TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JUNE 30, 2015

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

TINKA RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2015 $	September 30, 2014 $
ASSETS			
Current assets			
Cash		9,005,561	5,838,547
GST receivable		10,717	34,851
Amounts receivable		24,706	7,503
Prepaid expenses		31,989	29,414
Total current assets		9,072,973	5,910,315
Non-current assets			
Property, plant and equipment	5	42,491	66,565
Exploration and evaluation assets	6	16,621,735	13,722,113
Total non-current assets		16,664,226	13,788,678
TOTAL ASSETS		25,737,199	19,698,993
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	265,159	420,104
TOTAL LIABILITIES		265,159	420,104
SHAREHOLDERS' EQUITY			
Share capital	7	40,137,096	32,997,206
Share-based payments reserve	7	4,349,123	3,834,525
Deficit		(19,014,179)	(17,552,842)
TOTAL SHAREHOLDERS' EQUITY		25,472,040	19,278,889
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		25,737,199	19,698,993

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on August 28, 2015 and are signed on its behalf by:

*/s/ **Graham Carman***	*/s/ **Nick DeMare***
Graham Carman	Nick DeMare
Director	Director

TINKA RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended June 30		Nine Months Ended June 30	
		2015 $	2014 $	2015 $	2014 $
Expenses					
Accounting and administration	8(b)(ii)	14,255	12,480	49,808	40,809
Audit		-	-	32,808	30,015
Corporate development		13,021	1,000	14,520	22,293
Depreciation		2,539	215	7,842	797
General exploration		3,448	3,649	14,117	9,098
Investment conferences		-	-	24,005	15,289
Investor relations		3,500	16,500	17,000	51,000
Legal		9,814	77,137	46,717	94,925
Management fees	8(a)	55,000	30,000	165,000	90,000
Office		34,598	15,022	103,384	54,292
Professional fees	8	116,208	25,752	207,181	78,970
Regulatory		2,400	2,835	6,850	12,520
Rent		10,912	12,639	34,882	36,658
Salaries, wages and benefits		71,469	67,055	231,800	188,897
Shareholder costs		2,610	3,230	12,528	13,374
Share-based compensation	7(d)	448,432	(11,805)	512,188	19,591
Transfer agent		3,552	3,566	18,084	7,861
Travel and related		29,609	6,149	102,733	72,767
		821,367	265,424	1,601,447	839,156
Loss before other items		(821,367)	(265,424)	(1,601,447)	(839,156)
Other items					
Interest		13,519	839	35,301	7,432
Foreign exchange (loss) gain		(18,691)	(7,573)	104,809	46,847
		(5,172)	(6,734)	140,110	54,279
Net loss and comprehensive loss for the period		(826,539)	(272,158)	(1,461,337)	(784,877)
Loss per share - basic and diluted		$(0.01)	$(0.00)	$(0.01)	$(0.01)
Weighted average number of common shares outstanding - basic and diluted		128,274,285	82,184,925	120,106,581	81,044,213

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

(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30, 2015				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at September 30, 2014	116,022,729	32,997,206	3,834,525	(17,552,842)	19,278,889
Common shares issued for:					
Cash- private placement	33,737,093	7,253,475	-	-	7,253,475
Finder's fees	47,500	7,803	2,410	-	10,213
Share issue costs	-	(121,388)	-	-	(121,388)
Share-based compensation	-	-	512,188	-	512,188
Net loss	-	-	-	(1,461,337)	(1,461,337)
Balance at June 30, 2015	149,807,322	40,137,096	4,349,123	(19,014,179)	25,472,040

	Nine Months Ended June 30, 2014					
	Share Capital					
	Number of Shares	Amount $	Share-Based Payments Reserve $	Share Subscriptions Received $	Deficit $	Total Equity $
Balance at September 30, 2013	78,116,664	21,843,670	3,275,237	242,240	(13,747,871)	11,613,276
Common shares issued for cash:					-	
- private placements	4,587,662	1,884,740	-	(242,240)	-	1,642,500
- exercise of share options	80,000	21,600	-	-	-	21,600
Share issue costs	-	(91,511)	12,108	-	-	(79,403)
Share-based compensation	-	-	19,591	-	-	19,591
Transfer on exercise of share options	-	16,837	(16,837)	-	-	-
Net loss	-	-	-	-	(784,877)	(784,877)
Balance at June 30, 2014	82,784,326	23,675,336	3,290,099	-	(14,532,748)	12,432,687

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

TINKA RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30,	
	2015 $	2014 $
Operating activities		
Net loss for the period	(1,461,337)	(784,877)
Adjustments for:		
Depreciation	7,842	797
Share-based compensation	512,188	19,591
	(941,307)	(764,489)
Changes in non-cash working capital items:		
Decrease (increase) in GST receivable	24,134	(3,548)
Increase in amounts receivable	(17,203)	(12,553)
(Increase) decrease in prepaid expenses	(2,575)	10,655
(Decrease) increase in accounts payable and accrued liabilities	(166,463)	14,710
	(162,107)	9,264
Net cash used in operating activities	(1,103,414)	(755,225)
Investing activities		
Expenditures on exploration and evaluation assets	(2,869,133)	(2,348,785)
Additions to property, plant and equipment	(2,739)	-
Net cash used in investing activities	(2,871,872)	(2,348,785)
Financing activities		
Issuance of common shares	7,253,475	1,664,100
Share issue costs	(111,175)	(78,653)
Net cash generated from financing activities	7,142,300	1,585,447
Net change in cash	3,167,014	(1,518,563)
Cash at beginning of period	5,838,547	1,653,410
Cash at end of period	9,005,561	134,847

Supplemental cash flow information - See Note 11

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

1. Nature of Operations

Tinka Resources Limited (the "Company") was incorporated on September 15, 1987 under the provisions of the Company Act (British Columbia). The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "TK". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 Canada.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of precious and base metals on mineral properties located in Peru. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

As at June 30, 2015 the Company had cash of $9,005,561 and working capital in the amount of $8,807,814. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Management considers that the Company has sufficient financial resources to maintain its core operations and existing mineral resource interests for the next twelve months. The Company will require additional equity financing to continue exploration and drilling activities on its mineral property interests in Peru and to fund ongoing corporate and administrative costs. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. These condensed consolidated interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to June 30, 2015.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2014, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended September 30, 2014.

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

(Unaudited - Expressed in Canadian Dollars)

3. Subsidiaries

The subsidiaries of the Company are as follows:

Company	Location	Ownership Interest June 30, 2015	Ownership Interest March 31, 2014
Darwin Resources Corp. ("Darwin")	Canada	100%	0%
Tinka Resources S.A.C. (Peru)	Peru	100%	100%
Darwin Peru S.A.C.	Peru	100%	0%

See also Note 4.

4. Darwin Acquisition

On April 16, 2014 the Company, Darwin and Sentient Global Resources Fund IV, LP ("Sentient") entered into a binding term sheet (the "Agreement") whereby the Company agreed to acquire, through a statutory plan of arrangement (the "Arrangement"), all of the outstanding common shares of Darwin. Under the terms of the Arrangement Darwin's shareholders would receive one common share of Tinka for each 5.5 common shares of Darwin. In addition, all outstanding Darwin options and warrants were to be adjusted and exchanged for Company options and warrants with the same exchange ratio. Sentient and its affiliates also agreed to participate in a private placement financing of the Company. See also Note 7(b)(ii).

On July 24, 2014 the Company completed the Arrangement and acquired all of the issued and outstanding common shares of Darwin, under which the Company issued 6,131,094 common shares with a fair value of $1,961,950. The Company also granted 474,500 share options, exercisable at $1.375 per share, which expired on June 19, 2015, and 342,367 warrants, exercisable at $0.77 per share expiring November 27, 2015, in exchange for Darwin share options and warrants. The values assigned to the options and warrants were $1,542 and $9,610, respectively.

The Company incurred $106,488 for legal, filing and other costs associated with the transactions conducted pursuant to the Arrangement.

The Acquisition was accounted for as an acquisition of the net assets of Darwin, as follows:

	$
Common shares issued	1,961,950
Share options granted	1,542
Warrants issued	9,610
Advances to Darwin prior to Acquisition	52,870
Costs incurred	106,488
Acquisition cost	2,132,460

The Acquisition cost was generally allocated to the individual identifiable assets and liabilities on the basis of their relative fair value at the date of purchase. The results of operations were recorded from the effective date of purchase.

Cost of the net assets acquired consists of:

	$
Net working capital deficiency	(39,573)
Property, plant and equipment	31,910
Exploration and evaluation assets	2,140,123
Net assets acquired	2,132,460

(Unaudited - Expressed in Canadian Dollars)

5. Property, Plant and Equipment

	Office Furniture and Equipment $	Vehicles $	Total $
Cost:			
Balance at September 30, 2013	70,241	89,824	160,065
Acquired on Acquisition	20,593	11,317	31,910
Write-off	(3,039)	-	(3,039)
Balance at September 30, 2014	87,795	101,141	188,936
Additions	2,739	-	2,739
Balance at June 30, 2015	90,534	101,141	191,675
Accumulated Depreciation:			
Balance at September 30, 2013	(46,070)	(45,111)	(91,181)
Depreciation	(9,694)	(23,674)	(33,368)
Write-off	2,178	-	2,178
Balance at September 30, 2014	(53,586)	(68,785)	(122,371)
Depreciation	(8,875)	(17,938)	(26,813)
Balance at June 30, 2015	(62,461)	(86,723)	(149,184)
Carrying Value:			
Balance at September 30, 2014	34,209	32,356	66,565
Balance at June 30, 2015	28,073	14,418	42,491

6. Exploration and Evaluation Assets

	June 30, 2015			September 30, 2014		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Colquipucro	338,330	7,035,239	7,373,569	278,289	6,168,153	6,446,442
Ayawilca	124,260	7,273,548	7,397,808	78,352	5,391,962	5,470,314
Other	-	1,850,358	1,850,358	-	1,805,357	1,805,357
	462,590	16,159,145	16,621,735	356,641	13,365,472	13,722,113

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

	Colquipucro $	Ayawilca $	Suriloma $	Other $	Total $
Balance at September 30, 2013	5,771,337	3,088,398	-	1,243,275	10,103,010
Exploration costs					
Assays	37,943	63,384	-	-	101,327
Camp costs	55,155	153,534	-	-	208,689
Community relations	15,409	128,273	-	-	143,682
Consulting	2,400	12,447	-	-	14,847
Depreciation	6,026	24,207	-	-	30,233
Drilling	36,461	947,429	-	-	983,890
Environmental	8,037	10,559	-	-	18,596
Exploration site	47,595	174,924	-	-	222,519
Field equipment	14,302	90,774	-	-	105,076
Fuel	17,446	148,800	-	-	166,246
Geological	66,292	181,648	-	-	247,940
Geophysics	-	54,766	-	-	54,766
Salaries	281,513	135,277	-	-	416,790
Transportation	13,061	198,516	-	-	211,577
Travel	2,343	3,010	-	-	5,353
VAT incurred	-	-	-	316,841	316,841
VAT recovered	-	-	-	(17,056)	(17,056)
	603,983	2,327,548		299,785	3,231,316
Acquisition costs					
Acquired on Acquisition (Note 4)	-	-	1,877,826	262,297	2,140,123
Concession payments	71,122	54,368	-	-	125,490
	71,122	54,368	1,877,826	262,297	2,265,613
Impairment	-	-	(1,877,826)	-	(1,877,826)
Balance at September 30, 2014	6,446,442	5,470,314	-	1,805,357	13,722,113
Exploration costs					
Assays	22,685	94,495	-	-	117,180
Camp costs	31,588	81,887	-	-	113,475
Community relations	25,476	48,519	-	-	73,995
Consulting	60,950	60,950	-	-	121,900
Depreciation	5,871	13,100	-	-	18,971
Drilling	223,256	494,916	-	-	718,172
Environmental	12,717	9,325	-	-	22,042
Exploration site	40,134	154,026	-	-	194,160
Field equipment	2,848	87,247	-	-	90,095
Fuel	28,055	128,248	-	-	156,303
Geological	40,825	135,800	-	-	176,625
Geophysics	19,322	198,067	-	-	217,389
Metallurgical test work	-	2,916	-	-	2,916
Salaries	319,626	253,650	-	-	573,276
Transportation	31,364	114,754	-	-	146,118
Travel	2,369	3,686	-	-	6,055
VAT incurred	-	-	-	298,042	298,042
VAT recovered	-	-	-	(260,803)	(260,803)
	867,086	1,881,586	-	37,239	2,785,911
Acquisition costs					
Concession payments	60,041	45,908	-	7,762	113,711
Balance at June 30, 2015	7,373,569	7,397,808	-	1,850,358	16,621,735

---

6. Exploration and Evaluation Assets (continued)

Colquipucro and Ayawilca Projects

On May 27, 2004 the Company entered into an agreement (the "Sierra Alliance Agreement") with Sierra Peru Pty Ltd. ("Sierra") pursuant to which the Company staked a number of prospects in Peru. As at June 30, 2015 the Colquipucro and Ayawilca projects comprise a total of 53 mineral claims in the Province of Daniel Alcides Carrion, Peru.

Under the terms of the Sierra Alliance Agreement the Company will be required to issue 500,000 common shares to Sierra in the event that a positive feasibility study is prepared on either of the Colquipucro or Ayawilca projects. Sierra also retains a right to a 1% net smelter return royalty ("NSR") from any production from the Colquipucro and Ayawilca projects. The NSR can be purchased at any time for US $1,000,000.

Suriloma Property

On completion of the Acquisition, the Company held three option agreements to earn a 100% undivided interest in three mineral claims (the "Suriloma Property") located in the Department of La Libertad of northern Peru. Pursuant to the option agreements the Company could earn its 100% interest in the Suriloma Property by making option payments totalling US $800,000. In August 2014 the Company determined to terminate the option agreements and, accordingly, has recorded an impairment charge of $1,877,826 to exploration and evaluation assets.

Other

As at June 30, 2015 the Company also holds 4 granted concessions in Peru.

Expenditures incurred by the Company in Peru are subject to Peruvian Value Added Tax ("VAT"). The VAT is included in exploration and evaluation assets as incurred. Under Peruvian law VAT paid can be used in the future to offset amounts resulting from VAT charged on sales. Under certain circumstances and subject to approval from tax authorities a Company can apply for early refund of VAT prior to generating sales. During the nine months ended June 30, 2015 the Company made application and received recoveries of $260,803 (fiscal 2014 - $17,056), which has been credited against capitalized costs. As at June 30, 2015 the Company has total VAT recoverable of $1,580,299 (September 30, 2014 - $1,543,060).

7. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Reconciliation of Changes in Share Capital*

During the nine months ended June 30, 2015 the Company completed a private placement financing of 33,737,093 units at a price of $0.215 per unit for gross proceeds of $7,253,475. Each unit is comprised of one common share of the Company and 0.375 of one 2.5 year share purchase warrant and 0.375 of one 5 year share purchase warrant. Each whole warrant is exercisable to acquire one additional common share of the Company at a price of $0.30 as to the 2.5 year warrants and at a price of $0.45 as to the 5 year warrants.

The Company also issued 47,500 finders units, having the same terms as the private placement units, at an ascribed value of $10,213. The units were recorded at a fair value of $10,213. The fair value of the underlying warrants to the finder's units has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.48% - 0.75%; expected volatility of 77.03% - 78.83%; an expected life of 2.5 years - 5.0 years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the underlying warrants to the finder's units was $2,410.

The Company paid $111,175 for filing fees and legal costs.

7. Share Capital (continued)

During fiscal 2014 the Company completed private placement financings as follows:

(i) non-brokered private placement financing of 2,769,480 units at a price of $0.50 per unit for gross proceeds of $1,384,740. Each unit consisted of one common share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable to purchase an additional common share at a price of $0.75 for a period of one year, with 789,740 warrants expiring on October 8, 2014 and 595,000 warrants expiring on November 28, 2014.

The Company paid its agents cash commissions totalling $48,850 and issued 1,500 compensation warrants and 119,000 compensation options. The compensation warrants have the same terms and conditions as the private placement warrants. The compensation options have the same terms and conditions as the private placement units. The fair values of the compensation warrants and the compensation options have been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.99%; expected volatility of 53.40% - 55.25%; an expected life of one year; a dividend yield of 0%; and an expected forfeiture rate of 0%. The values assigned to the compensation warrants and compensation options were $69 and $12,039, respectively.

On November 28, 2014 the compensation options expired without exercise.

The Company paid $9,208 for legal and filing costs.

As at September 30, 2013 the Company had received $242,240 on account of the private placement and incurred $750 share issue costs relating to the private placement; and

(ii) as part of the Arrangement, the Company agreed to undertake a private placement of 28,834,491 units of the Company at a price of $0.275 per unit for gross proceeds of $7,929,485. Each unit was comprised of one common share and one-half of one share purchase warrant, with each whole warrant exercisable to acquire an additional common share at a price of $0.365 for a period of 24 months from closing.

On May 1, 2014 the Company completed the first tranche of the private placement and issued 1,818,182 units to Sentient for gross proceeds of $500,000. Concurrently with the closing of the Arrangement, the Company completed the second tranche of the private placement financing under which the Company issued a further 27,016,309 units for gross proceeds of $7,429,485, of which Sentient purchased a further 19,512,727 units.

The Company also issued to a finder 91,000 units, each unit having the same terms as the units issued under the private placement. The units were recorded at a fair value of $25,025. The fair value of the underlying warrants to the finder's units has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 1.09%; expected volatility of 66.86%; an expected life of two years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the underlying warrants to the finder's units was $7,007.

The Company paid $83,904 for filing fees and legal costs.

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at June 30, 2015 and 2014 and the changes for the nine months ended on those dates is as follows:

	2015		2014	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	17,713,985	0.48	2,994,133	1.13
Issued on private placements	25,338,444	0.38	2,295,331	0.60
Expired	(2,908,873)	1.01	(1,471,500)	1.00
Balance, end of period	40,143,556	0.37	3,817,964	0.86

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at June 30, 2015:

Number	Exercise Price $	Expiry Date
342,367	0.77	November 27, 2015
909,091	0.365	May 1, 2016
13,553,654	0.365	July 24, 2016
12,669,222	0.30	November 29, 2017
12,669,222	0.45	May 29, 2020
40,143,556		

The weighted average remaining contractual life of the outstanding warrants at June 30, 2015 was 2.7 years.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended June 30, 2015 the Company granted share options to purchase 5,470,000 (2014 - 220,000) common shares and recorded compensation expense of $461,443 (2014 - 19,591). In addition the Company also recorded share-based compensation of $50,745 (2014 - $nil) on the vesting of share options which were previously granted.

The fair value of share options granted and vested during the nine months ended June 30, 2015 and 2014 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2015	2014
Risk-free interest rate	0.51% - 1.20%	1.07% - 1.39%
Estimated volatility	66.86% - 74.12%	62.38% - 73.21%
Expected life	2.1 years - 3 years	2.5 years - 3 years
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

The weighted average fair value of all share options granted and vested, using the Black-Scholes option pricing model, during the nine months ended June 30, 2015 was \$0.10 (2014 - \$0.16) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at June 30, 2015 and 2014 and the changes for the nine months ended on those dates, is as follows:

	2015		2014	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	10,499,500	0.57	6,185,000	0.73
Granted	5,470,000	0.34	220,000	0.49
Exercised	-	-	(80,000)	0.27
Expired	(1,381,345)	0.66	(685,000)	0.60
Cancelled	(1,813,155)	1.08	-	-
Forfeited	(150,000)	0.30	(125,000)	0.60
Balance, end of period	12,625,000	0.39	5,515,000	0.75

The following table summarizes information about the share options outstanding and exercisable at June 30, 2015:

Number	Exercise Price $	Expiry Date
25,000	0.30	July 20, 2015
1,555,000	0.50	August 3, 2015
30,000	0.50	September 20, 2015
100,000	0.58	September 28, 2015
370,000	0.30	January 11, 2016
600,000	1.00	January 11, 2016
20,000	0.40	February 20, 2017
2,125,000	0.37	August 5, 2017
2,330,000	0.30	August 5,2017
350,000	0.30	October 20, 2017
390,000	0.30	April 20, 2018
4,730,000	0.35	June 12, 2018
12,625,000		

The weighted average remaining contractual life of the outstanding share options at June 30, 2015 was 2.06 years.

Subsequent to June 30, 2015 options to purchase 1,580,000 common shares of the Company, at exercises prices ranging from \$0.30 to \$0.50 per share, expired without exercise.

(Unaudited - Expressed in Canadian Dollars)

8. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

The following amounts were incurred with respect to the Company's current and former Chief Executive Officer ("CEO"), current and former Vice-President of Exploration ("VPE") and Chief Financial Officer ("CFO"):

	Nine Months Ended June 30,	
	2015 $	2014 $
Management fees - current CEO	165,000	-
Management fees - former CEO	-	90,000
Professional fees - CFO	22,500	13,500
Professional fees - current VPE	33,493	-
Professional fees - former VPE	120,000	45,400
Share-based compensation	225,500	-
	566,493	148,900

During the nine months ended June 30, 2015 the Company expensed $258,607 (2014 - $36,000) of key management compensation to operations and capitalized $82,386 (2014 - $22,900) to exploration and evaluation assets.

As at June 30, 2015, $nil (2014 - $10,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

(i) The following amounts were incurred with respect to the Company's non-management directors of the Company:

	Nine Months Ended June 30,	
	2015 $	2014 $
Professional fees	36,000	18,000
Share-based compensation	79,275	-
	115,275	18,000

As at June 30, 2015, $10,000 (2014 - $4,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended June 30, 2015 the Company incurred a total of $31,225 (2014 - $31,250) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administrative services provided by Chase personnel, excluding the CFO, and $3,015 (2014 - $3,015) for rent. As at June 30, 2015, $6,370 (2014 - $8,120) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) The Company shares personnel, office and other costs with public companies with certain common directors. During the nine months ended June 30, 2015 the Company incurred $26,736 (2014 - $16,340) for expenses. As at June 30, 2015, $5,876 (2014 - $2,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

9. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for precious metals. Management reviews the financial results according to expenditures by property. The Company's mineral properties are located in Peru and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

	June 30, 2015		
	Corporate Canada $	Mineral Operations Peru $	Total $
Current assets	8,619,219	453,754	9,072,973
Exploration and evaluation assets	-	16,621,735	16,621,735
Property, plant and equipment	3,355	39,136	42,491
	8,622,574	17,114,629	25,737,199

	September 30, 2014		
	Corporate Canada $	Mineral Operations Peru $	Total $
Current assets	5,785,666	124,649	5,910,315
Exploration and evaluation assets	-	13,722,113	13,722,113
Property, plant and equipment	941	65,624	66,565
	5,786,607	13,912,386	19,698,993

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale, and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	June 30, 2015 $	September 30, 2014 $
Cash	FVTPL	9,005,561	5,838,547
Amounts receivable	Loans and receivables	24,706	7,503
Accounts payable and accrued liabilities	Other financial liabilities	(265,159)	(420,104)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at June 30, 2015				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	9,005,561	-	-	-	9,005,561
Amounts receivable	24,706	-	-	-	24,706
Accounts payable and accrued liabilities	(265,159)	-	-	-	(265,159)

	Contractual Maturity Analysis at September 30, 2014				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	5,838,547	-	-	-	5,838,547
Amounts receivable	7,503	-	-	-	7,503
Accounts payable and accrued liabilities	(420,104)	-	-	-	(420,104)

10. Financial Instruments and Risk Management (continued)

Market Risk

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

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company has operations in Canada and Peru which are subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars and Peruvian Nuevo Soles and the fluctuation of the Canadian dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company also maintains a US Dollar bank account with a Canadian bank. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At June 30, 2015, 1 Canadian Dollar was equal to 2.55 Peruvian Nuevo Soles and 0.80 US Dollar.

Balances are as follows:

	Peruvian Nuevo Soles	US Dollars	CDN $ Equivalent
Cash	1,086,367	158,208	624,525
Amounts receivable	31,223	-	12,277
Accounts payable and accrued liabilities	(455,361)	-	(179,055)
	662,229	158,208	457,747

Based on the net exposures as of June 30, 2015 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Peruvian Nuevo Soles would result in an increase or decrease of approximately $42,000.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(Unaudited - Expressed in Canadian Dollars)

11. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the nine months ended June 30, 2015 and 2014, are as follows:

	2015 $	2014 $
Operating activities		
Depreciation	18,971	22,675
Increase (decrease) in accounts payable and accrued liabilities	11,518	(15,885)
	30,489	6,790
Investing activity		
Exploration and evaluation assets expenditures	(30,489)	(6,790)
Financing activities		
Transfer on exercise of share options	-	16,837
Share-based payment reserves	2,410	(4,729)
Share issue costs	(2,410)	(12,108)
	-	-