

WCB RESOURCES LTD.
(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

Nine Months Ended March 31, 2015 & 2014

WCB RESOURCES LTD.
(An Exploration Stage Company)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these condensed interim financial statements.

signed "Shaun Maskerine"
Shaun Maskerine, Director

signed "Duncan Cornish"
Duncan Cornish, Director

May 29, 2015

WCB RESOURCES LTD.
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Financial Position (Unaudited)
Expressed in Canadian Dollars

	March 31, 2015	June 30, 2014
ASSETS		
Current Assets		
Cash	\$ 1,707,128	\$ 5,147,986
Reclamation bond (Note 6)	5,000	5,000
Prepays	21,180	41,278
Other receivables	94,657	58,134
Total current assets	1,827,965	5,252,398
Non-Current Assets		
Property and equipment (Note 7)	39,426	32,717
Exploration and evaluation assets (Note 8)	6,220,166	3,744,509
Deposit	77,995	57,261
Total Non-current Assets	6,337,587	3,834,487
Total Assets	\$8,165,552	\$ 9,086,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 144,977	\$ 156,295
Shareholders' Equity		
Capital stock (Note 9)	9,771,375	9,771,375
Reserves	2,569,258	2,575,122
Accumulated losses	(4,320,058)	(3,415,907)
Total Shareholders' Equity	8,020,575	8,930,590
	\$8,165,552	\$ 9,086,885

On behalf of the Board:

signed "Shaun Maskerine"
Shaun Maskerine, Director

signed "Duncan Cornish"
Duncan Cornish, Director

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

Expressed in Canadian Dollars

	Three months ended March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
INTEREST INCOME				
Interest received	\$ (14,833)	\$ -	\$ (66,446)	\$ (1,313)
EXPENSES				
Professional fees	11,296	7,974	29,342	21,120
Administration	51,823	43,956	161,850	130,133
Operating	56,818	26,765	185,747	134,577
Consulting fees	96,707	135,138	274,602	347,336
Transfer agent and filing fees	15,968	10,922	20,060	14,736
Share-based payments (Note 9(e))	7,010	7,718	49,615	30,881
Other Expenses (Note 10)	100,000	-	100,000	-
Foreign exchange loss (gain)	(34,847)	(16,953)	204,860	2,533
Total expenses	304,775	215,520	1,026,076	681,316
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 289,942	\$ 215,520	\$959,630	\$ 680,003
Loss per common share - basic and diluted	\$ 0.005	\$ 0.006	\$ 0.017	\$ 0.019
Weighted average number of common shares outstanding	57,904,883	35,682,661	57,904,883	35,083,756

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
Expressed in Canadian Dollars

	Capital Stock		Reserves				Total
	Number	\$	Share-based payments	Warrants	Total	Deficit	
Balance at July 1, 2012	33,757,661	4,990,984	559,282	407,101	966,383	(2,575,029)	3,382,338
Loss for the period	-	-	-	-	-	(680,003)	(680,003)
Share-based payments	-	-	30,881	-	30,881	-	30,881
Options exercised	1,925,000	561,747	(102,997)	-	(102,997)	-	458,750
Options expired	-	-	(26,960)	-	(26,960)	26,960	-
Warrants expired	-	366,987	40,114	(407,101)	(366,987)	-	-
Balance at March 31, 2014	35,682,661	5,919,718	500,320	-	500,320	(3,228,072)	3,191,966
Loss for the period	-	-	-	-	-	(642,774)	(642,774)
Capital stock issued	22,222,222	4,218,644	-	1,781,356	1,781,356	-	6,000,000
Share-based payments	-	-	381,398	-	381,398	-	381,398
Options expired	-	-	(47,838)	-	(47,838)	47,838	-
Warrants exercised	-	-	-	-	-	-	-
Warrants expired	-	(366,987)	(40,114)	-	(40,114)	407,101	-
Balance at June 30, 2014	57,904,883	9,771,375	793,766	1,781,356	2,575,122	(3,415,907)	8,930,590
Loss for the period	-	-	-	-	-	(959,630)	(959,630)
Share-based payments	-	-	49,615	-	49,615	-	49,615
Options expired	-	-	(55,479)	-	(55,479)	55,479	-
Balance at March 31, 2015	57,904,883	9,771,375	787,902	1,781,356	2,569,258	(4,320,058)	8,020,575

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)
Expressed in Canadian Dollars

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
OPERATING ACTIVITIES		
Loss for the period	\$ (959,630)	\$ (680,003)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization	8,156	6,933
Share-based payments	49,615	30,881
Unrealized foreign exchange loss (gain)	(146)	(18,453)
Changes in non-cash working capital items		
Prepays	20,097	21,922
Other receivables	(34,940)	6,505
Accounts payable and accrued liabilities	(88,084)	785,449
Total cash used in operating activities	(1,004,932)	153,234
INVESTING ACTIVITIES		
Purchase of property and equipment	(37,199)	-
Expenditures on exploration and evaluation assets	(2,377,291)	(644,708)
Deposit	(20,734)	-
Total cash used in investing activities	(2,435,224)	(644,708)
FINANCING ACTIVITIES		
Cash received on issuance of shares	-	458,750
Total cash provided by financing activities	-	458,750
Foreign exchange effect on cash	(702)	19,690
Total increase (decrease) in cash during the period	(3,440,858)	(13,034)
Cash, beginning of period	5,147,986	524,601
Cash, end of period	\$ 1,707,128	\$ 511,567
Supplemental Cash Flow Information		
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	\$ 76,031	\$ 33,944
Amortization included in exploration and evaluation assets	\$ 22,335	\$ 12,806

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

The Company is currently focused on exploring the Red Hill copper gold project in central New South Wales, Australia, and the Misima gold copper project on Misima Island, Papua New Guinea. The Company has not earned revenues and is considered to be in the exploration stage.

These interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. As such, the Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

The head office of the Company is located at Level 5, 10 Market Street, Brisbane, 4000, Australia, and the registered and records office of the Company is located at 2080 - 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

The significant accounting policies applied in these interim condensed consolidated financial statements are presented in note 3 and are based on IFRS effective June 30, 2013. These interim condensed consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except cash flow information.

(b) Approval of the Interim condensed consolidated Financial Statements

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on May 29, 2015.

(c) Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated. Areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed in note 3(m).

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the six months period ended December 31, 2014 and have been applied consistently to all comparative periods presented in these interim condensed consolidated financial statements.

(a) Basis of Consolidation

These interim condensed consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its 100% owned subsidiaries, WCB Australia Pty Ltd. in Australia, WCB Pacific Pty Ltd. in Australia, WCB PNG Ltd. in Papua New Guinea, and WCB PNG Exploration Ltd. in Papua New Guinea. All inter-company transactions and balances have been eliminated on consolidation.

(b) Foreign Currency Transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, income and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the statement of financial position date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the related translation differences are recognized in net loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss/income or other comprehensive loss/income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

(c) Reclamation Deposits

Cash that is subject to contractual restrictions on use is classified separately as reclamation deposits.

(d) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Mineral Exploration and Evaluation Expenditures (Continued)

Exploration and Evaluation Assets (Continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Conversely, the Company may occasionally enter into farm-in agreements, whereby the Company will obtain part of a mineral interest and, as consideration, must meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the transferor. All expenditures made by the Company are capitalized to exploration and evaluation assets as incurred.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided, using the straight-line method, over the following periods:

Computer equipment	3 years
Furniture and office equipment	3 years
Motor vehicle	3 years

(f) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial period-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment of Non-financial Assets (Continued)

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in comprehensive loss.

(g) Capital Stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to the warrants and common shares issued based on the relative fair values of the components.

(h) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of operations and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the consolidated statement of operations and comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of operations and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Share-based Payments (Continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(i) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercises would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) Financial Instruments

(i) Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial Assets at Fair Value through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. *Held-to-maturity ("HTM") financial assets*

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs using the effective interest rate method. The Company does not have any assets classified as HTM investments.

Available-for sale ("AFS") financial assets

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial asset categories and are subsequently measured at fair value. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

Management assesses the carrying value of AFS financial assets at every reporting period and any impairment charges are also recognized in income or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments are derecognized from comprehensive income and recognized in profit or loss.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (Continued)

(i) Financial Assets (Continued)

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(ii) Financial Liabilities

Financial Liabilities at Fair Value through Profit or Loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any liabilities classified as fair value through profit or loss.

Other Financial Liabilities

Financial liabilities are classified as other financial liabilities, initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derivative Financial Instruments

The Company is not engaged in any derivative contracts.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records management's best estimate of the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial period are discussed below.

Estimates

(i) Rehabilitation Provisions

Management's best estimates regarding the rehabilitation provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred. Based on management's best estimate, the Company does not have a rehabilitation obligation as at March 31, 2015 (2014 - \$nil).

(ii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

Judgments

(iii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Mining and Exploration Tax Recoveries

The Company recognizes mining and exploration tax recoveries in the period in which the related qualifying resource expenditures are incurred. The amount recoverable is subject to review and approval by the taxation authorities and is adjusted in the period when such approval is confirmed.

4. RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 7 Financial Instruments: Disclosures in Respect of Offsetting (Amendment)

At its meeting December 13, to 15, 2011, the IASB approved amendments to IFRS 7 *Financial Instruments: Disclosures* with respect to offsetting financial assets and financial liabilities. The common disclosure requirements issued by the IASB and the Financial Accounting Standards Board in December 2012 are intended to help investors and other users to better assess the effect or potential effect of offsetting arrangements on a company's financial position.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for financial statements and SIC12 *Consolidation - Special Purpose Entities*. IFRS 10 establishes principles for the presentation and preparation of financial statements when an entity controls one or more entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present financial statements; (ii) defines the principle of control and establishes control as a basis for consolidation; (iii) sets out how to apply the principle of control whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of financial statements.

IFRS 11 Joint Arrangements

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A **joint operation** is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)
- A **joint venture** is a joint arrangement whereby the parties that have joint control of the arrangement (joint ventures) have rights to the net assets of the arrangement. A joint venture applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 combines the disclosure requirements for an entity's interest in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. This standard requires the disclosure of information that enable users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

IFRS 13 Fair Value Measurement

IFRS 13 provides guidance on how to measure fair value, but does not change when fair value is required or permitted under IFRS. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions with the scope of IAS 17 Leases; measurements that have some similarities to fair value that are not fair value, such as net realizable value in IAS 2 Inventories; or value in use IAS 36 Impairment of Assets.

IAS 27 Separate Financial Statements

IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and to set the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

Amends IAS 1 *Presentation of Financial Statements* to revise the way other comprehensive income is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and other comprehensive income to be presented together, i.e., either as a single “statement of profit or loss and comprehensive income”, or a separate “statement of profit or loss” and a “statement of comprehensive income” - rather than requiring a single continuous statement as was proposed in the exposure draft
- Require entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently. i.e., those that might be reclassified and those that will not be reclassified
- Require tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amends the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures* to require information about all recognized financial instruments that are set-off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation*.

The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Amends IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Annual Improvements 2009-2011 Cycle

Makes amendments to the following standards:

- **IFRS 1** – Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets
- **IAS 1** – Clarification of the requirements for comparative information
- **IAS 16** – Classification of servicing equipment
- **IAS 32** – Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 *Income Taxes*
- **IAS 34** – Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 *Operating Segments*

Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 32)

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

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

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Amends IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements* to:

- provide “investment entities” (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Amends IAS 36 *Impairment of Assets* to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Annual Improvements 2010-2012 Cycle

Makes amendments to the following standards:

- **IFRS 2** – Amends the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition”
- **IFRS 3** – Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- **IFRS 8** – Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

- **IFRS 13** – Clarify that issuing **IFRS 13** and amending **IFRS 9** and **IAS 39** did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- **IAS 16** and **IAS 38** – Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- **IAS 24** – Clarify how payments to entities providing management services are to be disclosed

Annual Improvements 2011-2013 Cycle

Makes amendments to the following standards:

- **IFRS 1** – Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- **IFRS 3** – Clarify that **IFRS 3** excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- **IFRS 13** – Clarify the scope of the portfolio exception in paragraph 52
- **IAS 40** – Clarifying the interrelationship of **IFRS 3** and **IAS 40** when classifying property as investment property or owner-occupied property

The adoption of these standards did not have a material impact on the consolidated financial statements.

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not early-adopted these revised standards and is currently assessing the impact these standards will have on the interim condensed consolidated financial statements.

New Accounting Standards Impacting on Annual Reporting Period on or After July 1, 2014

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a “business model” test and a “cash flow characteristics” test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as “fair value through other comprehensive income” with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit or loss
- The concept of “embedded derivatives” does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRS 9 Financial Instruments (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from *IAS 39 Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013)

A revised version of IFRS 9 which:

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss
- Removes the mandatory effective date of IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalization of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

This standard has no stated effective date.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Amends [IFRS 11](#) *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in [IFRS 3](#) *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to annual periods beginning on or after July 1, 2016.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Amends [IAS 16](#) *Property, Plant and Equipment* and [IAS 38](#) *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to annual periods beginning on or after July 1, 2016.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Amends *IAS 27 Separate Financial Statements* to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Applicable to annual periods beginning on or after July 1, 2016.

Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:

- **IFRS 5** – Adds specific guidance in **IFRS 5** for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- **IFRS 7** – Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- **IAS 9** – Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- **IAS 34** – Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

Applicable to annual periods beginning on or after July 1, 2016.

6. RECLAMATION BOND

The Company has purchased a \$5,000 guaranteed investment certificate (“GIC”) required for a reclamation bond with the Ministry of Energy, Mines & Petroleum Resources Division in the Province of British Columbia. This is a variable interest rate GIC that matures on May 12, 2015. The effective interest rate at the time of reinvestment was 1.05%.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

7. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and office equipment	Motor vehicle	Total
Cost				
Balance at July 1, 2013	\$ 27,748	\$ 16,151	\$ 47,328	\$ 91,227
Additions	-	-	-	-
Balance at March 31, 2014	27,748	16,151	47,328	91,227
Additions	-	-	-	-
Balance at June 30, 2014	27,748	16,151	47,328	91,227
Additions	7,115	-	30,085	37,199
Balance at March 31, 2015	\$ 34,863	\$ 16,151	\$ 77,413	\$ 128,426
Accumulated Amortization				
Balance at July 1, 2013	\$ 7,311	\$ 4,403	\$ 18,719	\$ 30,433
Amortization	6,933	3,444	9,362	19,739
Balance at March 31, 2014	\$ 14,244	\$ 7,847	\$ 28,081	\$ 50,172
Amortization	2,290	1,626	4,422	8,338
Balance at June 30, 2014	16,534	9,473	32,503	58,510
Amortization	8,156	4,355	17,979	30,490
Balance at March 31, 2015	\$ 24,690	\$ 13,828	\$ 50,482	\$ 89,000
Carrying amounts				
Balance at July 1, 2013	\$ 20,437	\$ 11,748	\$ 28,609	\$ 60,794
Balance at March 31, 2014	\$ 13,504	\$ 8,304	\$ 19,247	\$ 41,055
Balance at June 30, 2014	\$ 11,214	\$ 6,678	\$ 14,825	\$ 32,717
Balance at March 31, 2015	\$ 10,173	\$ 2,323	\$ 26,930	\$ 39,426

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

8. EXPLORATION AND EVALUATION ASSETS

	Red Hill Project \$	EL1747 Misima \$	Total \$
Exploration costs			
Balance: July 1, 2013	349,314	2,415,439	2,764,753
Assays	-	30,462	30,462
Consulting and administration	21,321	573,923	595,244
Drilling	-	-	-
Field and miscellaneous	-	20,358	20,358
Geological and geophysical	-	45,394	45,394
	<u>21,321</u>	<u>670,137</u>	<u>691,458</u>
Balance: March 31, 2014	\$ 370,635	\$ 3,085,576	\$ 3,456,211
Assays	-	9,221	9,221
Consulting and administration	6,977	172,901	179,878
Drilling	-	-	-
Field and miscellaneous	-	80,309	80,309
Geological and geophysical	7,292	11,598	18,890
	<u>14,269</u>	<u>274,029</u>	<u>288,298</u>
Balance: June 30, 2014	384,904	3,359,605	3,744,509
Assays	-	122,101	122,101
Consulting and administration	32,770	656,302	689,072
Drilling	-	1,399,628	1,399,628
Field and miscellaneous	-	111,756	111,756
Geological and geophysical	5,315	147,785	153,100
	<u>38,085</u>	<u>2,437,572</u>	<u>2,475,657</u>
Balance: March 31, 2015	422,989	5,797,177	6,220,166
Carrying amounts			
At July 1, 2013	\$ 349,314	\$ 2,415,439	\$ 2,764,753
At March 31, 2014	\$ 370,635	\$ 3,085,576	\$ 3,456,211
At June 30, 2014	\$ 384,904	\$ 3,359,605	\$ 3,744,509
At March 31, 2015	\$ 422,989	\$ 5,797,177	\$ 6,220,166

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

8. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) Red Hill Project

On August 20, 2010, the Company entered into an Option Agreement, as amended on November 14 and 30, 2011, and February 24, 2015, with Elephant Mines Pty Ltd. (“Elephant”) whereby the Company can acquire up to 100% of Elephant’s 100% owned interest in the Red Hill copper gold project in central New South Wales, Australia (the “Property”).

To acquire an undivided 50.1% right, title and interest in the Property:

- (i) WCB must incur an aggregate AUD1,000,000 of expenditures on the Property during the six year period (the “Option Period”) commencing August 30, 2010 (the “Effective Date”). These expenditures include a minimum of AUD40,000 per tenement per year commencing on September 7, 2010 and each anniversary date thereafter during the Option Period; and
- (ii) Following WCB attaining favorable geological results on the Property and upon the recommendations of its geologists, the completion of a minimum 300 meter depth drill hole on the Property within two years from the Effective Date.

In addition to the above and commencing on the Effective Date, WCB will pay Elephant AUD30,000 annually for a period of six years or until it has earned a 100% interest in the Property, whichever is completed earlier.

At any time during the Option Period, WCB may acquire a full 100% interest in and to the Property by paying AUD1,000,000 in cash and common shares of the Company (the “Second Option Price”) to Elephant, provided that no more than 50% of the Second Option Price may be payable in common shares of the Company.

As of March 31, 2015, WCB is current in all of its obligations for the Red Hill Project.

(b) EL1747 Misima

The Company has, through its wholly owned subsidiary, WCB Pacific Pty Ltd, entered into a Sale & Farm-In Agreement with Pan Pacific Copper (“PPC”) covering EL1747 located on Misima Island, Papua New Guinea.

PPC is the owner of Gallipoli Exploration (PNG) Ltd (“Gallipoli”) which is the owner of granted EL 1747 “Misima”. PPC is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%). PPC is a global mining, smelting, refining and international copper producer, currently developing the Caserones Copper Project in Chile.

Under the terms and conditions of the Sale & Farm-In Agreement, the Company can obtain up to a 70% interest in EL1747 Misima by spending a total of AUD 9,000,000 within a four-to-five-year timeframe as follows:

- (i) A 30% interest in Gallipoli for expending AUD 1,000,000 (complete);
- (ii) The Company shall earn a further 19% interest (for a total interest of 49%) by expending a further AUD 3,000,000 within 12 months, which has been extended to March 31, 2015 (complete); and
- (iii) The Company shall earn a further and final 21% interest (for a total interest of 70%) by expending a further AUD 5,000,000 within a further two years.

Should the Company elect not to proceed further to earn additional option interests at any time after earning its initial 30% interest or to fully earn the full 70% interest, the parties will enter into a joint venture in which standard dilution formulas will apply for non-contribution. PPC retain the right to an offtake agreement for all mineral production within EL1747 based on prevailing metal prices and a commercial terms basis. On December 11, 2013 the Company announced that it had earned its initial 30% interest in the Misima Island Project. Exploration expenditures toward the next 19% has been audited and approved by the Farm-in partners and are currently waiting for standard PNG registration and regulatory approval.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

9. CAPITAL STOCK

(a) Authorized

The Company is authorized to issue an unlimited number of common shares, issuable in series.

The holders of common shares are entitled to receive dividends, which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regard to the Company's residual assets.

(b) Issued and Outstanding

During the quarter ended March 31, 2015, there are no common shares issued.

During the quarter ended March 31, 2014, there are no common shares issued.

(c) Warrants

Details of the status of the Company's warrants as at March 31, 2015 and changes during the period are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 1, 2013	1,545,693	\$ 1.06
Warrants expired	(1,545,693)	\$ 1.06
Warrants outstanding as at March 31, 2014	-	-
Issue of warrants	22,222,222	\$ 0.50
Warrants outstanding as at June 30, 2014	22,222,222	\$ 0.50
Warrants outstanding as at March 31, 2015	22,222,222	\$ 0.50

The warrants outstanding at March 31, 2015 are as follows:

Number of Warrants	Exercise Price	Expiry Date
11,111,111	\$ 0.40	October 7, 2015
11,111,111	\$ 0.60	April 7, 2017
22,222,222		

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

9. CAPITAL STOCK (Continued)

(d) Options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants in consideration for services.

Under the terms of the Plan, the exercise price of each option will not be lower than the market price of the Company's shares on the TSX-V at the time of grant. Options granted may have a maximum term of five years. Vesting terms are determined at the time the options are granted. The aggregate number of shares that may be reserved for issuance to satisfy the exercise of options granted under the Plan may not exceed 11,580,000 options and to each individual may not exceed 5% of the issued shares.

Details of the status of the Company's stock options as at March 31, 2015 and 2014 and changes during the period are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as at July 1, 2013	4,500,000	\$ 0.37
Exercised	(1,925,000)	\$ 0.24
Expired	(100,000)	\$ 0.60
Options outstanding as at March 31, 2014	2,475,000	\$ 0.46
Granted	1,700,000	\$ 0.45
Expired and cancelled	(200,000)	\$ 0.60
Options outstanding as at June 30, 2014	3,975,000	\$ 0.45
Expired and cancelled	(675,000)	\$ 0.31
Options outstanding as at March 31, 2015	3,300,000	\$ 0.48
Options exercisable as at March 31, 2015	3,200,000	\$ 0.49

The stock options outstanding at March 31, 2015 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (Years)	Exercise Price
April 8, 2015	290,000	0.02	\$ 0.10
May 22, 2015	500,000	0.14	\$ 0.60
June 12, 2016	400,000	1.20	\$ 0.30
June 29, 2017	610,000	2.25	\$ 0.60
October 16, 2017	200,000	2.55	\$ 0.60
June 12, 2019	1,300,000	4.20	\$ 0.50
	3,300,000	2.40	\$ 0.48

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
Expressed in Canadian Dollars
For the six months ended March 31, 2015 and 2014

9. CAPITAL STOCK (Continued)

(e) Options (Continued)

Share-based payments expense for the quarter ended March 31, 2015 and 2014 is as follows:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Directors (note 11)	\$ -	\$ -
Consultants	7,010	-
Employees	-	7,718
	\$ 7,010	\$ 7,718

10. OTHER EXPENSES

The other expenses is a settlement of a legal claim against the Company. A legal proceeding was commenced against the Company by Medalist Capital Ltd. (“Medalist”) for breach of contract and fraudulent misrepresentation in relation to unpaid finder’s services. In March 2015, the Company and Medalist came to an agreement and the claim has been settled. None of the Parties admits liability in any respect, and that any such liability is expressly denied.

11. RELATED PARTY TRANSACTIONS AND BALANCES

During the quarter ended March 31, 2015, there is no share-based payments expense allocated to options issued to directors. Included in accounts payable and accrued liabilities is \$51,385 owing to directors of the Company.

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management for the quarter ended March 31, 2015 and 2014 are as follows:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Short-term employee benefits	\$ 139,386	\$ 142,544
Share-based payments	-	-
	\$ 139,386	\$ 142,544

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; reclamation bond, as held-to-maturity; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of the reclamation bond and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and reclamation bond. The Company is not exposed to significant credit risk as its cash and reclamation bond are placed with a major Canadian financial institution.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at March 31, 2015 in the amounts of \$1,707,128 and \$94,657, respectively, (March 31, 2014 - \$511,567 and \$30,600, respectively), which is sufficient to meet its short-term business requirements. At March 31, 2015, the Company has accounts payable and accrued liabilities of \$144,977 (March 31, 2014 - \$487,630) with contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar, primarily in Australian dollars ("AUD"). The Company has net monetary liabilities at March 31, 2015 in the amount of \$1,586,421 (March 31, 2014 - net monetary assets \$76,576) denominated in AUD.

For the three months ended March 31, 2015, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 5% will not have a material effect on the Company's business, financial condition and results of operations in the amount of approximately \$79,321 (March 31, 2014 - \$5,743).

The Company does not manage currency risk through hedging or other currency management tools.

(ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at March 31, 2015.

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Expressed in Canadian Dollars

For the six months ended March 31, 2015 and 2014

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral property interests.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will be able to continue this form of financing due to uncertain economic conditions. The Company believes that it has sufficient funds to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the period. The Company is not exposed to any externally imposed capital requirements.

14. SEGMENTED REPORTING

The Company has one operating segment, the exploration of gold copper projects in Australia and Papua New Guinea, with a corporate office in Canada. The geographical segmentation of the Company's non-current assets are as follows:

	Canada	Australia	Papua New Guinea	Total
As at March 31, 2015				
Property and equipment	\$ 7,870	\$ 2,303	\$ 29,253	\$ 39,426
Exploration and evaluation assets	-	3,988,478	2,231,688	6,220,166
Total non-current assets	\$ 7,870	\$ 3,990,781	\$ 2,260,941	\$ 6,259,592
As at June 30, 2014				
Property and equipment	\$ 10,870	\$ 343	\$ 21,504	\$ 32,717
Exploration and evaluation assets	-	3,026,301	718,208	3,744,509
Total non-current assets	\$ 10,870	\$ 3,026,644	\$ 739,712	\$ 3,777,226

15. SUBSEQUENT EVENTS

During April 2015, 140,000 options were exercised at a price of \$0.10 per option for gross proceeds of \$14,000. 150,000 options with an exercise price of \$0.10 per option expired.

There have been no other events since March 31, 2015 that impact upon the financial report as at March 31, 2015.