014, Nortec holds a total of 8,614,492 shares of the Company which equates to a 54% interest.

(Expressed in Canadian Dollars, unless stated otherwise)

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Läntinen Koillismaa Mineral Claims, North-eastern Finland (Cont'd)

The purchase of NMO was treated as an asset acquisition as follows:

Consideration: Common shares	$	9,177
Net assets acquired:		
Cash		774
Receivables		17,906
Due from the Company		52,591
Exploration and evaluation assets		1
Equipment		3,221
Accounts payable		(65,316)
	$	9,177

Excluded from the above are offsetting inter-company balances.

5. SHARE CAPITAL AND RESERVES

a) **Authorized**: Unlimited common shares without par value**.**

b) **Issued and Outstanding:** At December 31, 2014, there were 15,955,903 common shares issued and outstanding (December 31, 2013 – 15,489,132; July 31, 2013 – 15,239,132).

Details of common shares are as follows:

- On September 10, 2012, the Company issued 2,700,000 common shares at a price of $1.20 for a total of $3,240,000 pursuant to the Nortec Option Amendment (Note 4).
- On February 19, 2013, the Company closed a non-brokered private placement. The private placement consisted of issuance of 3,080,000 common shares of the Company at a price of $0. 25 per share, for gross proceeds of $770,000.
- On February 19, 2013, the Company issued 4,100,000 common shares at a price of $0.25 for a total of $1,025,000 to Nortec pursuant to the Second Amendment Agreement (Note 4).
- On March 28, 2013, the Company closed a non-brokered private placement. The private placement consisted of issuance of 1,358,333 common shares of the Company at a price of $0. 30 per share, for gross proceeds of $407,500.
- On September 28, 2013, the Company entered into a debt settlement agreement with a company with a common director. The Company issued 250,000 common shares at $0. 20 per share on September 27, 2013 to settle debt of $50,000.

(Expressed in Canadian Dollars, unless stated otherwise)

5. SHARE CAPITAL AND RESERVES (Cont'd)

b) Issued and Outstanding (Cont'd)

- On May 6, 2014, the Company issued 91,771 common shares at a price of $0.10 for a total of $9,177 pursuant to the Second Amendment Agreement (Note 4).

- On May 7, 2014, the Company entered into debt settlement agreements with Nortec and the Company's directors. The Company issued 375,000 common shares at a price of $0.10 for a total of $37,500 to settle a total debt amount of $75,000, resulting in a gain on debt settlement of $37,500.

c) Share Purchase Warrants

There are no warrants outstanding and unexercisable as at December 31, 2014 and 2013 and July 31, 2013.

d) Stock Options

The Company has a stock option plan (the "Stock Option Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

The continuity of stock options for the periods ended December 31, 2014, December 31, 2013 and July 31, 2013 is as follows:

	December 31, 2014		**December 31, 2013**		**July 31, 2013**	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding, beginning of the period	130,000	$4.60	175,000	$4.60	265,000	$4.60
Granted	-	-	-	-	-	-
Cancelled or expired	(110,000)	$4.60	(45,000)	$4.60	(90,000)	$4.60
Options outstanding and exercisable, end of the period	20,000	$4.60	130,000	$4.60	175,000	$4.60

The options outstanding and exercisable at December 31, 2014 are as follows:

Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Remaining Contractual life
$ 4.60	20,000	$ 4.60	0.25

(Expressed in Canadian Dollars, unless stated otherwise)

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing includes:

	December 31, 2014	December 31, 2013	July 31, 2013
Shares issued for exploration and evaluation assets	$ -	$ -	$4,265,000
Shares issued for acquisition of NMO	9,177	-	-
Exploration and evaluation assets in accounts payable	121,898	12,122	2,507
Shares issued for debt settlement	37,500	50,000	-
Share issue costs in accounts payable	17,490	17,490	17,490
Capitalized depreciation in equipment	587	-	-

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2014, the Company's shareholders' equity was $10,702,206 (December 31, 2013 - $10,721,287). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. 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 to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements.

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.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

At December 31, 2014 and 2013, the Company's financial instruments consist of cash, short-term investments, receivables and accounts payable and accrued liabilities. The fair values of cash, short-term investments, receivables and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The Company classifies its cash and short-term investments as FVTPL, its receivables as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2014 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2014 $	Balance, December 31, 2013 $
Cash	10,182	–	–	10,182	220,511
Short-term investment	-	–	–	-	11,555

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest risk, liquidity risk, and foreign exchange rate risk.

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(b) 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 risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

(c) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euros, Pounds Sterling, and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar, the US dollar, European Euro and Pounds Sterling. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

(Expressed in Canadian Dollars, unless stated otherwise)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(c) Foreign Exchange Rate Risk (Cont'd)

At December 31, 2014 and 2013, the Company's US dollars, Pounds Sterling, and European Euros denominated monetary assets and liabilities are as follows:

		December 31, 2014		December 31, 2013
Monetary Assets				
Cash	EURO €	6,989	EURO €	-
Receivables	EURO €	1,535	EURO €	-
Monetary Liabilities				
Account payables and accrued	USD $	4,116	USD $	4,000
liabilities	EURO €	79,448	EURO €	43,433

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings.

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Year Ended December 31, 2014	Period Ended December 31, 2013	Year Ended July 31, 2013
Consulting fees	$ 73,650	$ 102,975	$ 50,904
Debt settlement	75,000	50,000	104,109
	$ 148,650	$ 152,975	$ 155,013

a) During the year ended December 31, 2014, the Company settled $75,000 of debt by issuing 375,000 common shares at $0.1 per share and recorded a gain on debt settlement of $37,500.

b) During the period ended December 31, 2013, the Company settled $50,000 of debt by issuing 250,000 common shares at $0.20 per share.

(Expressed in Canadian Dollars, unless stated otherwise)

9. RELATED PARTY TRANSACTIONS (Cont'd)

c) During the year ended July 31, 2013, management and consulting fees of $104,109 were forgiven by an officer and former directors of the Company.

Related Party Accounts Payables and Accrued Liabilities to Key Management Personnel:

		December 31, 2014		December 31, 2013
Consulting	$	101,551	$	104,000

10. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information of the Company's capital assets comprising exploration and evaluation assets and equipment is as follows:

		December 31, 2014		December 31, 2013
Exploration and evaluation assets				
Finland	$	11,035,197	$	10,745,589
	$	11,035,197	$	10,745,589

11 INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2014		December 31, 2013		July 31, 2013
Earnings (loss) for the year	$	(123,872)	$	(194,514)	$	(80,383)
Expected income tax (recovery)	$	(32,000)	$	(50,000)	$	(20,000)
Change in statutory, foreign tax, foreign exchange rates and other		146,000		(13,000)		(93,000)
Permanent Difference		2,000		-		-
Adjustment to prior years provision versus statutory tax returns		(183,000)		-		-
Change in unrecognized deductible temporary differences and acquisition of subsidiary		67,000		63,000		113,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**	**$**	**-**

The Canadian income tax rate increased during the year due to changes in the law the increased corporate income tax rates in Canada.

(Expressed in Canadian Dollars, unless stated otherwise)

12 SUBSEQUENT EVENTS

On February 17, 2015, the Company announced that it is in the process of arranging a non-brokered private placement (the "Private Placement") of up to 10,000,000 units at a price of $0.03 per unit (the "Units") for gross proceeds of up to $300,000 (the "Offering"). Each Unit consists of one common share (a "Unit Share") and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share (a "Warrant Share") at an exercise price $0.08 per Warrant Share for the first two years from the date of issue of the Warrant, and at $0.10 per common share for the third year from the date of issue of the Warrant. In the event that the common shares of the Company trade for a period of 10 consecutive trading days at a closing price in excess of (a) $0.15 per share at any time after four months following the date of issue of the Warrants and during the two years of the term of the Warrants, and (b) $0.20 per share during the second year of the term of the Warrants, the Company will accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Company. All Unit Shares, Warrants and Warrant Shares issued will be subject to a 4 month hold period from the date of closing of the private placement in accordance with applicable securities laws. Finder's fees may be payable in connection with the private placement. Completion of this private placement may be subject to regulatory approvals.

At the same time, the Company also announced the granting of an aggregate of 1.5 million incentive stock options to directors, officers and consultants of the Company pursuant to the Company's stock option plan. The Stock Options are exercisable at a price of $0.05 per optioned share for a period of two years.

The Company received a related party loan from a Director for $160,000 subsequent to the year end.

		December 31, 2014		December 31, 2013		July 31, 2013
Deferred Tax Assets						
Exploration and evaluation assets	$	232,000	$	203,000	$	181,000
Share issue costs		16,000		40,000		49,000
Non-capital losses available for future period		1,531,000		1,469,000		1,419,000
		1,779,000		1,712,000		1,649,000
Unrecognized deferred tax assets		(1,779,000)		(1,712,000)		(1,649,000)
Net deferred tax assets	**$**	**-**	**$**	**-**	**$**	**-**

		December 31, 2014	Expiry Date Range
Temporary Differences			
Exploration and evaluation assets	$	949,000	No expiry date
Equipment		3,000	No expiry date
Share issue costs		60,000	2015 to 2017
Non-capital losses available for future period		5,896,000	2020 to 2034
Canada		5,858,000	2028 to 2034
Finland		38,000	2019 to 2024