NOTICE

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors. The Company's independent auditors have not performed a review of these financial statements.

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended April 30, 2015 and 2014

(Expressed in Canadian Dollars)

(Unaudited)

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended April 30, 2015 and 2014
(Unaudited)

Condensed Consolidated Interim Statements of Financial Position	1
Condensed Consolidated Interim Statements of Changes in Equity	2
Condensed Consolidated Interim Statements of Comprehensive Loss	3
Condensed Consolidated Interim Statements of Cash Flows	4
Notes to the Condensed Consolidated Interim Financial Statements	5

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Statements of Financial Position
As at April 30, 2015 and October 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	April 30, 2015	October 31, 2014
ASSETS			
Current assets			
Cash		$ 47,932	$ 36,306
GST receivable		32,594	24,707
Marketable securities	4	1,707	3,414
Prepaid expenses		18,500	3,072
		100,733	67,499
Non-current assets			
Exploration and evaluation assets	5	2,277,417	2,139,236
Reclamation deposit		3,500	3,500
TOTAL ASSETS		$ 2,381,650	$ 2,210,235
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		$ 222,155	$ 179,890
Payable to related parties	7	587,464	563,660
Provision for flow through share issuances	8	567,655	567,655
Total liabilities		1,377,274	1,311,205
Shareholders' equity			
Share capital	9	15,697,143	15,526,143
Obligation to issue shares		67,000	-
Reserves	9	2,221,717	2,221,717
Accumulated other comprehensive income		348,907	215,114
Deficit		(17,330,391)	(17,063,944)
Total shareholders' equity		1,004,376	899,030
TOTAL LIABILITIES AND EQUITY		$ 2,381,650	$ 2,210,235
		-	
Nature of operations and going concern	1		
Commitments	7		
Events after the reporting date	13		

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

Approved on behalf of the directors on June 22, 2015

"Edward Lee" Director   *"Jim Sever"* Director

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Statements of Changes in Equity
For the Three and Six Months Ended April 30, 2015 and 2014
(Expressed in Canadian Dollars)
(Unaudited)

	Common shares		Share based payments reserve	Obligation to issue shares	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Shares	Amount					
Balance, October 31, 2013	135,423,450	$ 15,107,243	$ 1,336,370	$ 30,000	$ (14,842,624)	$ 46,821	$ 1,677,810
Options and warrants granted	-	-	723,225	-	-	-	723,225
Warrants exercised	3,500,000	175,000	-	-	-	-	175,000
Obligation to issue shares	-	-	-	130,000		-	130,000
Total comprehensive income (loss) for the period	-	-	-	-	(1,136,003)	139,201	(996,802)
Balance, April 30, 2014	138,923,450	15,282,243	2,059,595	160,000	(15,978,627)	186,022	1,709,233
Options and warrants granted	-	-	-	-	-	-	-
Warrants exercised	3,978,000	198,900	162,122	-	-	-	361,022
Shares issued for services	750,000	45,000	-	-	-	-	45,000
Obligation to issue shares	-	-	-	(160,000)		-	(160,000)
Total comprehensive income (loss) for the period	-	-	-	-	(1,085,317)	29,092	(1,056,225)
Balance, October 31, 2014	143,651,450	$ 15,526,143	$ 2,221,717	$ -	$ (17,063,944)	$ 215,114	$ 899,028
Private placements	**3,450,000**	**171,000**	**-**	**-**	**-**	**-**	**171,000**
Obligation to issue shares	**-**	**-**	**-**	**67,000**	**-**	**-**	**67,000**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**(266,446)**	**133,793**	**(132,653)**
Balance, April 30, 2015	**147,101,450**	**15,697,143**	**2,221,717**	**67,000**	**(17,330,392)**	**348,907**	**1,004,376**

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

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three and Six Months Ended April 30, 2015 and 2014
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	**Three months ended April 30, 2015**	Three months ended April 30, 2014	**Six months ended April 30, 2015**	Six months ended April 30, 2014
Expenses (recovery)					
Bank charges		**$ 239**	$ 304	**$ 404**	$ 499
Consulting and management fees	**7**	**51,617**	62,182	**96,318**	107,367
Foreign exchange loss		**-**	-	**-**	-
Interest and penalties	**8**	**-**	4,250	**-**	8,500
Office and miscellaneous		**4,826**	11,500	**10,465**	15,986
Professional fees		**9,606**	24,109	**24,355**	27,735
Salaries	**7**	**33,615**	28,081	**58,046**	53,096
Shareholder communications		**39,000**	85,000	**55,750**	182,802
Stock based compensation	**9**	**-**	-	**-**	723,225
Transfer agent and filing fees		**9,171**	13,232	**21,684**	17,301
Travel		**-**	20,795	**(576)**	20,795
Loss from operations		**148,074**	249,453	**266,446**	1,157,306
Gain on sale of marketable securities	**4**	**-**	(34,317)	**-**	**(21,303)**
Net loss for the period		**148,074**	215,136	**266,446**	1,136,003
Other comprehensive loss (income)					
Foreign currency gain on translation of subsidiary		**100,612**	16,998	**(135,500)**	(103,490)
Realized loss (gain) on marketable securities	**4**	**1,707**	(9,828)	**1,707**	(35,721)
Other comprehensive income for the period		**102,319**	7,170	**(133,793)**	**(139,211)**
Total comprehensive loss for the period		**$ 250,393**	$ 222,306	**$ 132,653**	$ 996,792
Basic and diluted loss per share		**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.01**
Weighted average number of common shares outstanding		**146,662,574**	138,377,995	**145,365,428**	136,912,400

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

NEVADA CLEAN MAGNESIUM INC.

Condensed Consolidated Interim Statements of Cash Flows
For the Three and Six Months Ended April 30, 2015 and 2014
(Expressed in Canadian Dollars)
(Unaudited)

		April 30, 2015		April 30, 2014
Cash provided by (used in):				
Operating activities				
Net loss for the period		**(266,446)**		**(1,136,003)**
Items not affecting cash:				
Loss (gain) on sale of marketable securities		**-**		**(21,303)**
Increase (decrease) in obligation to issue shares		**67,000**		**130,000**
Stock-based compensation		**-**		**723,225**
Foreign exchange translation		**(2,682)**		**48,849**
Changes in non-cash working capital items:				
GST receivable		**(7,887)**		(4,749)
Receivable from / payable to related parties		**23,804**		19,729
Prepaid expenses		**(15,428)**		2,802
Provision for flow through share issuances		**-**		8,500
Accounts payable and accrued liabilities		**42,265**		5,172
Net cash (used in) provided by operating activities		**(159,374)**		(223,778)
Investing activities				
Exploration and evaluation asset expenditures		**-**		(60,093)
Proceeds from sale of marketable securities		**-**		**215,703**
Net cash (used in) provided by investing activities		**-**		155,610
Financing activities				
Proceeds from issuance of shares, net of share issuance costs		**171,000**		-
Proceeds from exercise of warrants		**-**		**175,000**
Net cash (used in) provided by financing activities		**171,000**		**175,000**
Net increase (decrease) in cash		**11,626**		106,832
Cash, beginning of the period		**36,306**		14,975
Cash, end of the period	**$**	**47,932**	$	121,807
Interest paid	**$**	**-**	**$**	**-**
Taxes paid	**$**	**-**	**$**	**-**

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

1. Nature of operations and going concern

Nevada Clean Magnesium Inc. (the "Company") was incorporated under the laws of British Columbia on March 24, 1966, and is a publicly traded company with its shares listed on the TSX Venture Exchange. The name of the Company was changed from Molycor Gold Corp. to Nevada Clean Magnesium Inc. on April 16, 2012. The Company is principally engaged in the acquisition, exploration and development of interests in mineral resource projects in British Columbia, Canada and Nevada, USA. To date, the Company has not generated any revenues and is considered to be in the exploration stage.

The address of the Company's corporate office and principal place of business is #602 – 15216 North Bluff Road, White Rock, British Columbia, Canada, V4B 0A7.

These consolidated financial statements comprise the financial statements of Nevada Clean Magnesium Inc. and its wholly owned subsidiary, Nevada Moray Inc., incorporated in the state of Nevada, USA.

The business of exploring and developing mineral resource properties involves a high degree of risk, and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for capitalized exploration and development costs is dependent on the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. Changes in future conditions could require material write-downs of the carrying values of exploration and evaluation interests.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

At October 31, 2014, the Company had working capital deficiency of $$1,276,541 (October 31, 2014 – $1,243,706) but has not yet achieved profitable operations and expects to incur further losses in the development of its business. For the three months and six months ended April 30, 2015, the Company reported a comprehensive loss of $250,393 and $132,653 (2014 – $222,306 and $996,802) and as at April 30, 2015 had an accumulated deficit of $17,330,391 (October 31, 2014 – $17,050,764).

The Company has financed its exploration activities and operations through equity issuances and expects to continue to do so to the extent such instruments are issuable under terms acceptable to the Company until such time as its operations provide positive cash flows. Accordingly, the Company's financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. Management believes that the going concern assumption is appropriate for these financial statements based on their continuing ability to raise financing through share issuances. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable value of its assets may decline materially from current

estimates. If the going concern assumption was not appropriate for these financial statements, then potentially material adjustments may be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used.

2. Basis of presentation

a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and are prepared in accordance with International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board ("IASB").

The Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and certain additional disclosures required under IFRS.

These consolidated financial statements were authorized by the Company's Board of Directors on June 22, 2015.

These consolidated financial statements are stated in Canadian dollars and were prepared under the historical cost convention, except for share-based payment transactions.

b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of the Company's subsidiary is the United States dollar ("USD"). The accounts of the subsidiary have been translated to the Canadian dollar in accordance with note 3(b).

c) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities as at the date of the condensed consolidated interim financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated interim financial statements are as follows:

(i) Exploration and evaluation assets

The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate the carrying value may be impaired, at which time an impairment loss is recorded.

(ii) Share-based payments

The Company has an equity-settled share-based scheme for directors, officers, employees and consultants. Services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of the grant, excluding the impact of any non-market vesting conditions. The fair value of share options are estimated by using the Black-Scholes model on the date of the grant based on certain assumptions. Those assumptions are described in note 9 and include, among others, expected volatility, expected life of the options and number of options expected to vest. Where vesting conditions exist for share options, the Board reviews progress against those vesting conditions annually.

(iii) Taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(iv) Decommissioning liabilities

The Company recognizes the liability for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties, when those obligations result from the exploration or development of its properties. The Company assesses its provision for site reclamation at each reporting date. Significant estimates and assumptions are made in determining the provision for site reclamation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and discount rates. Those uncertainties may result in future actual expenditures differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. To date, the Company has not recognized any decommissioning liabilities.

3. Significant accounting policies

The accounting policies set out below have been applied consistently, to all periods presented in these

condensed consolidated interim financial statements and have been applied consistently by the Company and its subsidiary.

a) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned and controlled subsidiary as described in note 1 above. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

b) Foreign currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchanges gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of comprehensive income.

Assets and liabilities of the subsidiary with a functional currency in US dollars are translated at the period end rates of exchange, and the results of its operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in accumulated other comprehensive income as shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in accumulated other comprehensive income.

c) Cash

Cash and cash equivalents include short-term investments that are readily convertible into cash with original maturities of three months or less.

d) Reclamation deposit

The Company maintains cash deposits, as required by regulatory bodies, as assurance for the funding of decommissioning costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled, and are therefore classified as long term assets.

e) Research and development

Expenditures on research activities taken to develop a pyro metallurgical process to extract and recover magnesium metal from dolomite are expensed as incurred. Development expenditures are expensed in the period incurred unless the project meets certain strict accounting criteria for deferral and amortization.

No development expenditures have met the criteria for deferral to date.

f) Government assistance

The Company is eligible for a refundable tax credit related to eligible exploration expenditures conducted in certain regions of British Columbia. The refundable mining exploration tax credits are recorded as government assistance against exploration and evaluation assets at fair value when there is reasonable assurance that they will be received.

g) Exploration and evaluation assets

General exploration and evaluation expenditures incurred prior to acquiring the legal right to explore are charged to the statement of comprehensive loss as incurred.

The Company's exploration and evaluation assets are intangible assets relating to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are at the exploration / pre-development stage, which are incurred subsequent to the acquisition of the legal right to explore.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development when they are determined to meet certain technical feasibility and commercial viability thresholds as determined by management.

Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to:

- drilling and related costs;
- professional / technical fees;
- surveying, geological and geotechnical;
- land maintenance;
- sampling and storage; and
- mineral claims and permits.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are recorded at cost less impairment.

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operations activities in the relevant area of interest.

All capitalized exploration and evaluation expenditures are assessed for impairment if facts and circumstances indicate that impairment may exist. In circumstances where a property is abandoned, the

cumulative capitalized costs relating to that property are written off in the period.

h) Impairment of non-financial assets

Non-financial assets are evaluated at the end of each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its 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 to the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

i) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of comprehensive income (loss) except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amount of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets

in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future, or on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

j) Earnings (loss) per share

Basic earnings (loss) per share (“EPS”) is calculated by dividing profit or loss attributable to ordinary equity holders (numerator) by the weighted average number of ordinary shares outstanding (denominator) during the period. The denominator is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

k) Segmented reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. All operating segments’ operating results are reviewed regularly by the Company’s President and CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company manages its business on the basis of one reportable segment under two geographic regions, being Canada and the United States.

l) Share-based payments

The Company has an equity settled share purchase stock option plan that is described in note 9. Share-based payments to employees are measured at the fair value of the instruments issued at the grant date using the Black-Scholes pricing model, and are expensed over the vesting period, which is the period over

which all of the specific vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

Share-based payments to non-employees are measured at the fair value of goods or services received, or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry the recorded value is transferred to deficit.

The share-based compensation fair value is determined using an estimated forfeiture rate. Compensation ultimately recognized is revised in subsequent periods to reflect final grant amounts. For employees and consultants who are working on specific capital projects, the share-based compensation is allocated to projects under development. For the remainder of employees and consultants, the compensation is expensed.

m) Decommissioning liabilities

The Company records a liability for the reclamation of its exploration and evaluation interests based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate, and the liability is recognized at the time the environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The fair value of the provision for closure and reclamation liabilities is estimated using expected cash flows, based on engineering and environmental reports prepared by third party industry specialists, discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amount and timing of future site closure and reclamation cash flows. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the provision at the reporting date.

n) Share capital

The Company records proceeds from share issuances net of issuance costs. Shares issued for consideration other than cash are valued at the quoted price on the date the agreement to issue the shares was reached.

o) Financial instruments

(i) Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through the statement of comprehensive loss. Cash and cash equivalents are included in this category of financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale and that are not classified in any of the other categories. Subsequent to initial recognition at fair value, they are measured at fair value and changes therein are recognized in accumulated other comprehensive income and presented within equity in accumulated other comprehensive income (loss). When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. Marketable securities are included in this category of financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date, and are carried at amortized cost, using the effective interest method, less any impairment. Loans and receivables are comprised of amounts receivable and reclamation deposits.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, held with the intention of holding these investments to maturity and subsequently measured at amortized cost. These investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period. The Company has no financial assets classified as held-to-maturity investments.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence indicating that one or more events have had a negative impact on the estimated future cash flows of that asset. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

An impairment loss in respect of a financial assets measured at amortized cost is calculated as the difference between its carrying amount and the net present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale asset is calculated by reference to its fair value and any amounts in other comprehensive income are transferred to earnings.

Individually significant financial assets are tested for impairment on an individual basis. The remaining

financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Gains or losses related to impairment or de-recognition are recognized in the statement of comprehensive loss in the period in which they occur. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Financial liabilities

The Company classifies its financial liabilities as other financial liabilities. Management determines the classification of its financial liabilities at initial recognition. Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other financial liabilities include accounts payable and accruals, obligation to issue shares, and payable to related parties.

(iii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issuance costs.

p) Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leases in which the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases, which are recognised as an expense on a straight-line basis over the lease term.

q) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Where discounting is used,

the increase in the provision due to the passage of time is recognized as a finance cost in the statement of comprehensive loss.

r) Finance expenses

Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive loss using the effective interest method. Interest incurred on qualifying assets is capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale at the rate of interest applicable to the specific borrowings financing the asset, or where financed through general borrowings, at a capitalization rate representing the average interest rate on such borrowings.

4. Marketable securities

The Company holds the following marketable securities, which are classified as available for sale investments:

(i) 70,690 shares of American Manganese Inc., acquired during the year ended October 31, 2007 at $0.10 per share; and
(ii) 100,000 shares of MillenMin Ventures Inc., acquired during the year ended October 31, 2012 at $0.10 per share.

	April 30, 2015	October 31, 2014
American Manganese Inc - 70,690 common shares at cost	**$ 7,069**	$ 7,069
MillenMin Ventures Inc. - 100,000 common shares at cost	**10,000**	10,000
Decrease in fair value	**(15,362)**	(13,655)
Balance, at fair value	**$ 1,707**	$ 3,414

5. Exploration and evaluation assets

a) British Columbia, Canada

	Windpass Sweethome	**Crowrea Empress**	**Beaverdell**	**Total**
Balance, October 31, 2013	615,038	256,821	1	871,860
Acquisition costs	10,914	-	-	10,914
Impairment	(625,951)	-	-	(625,951)
Balance, April 30, 2015 and October 31, 2014	**$ 1**	**$ 256,821**	**$ 1**	**$ 256,823**

i) Windpass Sweethome Property, Kamloops Mining Division

The Windpass Sweethome property is located 50 kilometres northeast of Barriere in the Thompson Plateau area of Central British Columbia and is owned 100% by the Company. In March 2012, the Company entered into an option agreement whereby MillenMin Ventures Inc. ("MillenMin") may earn up to 70% of the Company's interest in the Windpass Sweethome property by paying $120,000 to the Company, incurring $750,000 in aggregate exploration expenditures, and issuing 400,000 common shares over a period of four years. Upon MillenMin earning the 70% interest, MillenMin and the Company will form a joint venture to further explore and develop the property. The original vendors of the property will retain a 3% net smelter royalty. On July 25, 2013, this agreement was terminated by mutual agreement. During the year ended October 31, 2014, the Company decided to discontinue exploration on this property and an impairment of $625,951 was recognized in the statement of comprehensive loss, bringing the carrying value to $1. Subsequent to April 30, 2015, the Company decided to abandon this property.

ii) Crowrea Empress Property, Osoyoos and Similkameen Mining Division

The Crowrea Empress property is located near Summerland, British Columbia, and is a jointly controlled venture with Goldrea Resources Corp. During the year ended October 31, 2013, an impairment allowance was recorded on the property in the amount of $194,902, reducing the carrying value to $256,821.

iii) Beaverdell Property, Greenwood Mining Division

The Beaverdell property is located 3 kilometres southeast of Beaverdell, British Columbia, and is owned 100% by the Company.

b) Nevada, United States

	Silverado	Tami-Mosi	BCS Davis	Total
Balance, October 31, 2013	1	1,171,692	622,272	1,793,965
Acquisition costs	-	-	-	-
Exploration costs		80,395	26,243	106,638
Joint venture payment	-	(161,256)	-	(161,256)
Foreign currency translation	-	90,711	52,354	143,065
Balance, October 31, 2014	$ 1	$ 1,181,542	$ 700,869	$ 1,882,412
Foreign currency translation	-	86,732	51,448	138,180
Balance, April 30, 2015	**$ 1**	**$ 1,268,274**	**$ 752,316**	**$ 2,020,592**

i) Silverado Property

The Silverado property is located in the Pinto mining district of Nevada, consists of 3 patented

mining claims totalling approximately 121 hectares, and is a 100% owned by the Company.

ii) Tami-Mosi Property

The Tami-Mosi property is located approximately 8 miles southeast of Ely, Nevada in the Tamerlaine district, consists of 81 unpatented mining claims totalling approximately 677 hectares and 4 quartz unpatented claims totalling approximately 33 hectares, is 100% owned by the Company, and is subject to a 2% net smelter royalty in favour of the originating vendors.

In October 2013, the Company entered into an agreement with ScanMag AS ("ScanMag") to form a joint venture whereby the Company will own 60% and ScanMag would purchase 40% of the Company's Tami-Mosi property in exchange for $5,000,000 USD in cash ($150,000 USD paid) and a 7% equity stake in ScanMag. Further, the Company was to issue to ScanMag shares of its common stock equal to 19% of the total issued and outstanding common stock at the time the monies are received. The signing of the agreement was completed on May 9, 2014.

On January 6, 2015, the Company announced that it has renegotiated its agreement with ScanMag. The renegotiated terms are as follows:

- $5M USD total contribution from ScanMag to the Company, payable over 4 years, commencing with the first payment of $2,000,000 within 12 months of signing, followed by 36 monthly payments of $83,333 USD;
- 10% pre-financing equity in ScanMag dilutable to 2% undiluted interest;
- Upon receipt of $5M USD total contribution, ScanMag will receive 12% of the Company's common shares;
- The Company and ScanMag will establish a separate technical development company for the purposes of testing of aspects of the magnesium processing proof of concept through to a 50-50 joint venture company to be based in Glomfjord, Norway.
- ScanMag will fund up to $500,000 with an initial $250,000 contribution to the joint venture, after which each party pays its proportional share;
- Both the Company and ScanMag will be entitled to the data and findings developed in the joint venture.

iii) BCS Davis Property

The BCS Davis property is located in Nye County, Nevada, consists of 61 unpatented lode mining claims totalling approximately 510 hectares, is 100% owned by the Company, and is subject to a 2% net smelter royalty in favour of the originating vendors.

c) Exploration and evaluation assets, total

	British Columbia, Canada	Nevada, United States	Total
Balance, October 31, 2013	871,860	1,793,965	2,665,825
Acquisition costs	10,914	-	10,914
Exploration costs	-	106,638	106,638
Joint venture payment	-	(161,256)	(161,256)
Impairment	(625,951)	-	(625,951)
Foreign currency translation	-	143,065	143,065
Balance, October 31, 2014	$ 256,823	$ 1,882,412	$ 2,139,236
Foreign currency translation	**-**	**138,180**	**138,180**
Balance, April 30, 2015	**$ 256,823**	**$ 2,020,592**	**$ 2,277,417**

6. Commitments

On May 9, 2014, the Company entered into renewable contract with an investor relations firm. The Company is committed to payments of $4,000 per month. In addition, the Company issued 400,000 options exercisable at a price of $0.08 for a period of five years.

On January 6, 2015, the Company renegotiated the terms of its agreement with ScanMag and is committed under the terms of the revised agreement as noted in note 5b)ii).

On January 13, 2015, the Company announced it signed a License and Royalty Agreement with its director, James Sever, P. Eng., to use Mr. Sever's unique knowledge and concepts on the Company's Tami Mosi and other properties for the commercial production of magnesium. In consideration for the license, the Company will pay to Mr. Sever a royalty in the amount of USD$0.003 per pound (USD$0.00661 per kilogram) of magnesium produced and sold by the Company where the condenser concept has been utilized and USD$0.0015 per pound of magnesium produced and sold from its properties without using the condenser concept. The initial term of the agreement ends on December 31, 2040, and is renewable.

7. Related party transactions

Total compensation expense for key management personnel is as follows:

	April 30, 2015	April 30, 2014
Fees	**$ 120,000**	$ 120,000
Share-based payments	**-**	263,566
Total	**$ 120,000**	$ 383,566

Related party transactions incurred during the three and six months ended April 30, 2015 and their relative balances payable to these parties are as follows:

Individual	Relationship	Nature of transactions	Incurred period ended April 30, 2015	Incurred period ended April 30, 2014	Balance payable at April 30, 2015	Balance payable at October 31, 2014
Ed Lee	Chief executive officer, director	Salaries	$ 48,000	$ 48,000	$ 43,222	24,022
Annie Storey	Chief financial officer	Fees	30,000	30,000	-	30,005
James Sever	President, director	Fees	42,000	42,000	171,965	133,426
Lisa Maxwell	Corporate secretary	Fees	5,785	4,245	6,024	2,544
Goldrea Resources Corp.	Former related company	Reimbursed expenses	-	-	22,214	22,214
American Manganese Inc.	Former related company	Reimbursed expenses	-	-	320,063	320,063
Larry Reaugh	Former chief executive officer	Fees	-	-	30,000	30,000
			$ 125,785	$ 124,245	$ 593,488	$ 562,274

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's board of directors and the Company's executive leadership team. The executive leadership team consists of the chief executive officer, president, chief operating officer, and chief financial officer.

8. Provision for flow through share issuances

The Company has recorded a provision in the amount of $567,655 (October 31, 2014 - $567,655) for tax and related obligations relating to flow through share issuances from prior years.

9. Share capital, share-based payments and reserves

a) Authorized capital

The authorized share capital consists of an unlimited number of common voting shares without nominal or par value.

b) Issued shares

On November 7, 2014, the Company announced a non-brokered private placement to raise gross proceeds of $150,000, which is comprised of 3,000,000 units at a price of $0.05 per unit. Each unit is comprised of

one common share and one share purchase warrant which expire in three years. Each warrant entitles the owner to purchase one common share at a price of $0.05 for the first two years and $0.10 for the third year from the date of issuance. As at April 30, 2015, the Company had issued 3,450,000 units in conjunction with this private placement for proceeds of $172,500, less $1,500 in share issuance costs.

During the year ended October 31, 2014, 7,478,000 shares were issued upon the exercise of warrants for gross proceeds of $373,900. In addition, 750,000 shares valued at $45,000 were issued pursuant to the financial advisory contract.

c) Issued warrants

During the three and six months ended April 30, 2015, the Company issued 3,450,000 warrants in conjunction with the private placement noted in b).

During the year ended October 31, 2014, 7,478,000 warrants were exercised at $0.05 per share for proceeds of $373,900.

As at April 30, 2015, the following common share purchase warrants were outstanding:

Expiry date	Number of warrants	Exercise price	Weighted average remaining contractual life (years)
February 16, 2016	**2,200,000**	**0.05**	**0.80**
June 20, 2016	**4,922,000**	**0.05**	**1.14**
June 16, 2016	**250,000**	**0.06**	**1.13**
August 30, 2016	**9,030,000**	**0.05**	**1.34**
December 29, 2017	**1,280,000**	**0.05**	**2.67**
February 17, 2018	**2,170,000**	**0.05**	**2.81**

A summary of the changes in the Company's share purchase warrants during the three and dix months ended April 30, 2015 and year ended October 31, 2014 are as follows:

	Number of warrants		Average exercise price
Balance, October 31, 2013	24,180,000	$	0.05
Exercised	(7,478,000)		0.05
Granted	250,000		0.06
Expired / cancelled	(550,000)		0.08
Balance, October 31, 2014	16,402,000	$	0.05
Granted	**3,450,000**		**0.05**
Balance, April 30, 2015	**19,852,000**	**$**	**0.05**

d) Share-based payments

The Company has adopted an incentive stock option plan, as amended, under the rules of the TSX-V pursuant to which it is authorized to grant stock options to executive officers, directors, employees and consultants, enabling them to acquire up to 20% of the total shares outstanding of the Company. Under the stock option plan, the option exercise price of any option granted shall not be less than the discounted market price of the Company's common shares. If options are granted within 90 days of a distribution by prospectus, the minimum exercise price per share is the greater of the discounted market price and the share price paid by investors pursuant to the distribution. For the purposes of the stock option plan, the discounted market price is calculated in accordance with the policies of the TSX-V at the time of the grant of the options. The options may be granted for a maximum term of 5 years. All options granted shall vest immediately, except for those options granted to persons performing investor relations activities for the Company. Pursuant to the policies of the TSX-V, shares issued upon the exercise of options are restricted from trading during the 4 month period subsequent to the exercise of options.

During the year ended October 31, 2014, the Company granted 6,860,000 stock options to directors, officers and consultants of the Company, exercisable at $0.11 per share, vesting immediately and expiring in five years, for total stock based compensation expense of $723,225. The Company also issued 1,100,000 and 400,000 options to directors, officers and consultants, exercisable at $0.08 under the same terms for additional stock based compensation expense of $66,101 and $27,715 respectively. The Company issued a further 1,500,000 options to officers, directors and consultants, exercisable at $0.06 under the same terms, for additional stock based compensation expense of $55,126.

Assumptions used in the above stock based compensation calculations are as follows:

		October 31, 2014
Risk free rate of interest		1.63%
Expected life of options		2-5 years
Exercise price of options	$	0.06 - 0.11
Expected annualized volatility		132-228%
Expected dividend rate		-

A summary of the changes in the Company's stock options during period ended April 30, 2105 and the year ended October 31, 2014 is as follows:

	Number of options		Average exercise price
Balance outstanding at October 31, 2013	5,150,000	$	0.05
Issued	9,860,000		0.10
Balance, October 31, 2014 and April 30, 2015	**15,010,000**	**$**	**0.09**

As at April 30, 2105, the following options were outstanding:

Expiry date	Number of options		Exercise price	Weighted average remaining contractual life (years)
August 15, 2016	1,500,000	$	0.06	1.30
August 12, 2018	5,150,000	$	0.05	3.29
January 9, 2019	6,860,000	$	0.11	3.70
May 9, 2019	400,000	$	0.08	4.03
May 29, 2019	1,100,000	$	0.08	4.08

Subsequent to April 30, 2015 the Company issued 2,850,000 options to consultants, directors and advisors, exercisable at $0.05 per share for a period of 4 years.

f) Share-based payments reserve

The share-based payments reserve is used to recognize the fair value of share options granted to employees, including key management personnel, as part of their remuneration. When options are subsequent exercised, the fair value of such options in share-based payments reserve is credited to share capital.

g) Dilutive common shares

For the three and six months ended April 30, 2015, potentially dilutive common shares (relating to warrants and options outstanding) totalling 32,692,000 (2014 – 35,690,000) were not included in the computation of loss per share as the effect would be anti-dilutive.

10. Financial instruments and financial risk management

As at April 30, 2015		Loans and receivables		Assets/liabilities at fair value through profit and loss		Other liabilities		Total
Cash	$	-	$	47,932	$	-	$	47,932
GST receivable		32,594		-		-		32,594
Marketable securities		-		1,707		-		1,707
Reclamation bonds		3,500		-		-		3,500
Accounts payables and accrued liabilities		-		-		222,155		222,155
Provision for flow through share issuances		-		-		567,655		567,655
Payable to related parties		-		-		587,464		587,464

At October 31, 2014	Loans and receivables	Assets/liabilities at fair value through profit and loss	Other liabilities	Total
Cash	$ -	$ 14,975	$ -	$ 14,975
Amounts receivable	10,341	-	-	10,341
Marketable securities	-	167,214	-	167,214
Reclamation bonds	3,500	-	-	3,500
Accounts payables and accrued liabilities	-	-	93,958	93,958
Provision for flow through share issuances	-	-	550,000	550,000
Demand loan	-	-	542,889	542,889

a) Financial assets and liabilities by category

The Company has designated cash and cash equivalents as fair value through profit or loss, measured at fair value. Changes in the fair values are recorded in net earnings. Marketable securities are designated as available-for-sale financial assets, which are initially measured at fair value with subsequent changes to other comprehensive income. GST receivable and reclamation deposits are designated as loans and receivables, and are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities and payable to related parties are designated as other financial liabilities and are measured initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Management did not identify any material embedded derivatives, which require separate recognition and measurement. The Company had no held-to-maturity financial instruments during the period.

b) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature or bear interest at market rates.

c) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Cash and cash equivalents, marketable securities, and obligation to issue shares are valued using a market approach based upon unadjusted quoted prices for identical assets in an active market obtained from securities exchanges.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels 1 and 2 during the period.

d) Financial risk management

The Company's board of directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the Company's activities. Management regularly monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

In the normal course of operations, the Company is exposed to various risks such interest rate, foreign exchange, credit and liquidity risks. To manage these risks, management determines what activities must be undertaken to minimize potential exposure to risks. The objectives of the Company in managing risks are as follows:

- Maintaining sound financial condition:
- Financing operations; and
- Ensuring liquidity to all operations.

In order to satisfy these objectives, the Company has adopted the following policies:

- Prepare budget documents at prevailing market rates to ensure clear, corporate alignment to performance management and achievement of targets;
- Recognize and observe the extent of operating risk within the business; and
- Identify the magnitude of the impact of market risk factors on the overall risk of the business and take advantage of natural risk reductions that arise from these relationships.

There have been no changes in risks that have arisen or how the Company manages those risks during the period.

(i) Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash and cash equivalents, which is invested on a short term basis to enable adequate liquidity for payment of operational and capital expenditures.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, reclamation deposits and accounts payable and accruals that are denominated in US dollars. As at April 30, 2015 and October 31, 2014, net liabilities denominated in US were immaterial. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect net loss and comprehensive loss by an immaterial amount with all other variables remaining constant.

(iii) Commodity price risk

The value of the Company's exploration and evaluation assets are dependent on the price of magnesium and the outlook for this mineral. Market prices for these metals historically have fluctuated widely and are affected by numerous factors outside the Company's control, including but not limited to, levels of worldwide production short term changes in supply and demand, industrial and retail demand, as well as certain other factors related specifically to magnesium. If magnesium prices decline for a prolonged period below the cost of production, it may not be economically feasible to continue towards production.

(iv) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from trade receivables. The Company's credit risk is primarily attributable to cash and cash equivalents, and amounts receivable. The Company limits its exposure to credit risk on cash and cash equivalents as these financial instruments are held with major Canadian and international banks, from which management believes the risk of loss to be remote. Amounts receivable consist primarily of harmonized sales tax due from the Federal Government of Canada. Management believes the credit risk concentration with respect to amounts receivable is remote. The carrying amount of financial assets recorded in the financial statements, net of any allowances, represents the Company's maximum exposure to credit risk.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash and cash equivalent. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long term obligations. As disclosed in note 1, the ability of the Company to continue as a going concern is dependent on many factors. The Company's cash is primarily invested in bank accounts and guaranteed investment certificates which are cashable on demand. The Company expects that its cash on hand at October 31, 2014, together with expected funds raised from private placements and on exercise of warrants and options, will provide sufficient financial resources to carry out its operations through the 2015 fiscal year, and also allows the Company to continue its exploration and evaluation program.

11. Capital Management

The Company classifies its share capital, obligation to issue shares, and reserves as capital, which at April

30, 2015 totalled $17,985,860 (October 31, 2014 - $17,734,680). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish qualitative 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 appropriate. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

12. Segmented Information

The Company operates in one segment – the exploration for and development of mineral property interests. Geographic information for the Company's exploration and evaluation assets is as follows:

		April 30, 2015		October 31 2014
Canada	**$**	**256,823**	$	256,824
United States		**2,020,594**		1,882,412
Balance, end of year	**$**	**2,277,417**	$	2,139,236

13. Events after the reporting date

Subsequent to April 30, 2015, the Company issued a further 1,340,000 units in conjunction with the private placement discussed in note 9b) for gross proceeds of $67,000, and 2,850,000 options to directors, consultants and advisers, exercisable at $0.05 per share for a period of 4 years.