(AN EXPLORATION STAGE COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIODS ENDED

SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

INDEX

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim consolidated financial statements of European Metals Corp. have been prepared by, and are the responsibility of the Company's management.

The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and reflect management's best estimates and judgments based on information currently available. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the interim consolidated financial statements fairly reflect the financial position and results of operations of the Company within reasonable limits of materiality.

Management has developed and maintains a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized, and financial information is reliable. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore, can provide only reasonable assurance as to financial statement reliability and the safeguarding of assets.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee meets with the Company's management and external auditors to discuss the results of the audit and to review the interim consolidated financial statements prior to the Audit Committee's submission to the Board of Directors for approval. The Audit Committee also reviews the quarterly financial statements and recommends them for approval to the Board of Directors, reviews with management the Company's systems of internal control, and approves the scope of the external auditors' audit and non-audit work. The Audit Committee is composed entirely of directors not involved in the daily operations of the Company who are thus considered to be free from any relationship that could interfere with their exercise of independent judgment as a Committee member.

Signed by

"Vicki Rosenthal"

Vicki Rosenthal

Chief Executive Officer

November 27th, 2015

NOTICE TO READER

REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(AN EXPLORATION STAGE COMPANY)

Interim Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)

(Unaudited –prepared for management purposes only)

	Note	September 30 2015 $	December 31 2014 $
ASSETS			
Current assets:			
Cash and cash equivalents	3	6,216	10,903
Marketable securities		6,000	8,774
Prepaid and sundry receivables	4	5,166	64,059
Total current assets		17,382	83,736
Non-current assets:			
Equipment	5	3,170	3,817
Total non-current assets		3,170	3,817
Total assets		20,552	87,553
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		853,729	712,622
		853,729	712,622
Equity:			
Share Capital	7	17,666,271	17,666,271
Shares to be issued		50,000	50,000
Warrant reserve		1,078,197	1,078,197
Contributed surplus		615,049	615,049
Deficit		(20,242,694)	(20,004,802)
Equity (deficiency) attributable to owners of the parent		(833,177)	(595,285)
Equity (deficiency) attributable to non-controlling interest	2(c)	-	(29,784)
Total equity		(833,177)	(625,069)
Total liabilities and equity		20,552	87,553

Nature of Operations and Going Concern (Note 1)

The accompanying notes are integral to these interim consolidated financial statements

(AN EXPLORATION STAGE COMPANY)

Interim Consolidated Statement of Changes in Equity
(Unaudited –prepared for management purposes only)

	Number of shares outstanding	Share Capital	Warrant Reserve	Shares to be issued	Contributed Surplus	Deficit	Total Equity(deficiency) attributable to European Metals Corp.	Non-controlling interest	Total Equity
Balance at January 1, 2014	**111,564,115**	**$ 29,502,521**	**$ -**	**$ -**	**$ 2,610,987**	**$ (32,658,690)**	**$ (545,182)**	**-**	**$ (545,182)**
Elimination of share capital of Mantis Mineral Corp.	-	(29,502,521)	-	-	(2,610,987)	32,658,690	545,182	-	545,182
Shares issued to effect RTO	945,972,201	2,664,240	1,065,621	-	-	(2,541,580)	1,188,281	-	1,188,281
Share issue costs attributable to the shares issued to effect the RTO	-		-	-	-	(419,657)	(419,657)	-	(419,657)
Value of net liabilities assumed on RTO (note 1(a))	-	-	-	-	-	(545,182)	(545,182)	-	(545,182)
Value of stock options assumed on RTO	-	-		-	615,049		615,049	-	615,049
Value on non-controlling interest assumd on RTO	-	-	-	-	-	-	-	(29,784)	(29,784)
Shares to be issued	310,000,000	-	-	15,050,000	-	-	15,050,000	-	15,050,000
Conversion of debt	29,190,248	150,185	-	-	-	-	150,185	-	150,185
Exercise of stock options	1,000,000	9,728		-	(4,728)	-	5,000	-	5,000
Exercise of compensation options	5,036,000	25,180	-	-	-	-	25,180	-	25,180
Black-Scholes value of compensation warrants attributable to compensation options exercised	-	(17,304)	17,304	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(15,111,967)	(15,111,967)	-	(15,111,967)
Balance at September 30, 2014	1,402,762,564	2,832,029	1,082,925	15,050,000	610,321	(18,618,386)	956,889	(29,784)	927,105
Adjustment to Shares issued to effect RTO	(45,000,000)	(225,000)		-	-	-	(225,000)	-	(225,000)
Value of net liabilities assumed on RTO (note 1(a))	-	-	-	-	-	(83,049)	(83,049)	-	(83,049)
Share issue costs attributable to the shares issued to effect the RTO	-	(165,758)	-	-	-	419,657	253,899	-	253,899
Shares to be issued	(300,000,000)	-	-	(15,000,000)	-	-	(15,000,000)	-	(15,000,000)
Evaluation and exploration expenditures	300,000,000	15,000,000	-		-	-	15,000,000	-	15,000,000
Exercise of stock options	45,000,000	225,000	(4,728)	-	4,728	-	225,000	-	225,000
Net loss for the period	-	-	-	-	-	(1,723,024)	(1,723,024)	-	(1,723,024)
Balance at December 31, 2014	1,402,762,564	17,666,271	1,078,197	50,000	615,049	(20,004,802)	(595,285)	(29,784)	(625,069)
Non-controlling interest	-	-	-	-	-	(29,784)	-	29,784	-
Net loss for the period	-	-	-	-	-	(208,108)	(208,108)		(208,108)
Balance at September 30, 2015	1,402,762,564	$ 17,666,271	$ 1,078,197	$ 50,000	$ 615,049	(20,242,694)	$ (803,393)	$ -	$ (833,177)

The accompanying notes are integral to these interim consolidated financial statements

(AN EXPLORATION STAGE COMPANY)

Interim Consolidated Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited –prepared for management purposes only)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	$	$	$	$
EXPENSES				
Consulting fees	31,850	5,110	156,882	778,585
Insurance	(14,782)	134	3,929	18,845
Exploration and evaluation expenses	-	13,500,000	-	13,500,000
General and office administration	7,693	7,171	19,701	70,990
Legal and audit	6,250	11,300	18,750	142,943
Fees	1,500	1,705	7,171	20,406
Shareholder communications	7,154	55,570	10,498	62,249
Amortization	24	182	403	542
Investor relations	-	45,072	-	425,014
Management	-	-	-	37,289
Total Expenses	39,689	13,626,244	217,334	15,056,863
Net loss before the undernoted	(39,689)	(13,626,244)	(217,334)	(15,056,863)
Reverse takeover costs	-	-	-	(85,753)
Gain on sale of investments	-	4,952	9,226	30,649
Net loss and comprehensive loss for the period	(39,689)	(13,621,292)	(208,108)	(15,111,967)
Weighted average number of outstanding common shares	1,392,762,564	980,638,277	1,392,762,564	980,638,277
Loss per common share	(0.00003)	(0.0001)	(0.0001)	(0.015)

The accompanying notes are integral to these interim consolidated financial statements

(AN EXPLORATION STAGE COMPANY)

Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
(**Unaudited – prepared for management purposes only)**

	Nine months ended September 30,2015	Nine months ended September 30,2014
	$	**$**
CASH (USED IN) PROVIDED BY :		
Operating activities		
Net loss and comprehensive loss for the year	(208,108)	(15,111,967)
Adjustment for :		
Reverse takeover costs	-	85,753
Amortization	647	542
Exploration and evaluation expenses	-	13,500,000
Gain on sales of investments	(9,226)	(30,649)
	(216,687)	(1,556,321)
Net change in non-cash working capital		
Changes in operating assets and operating liabilities:		
(Increase)decrease in prepaid and sundry receivables	58,894	(8,579)
Increase in accounts payable and accrued liabilities	141,556	163,119
Cash flows provided by(used) in operating activities	(16,237)	(1,401,781)
Cash flows from investing activities		
Proceeds from sale of investments	11,550	89,360
Cash flows provided by from investing activities	11,550	89,360
Cash flows from financing activities		
Proceeds received from Special Warrants and stock conversions	-	1,274,640
Share issue costs	-	(426,907)
Cash flows provided by financing activities	-	847,733
Net change in cash and cash equivalents	(4,687)	(464,688)
Cash and cash equivalents, beginning of period	10,903	468,577
Cash and cash equivalents, end of period	6,216	3,889

NON-CASH INVESTING ACTIVITIES

Common shares issued on settlement of debt	$ -	$ 150,185

The accompanying notes are integral to these interim consolidated financial statements

(AN EXPLORATION STAGE COMPANY)

Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

1. NATURE OF OPERATIONS AND GOING CONCERN

a) History of the entity

Reverse takeover transaction ("RTO")

On December 23, 2013 Mantis Mineral Corp. ("Mantis") and Gondwana Energy Corp. ("Gondwana Energy") entered into an agreement for a business combination for the two companies. On January 31, 2014, all the required approvals had been received and the reverse takeover transaction became effective on February 24, 2014 (date of filings for the required documentation). As the former shareholders of Gondwana Energy controlled more than 50% of the Company, the acquisition constituted a reverse takeover transaction. The transaction has been accounted for under IFRS 3, Business Combinations, as a reverse acquisition where the Company is the legal acquirer and the accounting acquiree. As a result of the reverse acquisition, the consolidated financial statements represent the continuation of the financial statements of Gondwana Energy, except for its capital structure. As part of the transaction all of the common shares outstanding for the two companies were exchanged to form Gondwana Oil Corp. ("Gondwana Oil"). Under the terms of the agreement, each Gondwana Energy and Mantis common share was exchanged for one common share of Gondwana Oil. On amalgamation, the existing shareholders of Mantis received 140,754,363 common shares and Gondwana Energy received 900,972,201 common shares. In addition, the existing 2,450,000 stock options for Mantis and the 112,500,000 stock options for Gondwana Energy were exchanged for the equivalent amount of stock options of Gondwana Oil having the same terms and conditions.

The identified assets and liabilities below are a result of management's best estimates and assumptions after taking into account all relevant information available. All financial assets acquired and financial liabilities assumed were recorded at fair value in the table below.

Subsequent to the reverse takeover, the company changed its name from Mantis Mineral Corp. ("Mantis") to Gondwana Oil Corp. (CSE: GO). On September 18, 2014, the company changed its name from Gondwana Oil Corp. to European Metals Corp. and commenced to trade under this name on November 7, 2014 with the symbol "CSE:ECU".

The assets and liabilities of Mantis acquired in the RTO, at estimated fair values, were as follows:

Cash and cash equivalents	$	55,981
Marketable securities	$	66,550
Other assets	$	24,980
Accounts payable and other liabilities	$	(692,693)
Net liability assumed	**$**	**(545,182)**

b) Nature of operations

The Company acquired an option to acquire an 80% interest in the Berehaven Copper Mines located in the Allihies Mining District, County Cork, Ireland. The Company is in the exploration stage and is engaged principally in the acquisition and exploration of mineral properties in Ireland and Ontario. The address of the head office is at 131 Bloor Street West, Suite 202, Toronto, Ontario. M5S 3L7.

On November 6, 2014 the Company announced that Articles of Amendment under the Business Corporations Act were issued to reflect the Change of Name of the Company from "Gondwana Oil Corp." to "European Metals Corp." effective on September 18, 2014.

Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

b) Nature of operations (continued)

These interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2015 the Company has not generated any revenues from operations. The Company has incurred a net loss of $208,108 for the current period, having accumulated losses of $20 million, a working capital deficit of $836,347.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management's control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected. All of these facts raise uncertainty about the Company's ability to continue as a going concern. The Company's ability to launch its operations, as intended is dependent on its ability to obtain necessary financing and raise capital sufficient to cover its exploration and other costs. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

These interim consolidated financial statements of the Company for the nine month period ended September 30, 2015 were authorized for issuance by the board of Directors of the Company on November 27th, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These 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"), effective for the Company's reporting for the nine months ended September 30, 2015.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of November 27, 2015, the date the Board of Directors approved the statements. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of presentation (continued)

The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2014, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2015 could result in restatement of these unaudited condensed interim financial statements.

i) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets or liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

ii) Share-based payments

Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates certain input assumptions including the future volatility of the stock price, expected dividend yield, and expected life. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

iii) Comparative figures

The statement of financial position and changes in equity are compared to December 31, 2014 balances, except with regard to share capital, the opening balance on January 1, 2014, which is that of Mantis.

Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Recent accounting pronouncements

The following accounting pronouncements have been released but have not yet been adopted by the Company.

IFRS 9 - Financial instruments ("IFRS 9")
In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9, which is to be applied retrospectively, will be effective as of January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

IFRS 11 - Joint Arrangements ("IFRS 11")
IFRS 11 was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 - Presentation of Financial Statements ("IAS 1")
IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

c) Principles of Consolidation

The interim consolidated financial statements include the accounts of European Metals Corp. (the "Company") and it's wholly owned subsidiaries Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd., and University Avenue Management Ltd. In addition, the Company owned a 70% interest in Miura Petroleum Limited. On consolidation, all intercompany transactions and balances have been eliminated. In September 2015, the Company disposed of its common shares to the non-controlling interest in Miura for no consideration. The disposition resulted in a deconsolidation of Miura resulting in the Equity in the non-controlling interest being transferred to the parent.

3. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are comprised as follows:

	September 30, 2015
Cash	1,216
Cashable Term Deposit	5,000
Total	**$6,216**

The Term Deposit is held as security by the Company's bankers against the corporate credit card, which has a revolving balance.

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Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

4. SUNDRY RECEIVABLES

Sundry receivables at September 30, 2015 are for amounts receivable of $5,166 for Harmonized Sales Tax.

5. EQUIPMENT

					September 30 2015
		Cost	Accumulated Amortization		Net
Furniture and fixtures	$	13,471	12,480	$	991
Computer Equipment		39,843	39,058		785
Mining Equipment		14,082	12,688		1,394
		$67,396	**64,226**	**$**	**3,170**

6. EXPLORATION AND EVALUATION ASSETS

	Berehaven Property
Acquisition costs (i)	15,000,000
Exploration costs	
Amortization	703
Geosciences	(703)
Total	15,000,000
Deduct: Impairment of exploration and evaluation assets	(15,004,520)
Balance, September 30, 2015 and December 31, 2014	-

(i) The property was acquired on a non-cash basis through the issuance of 300,000,000 common shares of the Company at $0.05 per share.

The mineral property acquisition costs and direct exploration expenditures are capitalized as incurred. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related costs and expenditures are written down.

(1) Berehaven Copper Property

On August 1, 2014 the Company entered into a letter of intent to enter into an option agreement to acquire an 80% interest in the historically producing Berehaven Copper Mines located in the Allihies mining district, County Cork, Ireland. Pursuant to the letter of intent, the Company was to acquire the interest from Westcork Copper Mining Company, Limited (“Westcork”).

6. EXPLORATION AND EVALUATION ASSETS (continued)

(1) Berehaven Copper Property (continued)

Completion of acquisition

On September 9, 2014 the Company completed its acquisition of the above option agreement for an 80% interest in the Berehaven Copper Mines, for consideration of 300 million shares at a price of $0.05 per common share in the Company (issued) and work commitments of $250,000 on or before February 1, 2015 and $2,000,000 on or before March 31, 2016. In March 2015, the Company received an extension to December 31, 2015 for the agreement for the option to acquire an 80% interest in the Berehaven Copper Mines located in the Allihies Mining District, County Cork, Ireland, for the performance of the work commitment of $250,000 that was to have been completed, originally, on or before February 1, 2015. Except for the amendment proposed herein, all provisions in the Option Agreement shall remain in full force and effect.

The Company has recorded an impairment of $15,004,520 for its Berehaven property for the year ended December 31, 2014. This impairment was based on identified indicators of impairment that resulted from a downturn in the junior mining exploration sector, in particular, unfavourable changes in the property or project economics, inability to raise financing necessary to continue exploration or development of the property and significant decreases in the current or expected future prices of mineral resources. A further significant factor was the curtailment of exploration activities for an indefinite period due to lack of finances.

(2) Other Projects

The Company continues to monitor its projects that were acquired in prior years for which a full impairment charge has been provided for in prior years:

(i) The East Lingman Lake Gold Property

Option agreement

On October 25, 2012, European Metals Corp. (Formerly as Mantis Mineral Corp.)(“EMC”) announced that it had entered into an option agreement (the “agreement”) to acquire a 100% registered undivided interest in the East Lingman Lake gold property consisting of twelve (12) staked claims, totalling 538.3-hectares and located in the Kenora district, province of Ontario, approximately 325-kilometers north of the Town of Red Lake. The twelve (12) staked claims surround the Lingman Lake gold property.

In November 2013, the Company entered into an option agreement to grant an option to acquire a 100% registered undivided interest in the East Lingman Lake to Signature Resources Ltd. (SGU: TSX-V) (“Signature”). In order to acquire the option currently held by the Company, Signature agreed to pay $127,500 or the number of common shares in the capital of SGU equal to $127,500, each such common share at an attributed value of $0.085 or such value allowable under the TSXV Exchange policies on or before June 30, 2014.

As stated above payment would be made on June 30, 2014, the Company has agreed to an extension for the receipt of these shares to December 31, 2015. The Company has recorded an impairment of $257,300 in prior years.

6. EXPLORATION AND EVALUATION ASSETS (continued)

(2) Other Projects (continued)

(ii) The Orphan Mine Property

The Company acquired in 2007, 100% interest in the mineral rights in the former Orphan Gold mine. In November 2007, the Company acquired the surface rights for the property, additionally; the Company increased its land holdings at the Orphan mine project by staking five contiguous claims totalling 1,280-hectares, located 3,000-meters north east of EMC's Orphan mine.

On September 30, 2014 an agreement to sell this property to an arm's length third party was completed. The sale price consisted of the following:

(i) on closing, 983,500 common shares in Signature Resources Ltd. with a value of $0.015 per share (received) for a total value of $14,753. An impairment to the value of the project of $1,780,890 had been recorded in prior years; the $14,753 received has been recorded as a recovery against these expenses.

(ii) on or before eighteen months (18) months following the closing date, at the purchaser's sole election:

(a) the transfer of an aggregate of a further one million (1,000,000) common shares of Signature Resources ltd.
(b) cash payment of fifty thousand dollars ($50,000).

(iii) Cree Lake Property

On October 4, 2012 the Company entered into an arm's length binding letter of intent with Elcora Resources Corp. ("Elcora") for the right to acquire a 51% undivided interest in the 100% owned Cree Lake Gold Property located in Swayze Township, Ontario, consisting of 18 mining claims covering approximately 3904 hectares, which claims are subject to a 1.5% net smelter return royalty ("NSR") on mining claim numbers 4203295, 4203275, 4203296, 4209811.On January 8, 2014 The Company agreed to amend the option agreement that was entered into in December 2012 with Elcora. The cash payment that would have been due on or before December 31, 2013 for $25,000 was deleted and added was that the consideration for entering into the original agreement would be changed to 400,000 shares of Elcora to be received on or before January 31, 2014.

Subsequent to the year end, Elcora notified the Company that it would be terminating the option. The Company maintained the option on the above property at that time and indicated it would perform the required work on the property to maintain the option in good standing, and would review this position in the coming year. The company did not earn a 51% interest in the Creek Lake claims. The original agreement stated that the payment of 600,000 shares of Elcora would be made on December 31, 2014, since the option was terminated, no payment was received.

On June 19, 2015 an agreement to sell this property to an arm's length third party was completed. The sale price consisted of the following: on closing, 300,000 common shares in Signature Resources Ltd. with a value of $0.02 per share (received) for a total value of $6,000. An impairment to the value of the project of $804,171 had been recorded in prior years; the $6,000 received has been recorded as a recovery against these expenses.

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Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares

(b) Issued

	Note	Number of shares #	Amount $
Balance, January 1, 2014		**111,564,115**	**29,502,521**
Elimination of share capital of Mantis Mineral Corp. on RTO		-	(29,502,521)
Shares issued to effect RTO	(i)	900,972,201	3,504,861
Less: amounts attributable to warrants			(1,065,621)
Shares issue costs attributable to the shares issued to effect the RTO		-	(165,758)
Issued on exercise of options - Cash	(ii)	46,000,000	230,000
- Black Scholes Value			4,728
Issued on exercise of compensation options - Cash	(iii)	5,036,000	25,180
- Black Scholes Value			(17,304)
Issued on conversion of debt	(iv)	29,190,248	150,185
Shares to be issued	(v)	10,000,000	50,000
Evaluation and exploration expenditures	(vi)	300,000,000	15,000,000
Balance, September 30, 2015 and December 31, 2014		**1,402,762,564**	**17,716,271**

(i) Private Placement

Gondwana issued 700,972,200 Special Warrants at $0.005 per Special Warrant to raise aggregate gross proceeds of $3,504,861. Each Special Warrant is exercisable, for no additional consideration, to acquire one Gondwana Unit, consisting of one Gondwana Share and one Gondwana warrant exercisable at $0.05 for a period of five years from the closing date of the Private Placement into one Gondwana Share. The warrants are valued using the Black-Scholes option pricing model with the following assumptions: Term - 5 years; Volatility – 138%; Interest rate – 1.63%; Dividend yield - Nil

Eligible registrants received a cash commission up to 7% of the gross proceeds they raised in connection with the Private Placement as well as Compensation Options entitling them to acquire such number of units as is up to 7% of the aggregate number of Special Warrants they sold in the Private Placement. Each such Compensation Option entitles the holder to acquire one Gondwana Unit at a price of 0.005 for a period of five years. The Gondwana Unit consists of one common share and one warrant, the warrant is exercisable at $0.05 for a period of five years from the closing date of the Private Placement. The Compensation Option warrants will be valued when they are exercised. The share issue costs were comprised of cash commissions - $112,127 and other costs - $53,631.

(ii) In November 2013, 45,000,000 options were exercised at $0.005 for total proceeds of $225,000. On March 10, 2014, 1,000,000 options were exercised at $0.005 per common share for total proceeds of $5,000.

(iii) On March 20, 2014 - 3,300,000 compensation units for $16,500 and on March 26, 2014 – 686,000 compensation units were exercised at $0.005 per unit for $3,430, with the issuance of 3,986,000 common shares. On April 4, 2014 1,050,000 compensation units were exercised at $0.005 per unit for $5,250.

(iv) Debts owing to two arms-length creditors were settled by an amount of $150,185 by the issuance of 29,190,248 common shares.

(v) $50,000 was received for 10,000,000 shares to be issued.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(b) Issued (continued)

(vi) On September 9, 2014 the Company completed its acquisition of the above option agreement for an 80% interest in the Berehaven Copper Mines, for the consideration of 300 million shares at a price of $0.05 per common share in the Company and work commitments of $250,000 on or before February 1, 2015 (see note 6(1) and $2,000,000 on or before March 31, 2016. The shares were issued October 1, 2014. See note 6(1).

(c) Warrants

	Number of Warrants	Weighted Average Exercise Price
	30-Sept	30-Sept
	2015	2015
	#	$
Outstanding, beginning of period	704,958,200	0.05
Granted during period	-	-
Cancelled or expired during period	-	-
Outstanding, end of period	704,958,200	0.05

Expiry date	Exercise price $	Number of warrants outstanding and exercisable	Black Scholes value $
February-19	0.05	700,972,200	1,065,621
March-19	0.05	3,986,000	13,704
Apr-19	0.05	1,050,000	3,600
Balance, September 30, 2015		704,958,200	1,082,925

The warrants were valued using the Black-Scholes option pricing model with the following assumptions:

Term - 5 years; Volatility – 138%; Interest rate – 1.63%; Dividend yield - Nil)

(i) Warrants were issued on the conversion of the Special Warrants into the common shares of European Metals Corp amounting to 700,972,200 warrants.

(ii) On March 20, 2014 - 3,300,000 compensation units and on March 26, 2014 - 686,000 compensation units were exercised at $0.005 per unit which resulted in the issuance of 3,986,000 warrants.

(iii) Compensation Options were issued on the completion of funds raised for the completion of the RTO of 48,342,854 (see (b) (i)). The total number of warrants included in the issuance of these Compensation Options amounted to 48,342,854. These warrants are exercisable for $0.05 up to February 24, 2019. The Compensation Option warrants will be valued when they are exercised. On April 4, 2014 1,050,000 compensation units were exercised at $0.005 per unit for $5,250.

No warrants were exercised in this period.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(d) Stock options

European Metals options may be granted under the European Metals Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the European Metals shares may be listed or may trade from time to time. The number of European Metals shares reserved for issue to any one person pursuant to the European Metals Plan within any one year period may not exceed 5% of the issued and outstanding European Metals Shares. The maximum number of European Metals shares which may be reserved for issuance to insiders under the European Metals Plan, any other employee stock option plans or options for services, shall be 10% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to any one consultant under the European Metals Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to investor relations persons under the European Metals Plan, any other employee stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The exercise price of European Metals options issued under the European Metals Plan may not be less than the fair market value of the European Metals shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

The Company applies the fair value method of accounting for all stock-based compensation awards.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2015:

December 31, 2014 and September 30, 2015

	Number of options outstanding	Weighted Average Exercise Price	Fair Value of Options
	#	$	$
Stock options assumed on RTO	112,500,000	0.005	532,000
Stock options assumed on RTO	2,450,000	0.05	83,049
Exercised during the 2014 year (i)	(46,000,000)	0.005	(217,529)
Expired during the 2014 year (ii)	(2,350,000)	(0.05)	(79,659)
Balance at end of period	66,600,000	0.005	317,861

Weighted Average Remaining Contractual Life	Fair Value of Options	Number of options and exercisable options	Exercise price	Expiry Date
Years	$	#	$	
0.01	3,390	100,000	0.05	October 4, 2015
3.38	314,471	66,500,000	0.005	November 18, 2018
1.69	317,861	66,600,000	0.005	

(i) 46,000,000 stock options were exercised during the year ended December 31, 2014 for $0.005 per option.
(ii) 2,350,000 stock options from the RTO expired during the year ended December 31, 2014.

8. LOSS PER COMMON SHARE

Loss per common share has been calculated based on the weighted average number of common shares outstanding during the period of 1,392,762,564 shares. Fully diluted loss per common share has not been provided for the period ended September 30, 2015 as the effect would be anti–dilutive.

9. COMMITMENTS

Contracts

The Company has committed to the following contracts:

(a) A settlement agreement with the former Chairman and Chief Executive Officer ("the Executive") to repay the outstanding shareholder's loan of $383,914, beginning monthly at the option of the Executive. The payment of any or all of the loan may be paid in cash or equal value of common shares, subject to a four month regulatory hold and regulatory approval.

(b) A consulting contract with the Executive for $10,000 per month payable in cash or in equal value of common shares, subject to a four month regulatory hold and regulatory approval.

(c) A consulting contract with the Chief Executive Officer ("CEO") engaged from the date of amalgamation for $5,000 per month payable in cash or in equal value of common shares, for one year from March 14, 2014, subject to a four month regulatory hold and regulatory approval. Although the CEO resigned on August 1, 2014, the contract remained in effect until its completion in March 2015.

(d) A consulting contract with the current Chairman and CEO/CFO for services for $5,000 per month payable in cash or in equal value of common shares, subject to a four month regulatory hold and regulatory approval. The term of the contract is automatically renewed on an annual basis subject to the approval of the Board of Directors.

10. RELATED PARTY TRANSACTIONS

(a) Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company incurred the following related party expenses during the period ended September 30, 2015.

Included in accounts payable is an amount of $443,914 owing to the former Chairman and Chief Executive Officer of the Company for wages and consulting fees earned in prior years and the current period's consulting fees.

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

(b) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows:

Notes to the Interim Consolidated Financial Statements
Nine month period ended September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited - prepared for management purposes only)

10. RELATED PARTY TRANSACTIONS (continued)

	Nine month period ended 30-Sep-15
	$
Consulting fees (i)	30,000
Consulting fees (ii)	15,000

(i) Current Chairman and Chief Executive Officer /Chief Financial Officer
(ii) Former Chief Executive Officer- resigned August 1, 2014, contract completed March 31, 2015.