

WCB RESOURCES LTD.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WCB RESOURCES LTD.

We have audited the accompanying consolidated financial statements of WCB Resources Ltd., which comprise the consolidated statements of financial position as at June 30, 2015 and 2014, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of WCB Resources Ltd. as at June 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 19, 2015

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	June 30, 2015	June 30, 2014
ASSETS		
Current Assets		
Cash	\$ 1,003,033	\$ 5,147,986
Reclamation bond (Note 6)	5,000	5,000
Prepays	5,350	41,278
Other receivables (Note 7)	94,136	58,134
Total Current Assets	1,107,519	5,252,398
Non-Current Assets		
Property and equipment (Note 8)	29,764	32,717
Exploration and evaluation assets (Note 9)	6,327,871	3,744,509
Deposit	76,933	57,261
Total Non-current Assets	6,434,568	3,834,487
Total Assets	\$ 7,542,087	\$ 9,086,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 10 and 13)	\$ 261,950	\$ 156,295
Shareholders' Equity		
Capital stock (Note 11)	9,791,549	9,771,375
Reserves	2,457,394	2,575,122
Deficit	(4,968,806)	(3,415,907)
Total Shareholders' Equity	7,280,137	8,930,590
Total Liabilities and Shareholders' Equity	\$ 7,542,087	\$ 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 consolidated financial statements.

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Operations and Comprehensive Loss
Expressed in Canadian Dollars

	Year ended June 30, 2015	Year ended June 30, 2014
INCOME		
Interest	\$ 73,446	\$ 25,952
Other	12,463	-
Total income	85,909	25,952
EXPENSES		
Administration	308,128	179,759
Consulting fees (Note 13)	354,290	443,855
Foreign exchange loss	236,565	41,140
Impairment loss (Note 9)	497,733	-
Operating	252,953	166,850
Professional fees	79,979	59,275
Share-based payments (Note 11)	72,446	412,279
Transfer agent and filing fees	20,714	45,571
Total expenses	1,822,808	1,348,729
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ 1,736,899	\$ 1,322,777
Loss per common share - basic and diluted	\$ 0.030	\$ 0.033
Weighted average number of common shares outstanding	57,937,102	40,408,110

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Capital Stock		Reserves				Total
	Number	\$	Share-based payments	Warrants	Total	Deficit	
Balance at June 30, 2013	33,757,661	4,990,984	559,282	407,101	966,383	(2,575,029)	3,382,338
Loss for the year	-	-	-	-	-	(1,322,777)	(1,322,777)
Capital stock issued	22,222,222	4,218,644	-	1,781,356	1,781,356	-	6,000,000
Share-based payments	-	-	412,279	-	412,279	-	412,279
Options exercised	1,925,000	561,747	(102,997)	-	(102,997)	-	458,750
Options expired	-	-	(74,798)	-	(74,798)	74,798	-
Warrants expired	-	-	-	(407,101)	(407,101)	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 year	-	-	-	-	-	(1,736,899)	(1,736,899)
Share-based payments	-	-	52,277	20,169	72,446	-	72,446
Options exercised	140,000	20,174	(6,174)	-	(6,174)	-	14,000
Options expired	-	-	(184,000)	-	(184,000)	184,000	-
Balance at June 30, 2015	58,044,883	9,791,549	655,869	1,801,525	2,457,394	(4,968,806)	7,280,137

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

WCB RESOURCES LTD.
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Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Year ended June 30, 2015	Year ended June 30, 2014
OPERATING ACTIVITIES		
Loss for the year	\$ (1,736,899)	\$ (1,322,777)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization	10,755	9,223
Share-based payments	72,446	412,279
Impairment loss	497,733	-
Unrealized foreign exchange loss (gain)	3,739	(15,337)
Changes in non-cash working capital items		
Prepays	35,928	(12,409)
Other receivables	(35,426)	(16,439)
Accounts payable and accrued liabilities	28,995	22,402
Total cash used in operating activities	(1,122,729)	(923,058)
INVESTING ACTIVITIES		
Purchase of property and equipment	(37,199)	-
Expenditures on exploration and evaluation assets	(2,977,012)	(925,024)
Deposit	(19,672)	(2,528)
Total cash used in investing activities	(3,033,883)	(927,552)
FINANCING ACTIVITIES		
Cash received on issuance of units	-	6,000,000
Cash received on exercise of options and warrants	14,000	458,750
Total cash provided by financing activities	14,000	6,458,750
Foreign exchange effect on cash	(2,341)	15,245
Total increase (decrease) in cash during the year	(4,144,953)	4,623,385
Cash, beginning of year	5,147,986	524,601
Cash, end of year	\$ 1,003,033	\$ 5,147,986
Supplemental Cash Flow Information		
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	\$ 120,816	\$ 46,130
Amortization included in exploration and evaluation assets	\$ 29,397	\$ 18,854

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

WCB RESOURCES LTD.

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Notes to the Consolidated Financial Statements

Expressed in Canadian Dollars

For the Years Ended June 30, 2015 and 2014

1. NATURE OF BUSINESS AND GOING CONCERN

WCB Resources Ltd. (the “Company”) is currently focused on exploring 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 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. It has incurred losses and negative cash flows from operations since inception and a deficit of \$4,968,806 as at June 30, 2015 (2014 - \$3,415,907). The Company’s working capital at June 30, 2015 was \$845,569 (2014 - \$5,096,103). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern.

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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The significant accounting policies applied in these consolidated financial statements are presented in Note 3 and are based on IFRS effective June 30, 2015. These 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 Consolidated Financial Statements

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on October 19, 2015.

(c) Functional and Presentation Currency

The 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 consolidated financial statements are disclosed in Note 3(m).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the year ended June 30, 2015 and have been applied consistently to all comparative years presented in these consolidated financial statements.

(a) Basis of Consolidation

These 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 intercompany transactions and balances have been eliminated on consolidation.

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Notes to the Consolidated Financial Statements

Expressed in Canadian Dollars

For the Years Ended June 30, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 consolidated 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 ("AFS") 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 AFS 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 Bond

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

(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 amortization 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.

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 consolidated 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.

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For the Years Ended June 30, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Mineral Exploration and Evaluation Expenditures (Continued)

Exploration and Evaluation Assets (Continued)

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.

Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(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

Additions during the year are amortized at one-half the annual rates.

(f) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-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.

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.

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Expressed in Canadian Dollars

For the Years Ended June 30, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 profit or 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 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.

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.

Where share options or warrants expire or are cancelled, the fair value previously recognized is transferred from reserves to accumulated deficit.

(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.

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Expressed in Canadian Dollars

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 recognized in profit 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.

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 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.

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Expressed in Canadian Dollars

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (Continued)

(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.

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 consolidated 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.

(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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, 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 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. Deferred income taxes are determined using tax rates and tax laws that have been enacted by the period-end date. 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.

(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 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 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 June 30, 2015 (2014 - \$nil).

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For the Years Ended June 30, 2015 and 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments (Continued)

Estimates (Continued)

(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 11.

(iii) Income Taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

Judgments

(iv) 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. Subsequent to year-end, the Company withdrew from the Red Hill Project and wrote down the property to its fair value less costs to sell, estimated at \$nil.

(n) Mining and Exploration Tax Credits

The Company recognizes mining and exploration tax credit 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 STANDARDS ADOPTED DURING THE YEAR

The Company adopted the following standards effective July 1, 2014.

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.

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4. RECENT ACCOUNTING PRONOUNCEMENTS ADOPTED DURING THE YEAR (Continued)

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
- **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

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 this revised standard and is currently assessing the impact this standards will have on the consolidated financial statements.

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 July 1, 2018.

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 in the Province of British Columbia. This is a variable interest rate GIC that matures May 10, 2016. The GIC is automatically reinvested on maturity. The effective interest rate at the time of reinvestment was 2%.

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7. OTHER RECEIVABLES

	2015	2014
GST receivable	\$ 83,582	\$ 44,324
Mining and exploration tax credits	2,437	-
Other	8,117	13,810
	\$ 94,136	\$ 58,134

8. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and office equipment	Motor vehicle	Total
Cost				
Balance at June 30, 2013	\$ 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	-	30,084	37,199
Balance at June 30, 2015	\$ 34,863	\$ 16,151	\$ 77,412	\$ 128,426
Accumulated Amortization				
Balance at June 30, 2013	\$ 7,311	\$ 4,403	\$ 18,719	\$ 30,433
Amortization	9,223	5,070	13,784	28,077
Balance at June 30, 2014	16,534	9,473	32,503	58,510
Amortization	10,755	5,698	23,699	40,152
Balance at June 30, 2015	\$ 27,289	\$ 15,171	\$ 56,202	\$ 98,662
Carrying amounts				
Balance at June 30, 2014	\$ 11,214	\$ 6,678	\$ 14,825	\$ 32,717
Balance at June 30, 2015	\$ 7,574	\$ 980	\$ 21,210	\$ 29,764

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9. EXPLORATION AND EVALUATION ASSETS

	Red Hill Project	EL1747 Misima	Total
Acquisition costs			
Balance: June 30, 2013, 2014 and 2015	\$ -	\$ -	\$ -
Exploration costs			
Balance: June 30, 2013	\$ 349,314	\$ 2,415,439	\$ 2,764,753
Assays	-	39,683	39,683
Consulting and administration	28,298	746,824	775,122
Field and miscellaneous	-	100,667	100,667
Geological and geophysical	7,292	56,992	64,284
	35,590	944,166	979,756
Balance: June 30, 2014	384,904	3,359,605	3,744,509
Assays	-	174,381	174,381
Consulting and administration	36,717	721,372	758,089
Drilling	73,475	1,497,909	1,571,384
Field and miscellaneous	-	265,071	265,071
Geological and geophysical	2,637	309,533	312,170
Impairment	(497,733)	-	(497,733)
	(384,904)	2,968,266	2,583,362
Balance: June 30, 2015	\$ -	\$ 6,327,871	\$ 6,327,871

(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 Australian dollars ("AUD") 1,000,000 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 AUD 40,000 per tenement per year commencing 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 AUD 30,000 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 AUD 1,000,000 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.

With the Company's continued focus on the Misima Project, the Company has downgraded the Red Hill Project. On July 23, 2015, the Company withdrew from the Red Hill Project and recognized an impairment of \$497,733 at June 30, 2015.

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9. EXPLORATION AND EVALUATION ASSETS (Continued)

(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 (“EL1747 Misima”).

PPC is the owner of Gallipoli Exploration (PNG) Ltd. (“Gallipoli”), which is the owner of granted EL1747 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) A further 19% interest (for a total interest of 49%) by expending a further AUD 3,000,000 within 12 months, which was extended to March 31, 2015 (complete); and
- (iii) 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 retains the right to an offtake agreement for all mineral production within EL1747 based on prevailing metal prices and a commercial term 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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Accounts payable	\$ 150,182	\$ 105,177
Accrued liabilities	52,897	26,000
Due to related parties (Note 13)	58,871	25,118
	\$ 261,950	\$ 156,295

11. 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 year ended June 30, 2015:

- (i) 140,000 options with a fair value of \$6,174 were exercised to purchase 140,000 common shares in the Company at a price of \$0.10 per option for gross proceeds of \$14,000.

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11. CAPITAL STOCK (Continued)

(b) Issued and Outstanding (Continued)

During the year ended June 30, 2014:

- (ii) 1,000,000 options with a fair value of \$54,300 were exercised to purchase 1,000,000 common shares in the Company at a price of \$0.25 per option for gross proceeds of \$250,000.
- (iii) 775,000 options with a fair value of \$42,082 were exercised at a price of \$0.25 per share for gross proceeds of \$193,750.
- (iv) 150,000 options with a fair value of \$6,615 were exercised at a price of \$0.10 per share for gross proceeds of \$15,000.
- (v) 22,222,222 units at a price of \$0.27 per unit were issued for gross proceeds of \$6,000,000 (Note 11(c)(ii)).

(c) Warrants

Details of the status of the Company's warrants as at June 30, 2015 and 2014 and changes during the years then ended are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2013	1,545,693	\$ 1.06
Exercised warrants	22,222,222	\$ 0.50
Warrants expired	(1,545,693)	\$ 1.06
Warrants outstanding as at June 30, 2014	22,222,222	\$ 0.50
Warrants issued	300,000	\$ 0.25
Warrants outstanding as at June 30, 2015	22,522,222	\$ 0.50

During the year ended June 30, 2015, 300,000 warrants with a fair value of \$20,169 were issued as compensation. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.25 for a period of 36 months following closing.

During the year ended June 30, 2014:

- (i) On September 22, 2013, 1,545,693 warrants with a fair value of \$407,101 expired.
- (ii) On April 7, 2014, 22,222,222 units were issued at a price of \$0.27 per unit (the "Units") for gross proceeds of \$6,000,000. Using the relative fair value method, the Company has allocated \$4,218,644 to capital stock and \$1,781,356 to warrants reserve. Each Unit is comprised of one common share and two separate one-half warrants (one-half of one Warrant A and one-half of one Warrant B). Each whole Warrant A will entitle the holder to acquire one additional common share of the Company at a price of \$0.40 for a period of 18 months following closing. Each whole Warrant B will entitle the holder to acquire one additional common share of the Company at a price of \$0.60 for a period of 36 months following closing.

The warrants outstanding at June 30, 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
300,000	\$ 0.25	March 9, 2018
22,522,222		

The warrants outstanding at June 30, 2014 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		

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11. 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 Venture Exchange 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 June 30, 2015 and 2014 and changes during the years then ended are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2013	4,500,000	\$ 0.37
Granted	1,700,000	\$ 0.45
Exercised	(1,925,000)	\$ 0.24
Forfeited	(300,000)	\$ 0.60
Options outstanding as at June 30, 2014	3,975,000	\$ 0.45
Exercised	(140,000)	\$ 0.10
Expired	(1,125,000)	\$ 0.39
Forfeited	(200,000)	\$ 0.10
Options outstanding as at June 30, 2015	2,510,000	\$ 0.50
Options exercisable as at June 30, 2015	2,510,000	\$ 0.50

The stock options outstanding at June 30, 2015 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (Years)	Exercise Price
June 12, 2016	400,000	0.95	\$ 0.30
June 29, 2017	610,000	2.00	\$ 0.60
October 16, 2017	200,000	2.30	\$ 0.60
June 12, 2019	1,300,000	3.95	\$ 0.50
	2,510,000	2.87	\$ 0.50

The stock options outstanding at June 30, 2014 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (Years)	Exercise Price
July 10, 2014	475,000	0.03	\$ 0.25
April 8, 2015	290,000	0.77	\$ 0.10
May 22, 2015	500,000	0.89	\$ 0.60
June 12, 2016	400,000	1.95	\$ 0.30
June 29, 2017	610,000	3.00	\$ 0.60
October 16, 2017	200,000	3.30	\$ 0.45
October 16, 2017	200,000	3.30	\$ 0.60
June 12, 2019	1,300,000	4.95	\$ 0.50
	3,975,000	2.78	\$ 0.45

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11. CAPITAL STOCK (Continued)

(d) Options (Continued)

During the year ended June 30, 2015:

- (i) On July 10, 2014, 475,000 options with an exercise price of \$0.25 and fair value of \$25,793 expired.
- (ii) On July 28, 2014, 200,000 options with an exercise price of \$0.45 and fair value of \$41,142 were forfeited.
- (iii) On April 8, 2015, 140,000 options with a fair value of \$6,174 were exercised to purchase 140,000 common shares in the Company at a price of \$0.10 per option for gross proceeds of \$14,000.
- (iv) On April 8, 2015 150,000 options with an exercise price of \$0.10 and fair value of \$6,615 expired.
- (v) On May 22, 2015, 500,000 options with an exercise price of \$0.60 and fair value of \$110,450 expired.
- (vi) Included in share-based payments is \$52,277 related to vesting of options granted in prior years.

During the year ended June 30, 2014:

- (vii) On June 12, 2014, 1,300,000 options with fair value of \$381,030 and an exercise price of \$0.50 per share were granted to directors and employees. The full fair value was expensed in the year ended June 30, 2014. These options vested immediately and expire June 12, 2019.
- (viii) On June 12, 2014, 400,000 options with fair value of \$54,748 and an exercise price of \$0.30 per share were granted to certain consultants. Of this amount, \$2,471 was expensed during the year ended June 30, 2014; 25% of these options vest on each of September 12, 2014, December 12, 2014, March 12, 2015 and June 12, 2015. The options expire June 12, 2016.
- (ix) On June 12, 2014, 100,000 options with fair value of \$26,960 and an exercise price of \$0.60 per option granted to a consultant were forfeited.
- (x) On November 5, 2014, 200,000 options with a fair value of \$47,838 and an exercise price of \$0.60 per option granted to a consultant expired.
- (xi) Included in share-based payments is \$28,778 related to vesting of options granted in prior years.

Share-based payments expense for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Directors (Note 13)	\$ -	\$ 352,543
Consultants	72,446	2,471
Employees	-	57,265
	\$ 72,446	\$ 412,279

12. CONTINGENCY

During the year ended June 30, 2015, the Company settled a legal claim commenced against the Company by Medalist Capital Ltd. for breach of contract and fraudulent misrepresentation in relation to unpaid finder's services.

13. RELATED PARTY TRANSACTIONS AND BALANCES

During the year ended June 30, 2015, there were no options or shares granted to directors of the Company (2014 - 1,200,000 options). No share-based payments expense is allocated to options held by directors of the Company (2014 - \$352,543). Included in accounts payable and accrued liabilities is \$58,871 (2014 - \$25,118) owing to directors of the Company.

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13. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management relating to consulting fees, share-based payments, and amounts capitalized to exploration and evaluation assets for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Short-term benefits	\$ 559,054	\$ 563,921
Share-based payments	-	352,543
	<u>\$ 559,054</u>	<u>\$ 916,464</u>

14. INCOME TAXES

The Company has non-capital losses of \$4,030,000 available that may be carried forward and applied against future income for income tax purposes in all jurisdictions. The non-capital losses expire as follows:

Available to	Amount
2027	\$ 200
2028	48,000
2029	40,700
2030	132,300
2031	138,000
2032	820,400
2033	791,800
2034	887,900
2035	993,700
Non-expiring carry-forward non-capital losses	<u>177,000</u>
	<u>\$ 4,030,000</u>

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. Consequently, the Company has tax assets relating to deductible temporary differences and unused tax losses of \$1,221,000 (2014 - \$875,000) for which no deferred tax asset is recognized, as it is not probable that the deferred tax assets will be realized in the future.

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

	2015	2014
Tax basis in excess of carrying value of property and equipment	\$ 21,700	\$ 10,400
Tax basis in excess of carrying value of exploration and evaluation assets	583,400	251,400
Share issuance costs	42,600	71,100
Non-capital loss carry-forwards	<u>3,980,700</u>	<u>3,032,000</u>
	<u>\$ 4,628,400</u>	<u>\$ 3,364,900</u>

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14. INCOME TAXES (Continued)

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate to income before income taxes. The reasons for the differences are as follows:

	2015	2014
Statutory tax rate	26.00%	26.00%
Expected income tax recovery	\$ 451,594	\$ 343,922
Items non-deductible for tax purposes, net	(122,534)	(81,935)
Temporary differences	26,370	15,924
Effect of change in tax rates	80	762
Adjustment due to effective rate attributable to income taxes of other countries	(680)	2,464
Unused tax losses and tax offsets not recognized in tax assets	(354,830)	(281,137)
	\$ -	\$ -

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as fair value through profit or loss; reclamation bond, as held-to-maturity; deposit, as loans and receivables; 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. The carrying value of the deposit also approximates its fair value.

(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.

(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 June 30, 2015 in the amounts of \$1,003,033 and \$94,136 (2014 - \$5,147,986 and \$58,134), respectively. At June 30, 2015, the Company has accounts payable and accrued liabilities of \$261,950 (2014 - \$156,295) 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 due to 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 AUD. The Company has net monetary assets of \$741,073 (2014 - \$4,719,179) denominated in AUD.

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15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

(i) Foreign Currency Risk (Continued)

For the year ended June 30, 2015, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 5% will have an effect on the Company's business, financial condition and results of operations in the amount of approximately \$37,000 (2014 - \$240,000).

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 June 30, 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.

16. 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.

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

17. 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 is as follows:

	Canada	Australia	Papua New Guinea	Total
As at June 30, 2015				
Property and equipment	\$ 5,524	\$ 2,050	\$ 22,190	\$ 29,764
Exploration and evaluation assets	-	-	6,327,872	6,327,872
Total non-current assets	\$ 5,524	\$ 2,050	\$ 6,350,062	\$ 6,357,636
As at June 30, 2014				
Property and equipment	\$ 10,870	\$ 343	\$ 21,504	\$ 32,717
Exploration and evaluation assets	-	384,904	3,359,605	3,744,509
Total non-current assets	\$ 10,870	\$ 385,527	\$ 3,381,109	\$ 3,777,226

18. EVENTS AFTER THE REPORTING DATE

On October 7, 2015, 11,111,111 warrants expired.