2015 ANNUAL FINANCIAL STATEMENTS

RADISSON MINING RESOURCES INC.

Deloitte.

Deloitte LLP
1190, des Canadiens-de-Montréal
Avenue
Suite 500
Montreal QC H3B 0M7
Canada

Tel: 514-393-5445
Fax: 514-390-4111
www.deloitte.ca

Independent Auditor's Report

To the Shareholders of
Radisson Mining Resources Inc.

We have audited the accompanying financial statements of Radisson Mining Resources Inc., which comprise the statements of financial position as at December 31, 2015 and December 31, 2014, and the statements of net loss, statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Radisson Mining Resources Inc. as at December 31, 2015 and December 31, 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 financial statements, which describes the facts and circumstances that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(s) Deloitte LLP [1]

April 22, 2016

[1] CPA auditor, CA, public accountancy permit No. A124341

RADISSON MINING RESOURCES INC.

Statements of financial position
(in Canadian dollars)

	December 31, 2015	December 31, 2014
	$	$
Assets		
Current:		
Funds reserved for evaluation and exploration (Note 11)	**341,672**	220,803
Investments (Note 4)	**120,400**	299,600
Government taxes receivable	**21,848**	22,553
Other accounts receivable	**1,190**	1,190
Prepaid expenses	**37,628**	50,557
	522,738	594,703
Non-current:		
Property, plant and equipment (Note 5)	**5,203**	7,109
Evaluation and exploration assets (Note 6)	**8,380,460**	8,015,777
	8,908,401	8,617,589
Liabilities		
Current:		
Accounts payable and accrued liabilities	**182,664**	136,074
Non-current:		
Deferred income and mining taxes (Note 7)	**2,665,604**	2,527,159
Other liability related to flow-through shares (Note 8)	**181,440**	264,882
	3,029,708	2,928,115
Equity:		
Capital stock (Note 9)	**32,794,822**	32,093,621
Equity settled reserve	**3,751,514**	3,688,197
Warrants (Note 9)	**36,202**	50,000
Deficit	**(30,703,845)**	(30,175,893)
Accumulated other comprehensive income	**-**	33,549
	5,878,693	5,689,474
	8,908,401	8,617,589

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

Mario Bouchard
Director

Jean-Marie Dupont
Director

RADISSON MINING RESOURCES INC.

Statements of net loss
For the years ended December 31
(in Canadian dollars)

	2015	2014
	$	$
Revenues:		
Gain on disposal of investments	**-**	12,082
Administration costs:		
Salaries and employee benefits	**89,654**	54,426
Share-based compensation and payments	**41,650**	49,920
Experts and subcontractors	**73,500**	88,908
Professional fees	**38,761**	41,714
Travelling and promotion	**41,294**	50,142
Information to shareholders	**61,480**	66,983
Listing and registration fees	**39,798**	27,213
Rent and occupancy costs	**-**	4,800
Office supplies	**7,669**	10,179
Insurance, taxes and licences	**16,284**	17,743
Interest and bank charges	**1,801**	1,788
Income tax Part XII.6	**1,827**	-
Telecommunication	**5,944**	8,601
Depreciation of property, plant and equipment	**1,906**	2,062
Maintenance of a mining site	**23,619**	25,414
Deferred evaluation and exploration expenditures write-off	**79,212**	-
Mining property write-off	**10,800**	-
Impairment of securities available-for-sale	**145,651**	-
Other	**1,872**	-
	682,722	449,893
Loss before income and mining taxes	**(682,722)**	(437,811)
Recovery of income and mining taxes (Note 7)	**126,437**	198,124
Net loss for the year	**(556,285)**	(239,687)
Basic and diluted net loss per share (Note 10)	**(0,007)**	(0,003)

The accompanying notes are an integral part of the financial statements.

RADISSON MINING RESOURCES INC.

Statements of comprehensive income
For the years ended December 31
(in Canadian dollars)

	2015	2014
	$	$
Net loss for the year	**(556,285)**	(239,687)
Other comprehensive income		
Items that may be subsequently reclassified to net loss		
Changes in gain or loss on available-for-sale investments, net of income taxes		
Unrealized gain (loss) on securities available-for-sale arising during the year	**(179,200)**	213,686
Impairment of securities available-for-sale reclassified to net loss	**145,651**	-
Gain realized during the year reclassified to net loss	**-**	(12,082)
Comprehensive income	**(589,834)**	(38,083)

The accompanying notes are an integral part of the financial statements.

RADISSON MINING RESOURCES INC.

Statements of changes in equity
(in Canadian dollars)

	Capital stock	Equity settled reserve	Deficit	Warrants	Accumulated other comprehensive income	Total equity
	$	$	$	$	$	$
Balance as at December 31, 2014	32,093,621	3,688,197	(30,175,893)	50,000	33,549	5,689,474
Net loss for the year	-	-	(556,285)	-	-	(556,285)
Share issuance	868,400	-	-	-	-	868,400
Premium on flow-through shares	(181,440)	-	-	-	-	(181,440)
Share issuance costs	(84,714)	-	-	7,657	-	(77,057)
Share-based compensation	-	41,650	-	-	-	41,650
Warrants issued	(28,545)	-	-	28,545	-	-
Warrants exercised	127,500	-	28,333	(28,333)	-	127,500
Warrants expired	-	21,667	-	(21,667)	-	-
	32,794,822	3,751,514	(30,703,845)	36,202	33,549	5,912,242
Other comprehensive income						
Unrealized loss for the year on securities available-for-sale	-	-	-	-	(179,200)	(179,200)
Impairment of securities available-for-sale reclassified to net loss	-	-	-	-	145,651	145,651
	-	-	-	-	(33,549)	(33,549)
Balance as at December 31, 2015	**32,794,822**	**3,751,514**	**(30,703,845)**	**36,202**	**-**	**5,878,693**

The accompanying notes are an integral part of the financial statements.

RADISSON MINING RESOURCES INC.

Statements of changes in equity
(in Canadian dollars)

	Capital stock	Equity settled reserve	Deficit	Warrants	Accumulated other comprehensive income	Total equity
	$	$	$	$	$	$
Balance as at December 31, 2013	31,362,455	3,586,924	(29,936,206)	52,941	(168,055)	4,898,059
Net loss for the year	-	-	(239,687)	-	-	(239,687)
Share issuance	1,090,500	-	-	-	-	1,090,500
Premium on flow-through shares	(299,491)	-	-	-	-	(299,491)
Share issuance costs	(21,431)	-	-	-	-	(21,431)
Share-based compensation	-	49,920	-	-	-	49,920
Warrants issued	(50,000)	-	-	50,000	-	-
Warrants exercised	11,588	-	-	(1,588)	-	10,000
Warrants expired	-	51,353	-	(51,353)	-	-
	32,093,621	3,688,197	(30,175,893)	50,000	(168,055)	5,487,870
Other comprehensive income						
Unrealized gain for the year on securities available-for-sale	-	-	-	-	213,686	213,686
Gain realized during the year to reclassified to net loss	-	-	-	-	(12,082)	(12,082)
	-	-	-	-	201,604	201,604
Balance as at December 31, 2014	32,093,621	3,688,197	(30,175,893)	50,000	33,549	5,689,474

The accompanying notes are an integral part of the financial statements.

RADISSON MINING RESOURCES INC.

Statements of cash flows
For the years ended December 31
(in Canadian dollars)

	2015	2014 [1]
	$	$
Operating activities:		
Net loss for the year	**(556,285)**	(239,687)
Items not affecting cash:		
Depreciation of property, plant and equipment	**1,906**	2,062
Share-based compensation	**41,650**	49,920
Income and mining taxes	**(126,437)**	(198,124)
Gain on disposal of investments	**-**	(12,082)
Deferred evaluation and exploration expenditures write-off (Note 6)	**79,212**	-
Mining property write-off (Note 6)	**10,800**	-
Impairment of securities available-for-sale	**145,651**	-
Net change in non-cash working capital items (Note 14)	**529**	(85,489)
	(402,974)	(483,400)
Investing activities:		
Disposal of investments	**-**	31,086
Acquisition of property, plant and equipment	**-**	(1,780)
Tax credit received	**-**	11,197
Increase in evaluation and exploration assets	**(395,000)**	(446,330)
	(395,000)	(405,827)
Financing activities:		
Issuance of capital stock and warrants exercised	**995,900**	1,100,500
Share issuance costs	**(77,057)**	(21,431)
Advances received form directors (Note 12)	**75,000**	-
Advances reimbursed to directors (Note 12)	**(75,000)**	-
	918,843	1,079,069
Increase in cash and cash equivalents	**120,869**	189,842
Cash and cash equivalents, beginning of year	**220,803**	30,961
Cash and cash equivalents, end of year	**341,672**	220,803
Cash and cash equivalents are composed of:		
Funds reserved for evaluation and exploration	**341,672**	220,803

[1] Certain comparative amounts were reclassified to allow comparison with the year ended December 31, 2015.

Additional information is presented at note 14.

The accompanying notes are an integral part of the financial statements.

1 - Description of the business and going concern

The Company, incorporated under the Canada Business Corporations Act, is in the process of exploring mining properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Radisson Mining Resources Inc.'s head office is located on 1,750 chemin de la Baie verte in Rouyn-Noranda, J0Z 2X0, in the province of Quebec in Canada. Its stock is listed on TSX Exchange Venture under the symbol RDS.

Since its incorporation, the Company has accumulated a deficit of $30,703,845 and during the year ended December 31, 2015, the Company recorded a net loss of $556,285.

Besides the usual needs for working capital, the Company must obtain the funds permitting to fulfill its obligations and existing commitments for exploration and evaluation programs and reserved amounts following flow-through financings. During the year ended December 31, 2015, the Company has used an amount of $70,518 of funds reserved for evaluation and exploration for operating activities of the Company. This amount was reserved for evaluation and exploration under flow-through financings and is included in the financing requirement for the year 2016. As at December 31, 2015, the Company has a positive working capital of $340,074 which includes funds reserved for evaluation and exploration for $341,672. The Company believes that these existing funds will not be sufficient to meet the obligations of the Company until December 31, 2016.

Management has evaluated its additional needs of cash for the year 2016 to approximately $545,000 to meet its obligations of working capital, evaluation and exploration expenses related to flow-through financings including an estimated amount of $434,000 for administrative expenses.

Management periodically seeks additional forms of financing through the issuance of shares and the exercise of share purchase options and warrants to continue its operations, and although it has been successful in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts recorded in these financial statements.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and payments of liabilities in the normal course of operations and do not reflect the adjustments to the carrying value of assets and liabilities, to recorded revenues and expenses and to the classification of items in the statements of financial position that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

On April 22, 2016, the board of directors approved the financial statements for the year ended on December 31, 2015 and 2014.

2 - Basis of presentation and IFRS

These financial statements have been prepared by the Company's management in accordance with *International Financial Reporting Standards* ("IFRS"). The accounting policies described in Note 3 were consistently applied to all the periods presented unless otherwise noted.

3 - Significant accounting policies

New and revised International financial reporting standards

(a) New and revised International Financial Reporting Standards, but not yet effective

Certain new standards, interpretations, amendments and improvements to the existing standards are not yet effective and have not been applied in these financial statements.

IFRS 9 - *Financial Instruments* - The amendments to IFRS 9 is the first of multi-phase project to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. It simplifies the measurement and classification for financial assets by reducing the number of measurement categories and removing complex rule-driven embedded derivative guidance in IAS 39, *Financial Instruments: Recognition and Measurement.* The new standard also provides for a fair value option in the designation of a non-derivative financial instrument and its related classification and measurement. Management does not expect to early adopt this standard. The application of IFRS 9 has been deferred to January 1, 2018.

3 - Significant accounting policies (continued)

New and revised International financial reporting standards (continued)

(a) New and revised International Financial Reporting Standards, but not yet effective (continued)

Amendments to IAS 1, *Disclosure Initiative:*

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments apply for annual periods beginning on or after January 1, 2016 and early application is permitted. The amendment is not expected to result in significant changes to the level of aggregation in the financial statements.

IFRS 11, *Joint Arrangement*

IFRS 11 was amended in May 2014 to add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company estimated this amendment will have no impact on its financial statements.

IFRS 15, *Revenue from contracts with customers*

In May 2014, IASB issued IFRS 15 – *Revenue from contracts with customers* ("IFRS 15''). This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers*, and SIC-31 *Revenue Barter transactions involving advertising services*. IFRS 15 applies to all contracts with customers except those that are within the scope of other IFRSs. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact this standard is expected to have on its financial statements.

IFRS 16 - *Leases*

In January 2016, IASB issued IFRS 16 – *Leases*. The standard specify how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases. IFRS 16 is effective for annual period beginning on or after January 1, 2019. Early adoption is permitted if the Company applied IFRS 15 – *Revenue from contract with customers*. The Company is currently assessing the expected impact of this standard on its financial statements.

Currency conversion

The financial statements of the Company are presented in Canadian dollars, which is the functional currency. Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the statement of loss. Exchange differences relating to operating activities are recorded in net loss of the period; exchange differences related to financing transactions are recognized in net loss or in equity.

Share-based compensation

The Company has a stock option plan under which options to acquire common shares of the Company may be granted to its directors, officers and employees. The plan does not feature any options for a cash settlement. Where employees are rewarded using share-based payments, the fair values of the equity instruments granted is evaluated using the Black & Scholes pricing model at the date of grant. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense in prior periods if share options ultimately exercised are different from the number initially estimated. Upon exercise of stock options, the amounts received and the fair value are recognized in capital stock. When stock options are forfeited or expired, the relating amounts are transferred to equity settled reserve.

Evaluation and exploration assets

Expenditures incurred before the Company has obtained the legal rights to explore a specific area are expensed. Expenses related to the development of mineral resources are not recognized as evaluation and exploration assets. Expenditures related to development are accounted for as an asset only when the technical feasibility and commercial viability of a specific area have been demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

3 - Significant accounting policies (continued)

Evaluation and exploration assets (continued)

All costs associated with property acquisition and exploration activities are capitalized as evaluation and exploration assets. The capitalized costs are limited to costs related to acquisition and exploration activities that can be associated with the discovery of specific mineral resources, which exclude administrative expenses and other similar indirect costs.

Costs related to the acquisition of mining properties and to evaluation and exploration expenditures are capitalized property by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrated. Evaluation and exploration assets are tested for impairment before the reclassification, and any impairment loss is then recognized. The Company assesses periodically facts and circumstances set out in IFRS 6, *Exploration for evaluation of mineral resources*, that requires testing evaluation and exploration assets for impairment when facts and circumstances suggest that the carrying value of such asset may exceed its recoverable amount.

The recoverable amount of evaluation and exploration assets depends on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary funding to complete the development, and future profitable production or proceeds from the disposition thereof. The carrying value of evaluation and exploration assets do not necessarily represent present or future value.

Deferred Income and mining taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. The Company does not record all or any deferred income tax assets if, based on available information, it is more likely than not that some or all of the deferred tax assets will not be realized.

Basic and diluted loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by adjusting earnings attributable to common shareholders, and the weighted average number of common shares outstanding, for the effects of all potential common shares. The calculation considers that potential common shares are deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. For the purpose of calculating its diluted loss per share, an entity assumes the exercise of dilutive options. The assumed proceeds from these instruments must be regarded as having been received from the issue of common shares at the average market price of common shares during the period.

Cash and cash equivalents and funds reserved for exploration

Cash and cash equivalents comprise cash and temporary investments with original maturity dates of less than three months from the date of acquisition. Funds reserved for evaluation and exploration are included in cash and cash equivalents, but are on a separate line in the statements of financial position.

Mining taxes and refundable tax credit

The Company is entitled to a mining tax credit for mining exploration expenses in Quebec. Furthermore, the Company is entitled to a refundable tax credit relating to resources on eligible expenses incurred in Quebec. Tax credits are applied against the costs of evaluation and exploration assets in relation with IAS 20, *Accounting for government grants and disclosure of government assistance* less accumulated depreciation and loss if applicable. These tax credits are recorded, provided that the Company is reasonably certain that these credits will be received.

3 - Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization and, where applicable, impairment losses. The cost less residual value is amortized over the estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual period of financial reporting and the impact of any change in estimates is recognized prospectively. Depreciation of equipment and computer equipment is calculated using the diminishing balance method at a rate of 30%.

Flow-through Shares

IFRS do not specifically address the accounting for flow-through shares or the related tax consequences arising from such transactions. The Company has adopted the view expressed by the Mining Industry Task Force on IFRS created by CPA Canada and the Prospectors and Developers Association of Canada (PDAC).

The Company considers that the issuance of flow-through shares is in substance an issue of common shares and the sale of tax credits. The sale of tax credits is measured using the residual method. At the time the flow-through shares are issued, the sale of tax credits is deferred and presented as other liabilities in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce), the sale of tax deductions is recognized in the statement of loss as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. The renouncement of tax credits related to flow-through shares may lead to the recognition of previously unrecognized deferred tax assets.

Revenue Recognition

Gains or losses resulting from disposal of investments are recognized in the statement of loss upon disposal of the title. Interest income is recognized using the accrual basis of accounting. It is accounted for depending on the number of days the investment is held. Sales of mining properties are accounted for by applying the proceeds from such sales/options to the carrying cost of the property, then in reduction of deferred evaluation and exploration expenditures relating to the property. Any remaining balance is recognized in earnings.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations resulting from a past event are likely to result in an outflow of economic resources of the Company and amounts can be reliably estimated. The timing or amount of the outflow may be uncertain. An actual obligation arises from the presence of a legal or constructive obligation that has resulted from past events, for example, legal disputes, property, plant and equipment retirement obligations and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

Any reimbursement that the Company can be virtually certain to collect from a third-party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Company which do not yet meet the recognition criteria of an asset are considered contingent assets and are not recognized.

Equity

Capital stock represents the amount received on shares issuance, less issuance costs. Reserves include charges related to share-based compensation until the exercise of options issued as remuneration. Deficit includes all current and prior years' losses. Gains and losses on certain financial instruments are included in the section entitled "Accumulated other comprehensive income".

Warrants' fair value

The proceeds of unit issuances are allocated to the shares and warrants in proportion of their fair value using the Black & Scholes model to calculate the fair value of warrants.

3 - Significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual arrangements of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized upon extinguishment, termination, cancellation or expiration.

Financial assets and liabilities are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss for which transaction costs are recorded in the statement of loss.

Financial assets and liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in net earnings or in other comprehensive income.

Financial assets, except those at fair value through net profit or loss, are subject to review for impairment at least at each reporting date. Financial assets available-for-sale are impaired when there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of assets and the estimated future cash flows of the financial assets have been allocated. Impairment is accounted for in net loss, including all previous changes in fair value accounted for in the other cumulated comprehensive income. Subsequent decrease is accounted for in net loss and subsequent increase is accounted for in the other cumulated comprehensive income.

All income and expenses relating to financial assets that are recognized in net earnings are presented within "other revenue" or "administrative expenses".

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted if its effect is not significant. Cash and cash equivalents, funds reserved for evaluation and exploration and accounts receivable are included in this category of financial instruments.

Financial assets at fair value through net profit or loss

Financial assets are classified at fair value through net profit or loss when they are held for trading or are designated as at fair value through profit or loss. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in short-term; or
- at initial recognition, it is part of a portfolio of identified financial instruments that are managed together by the Company and which has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3 - Significant accounting policies (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as being in this category or that do not qualify for inclusion in any of the other categories of financial assets. The Company’s available-for-sale financial assets include investments in shares of public companies.

All available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in other comprehensive income and reported within the accumulated other comprehensive income section in equity, except for impairment losses, which are recognized in net loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified to net loss and presented as a reclassification adjustment within other comprehensive income.

Reversals of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in net earnings only if the reversal can be objectively related to an event occurring after the impairment loss.

Financial liabilities

The Company’s financial liabilities include accounts payable and accrued liabilities. Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are subsequently measured at fair value with gains or losses recognized in net loss. If applicable, all interest-related charges and changes in an instrument's fair value that are reported in net loss are included within “other revenue” or “administration costs”.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows over the expected life of the asset or liability, or, if appropriate, on a shorter period at net book value at initial recognition.

Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and will rarely be identical to the estimated results. The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

Share-based compensation and payments and fair value of warrants

The estimation of share-based compensation costs and fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Company is the Black & Scholes model.

Evaluation and exploration expenditures

The application of the Company’s accounting policy for evaluation and exploration expenditures requires judgment in determining the degree to which the expenditure can be associated with finding specific mineral resources. The estimation process requires varying degrees of uncertainty and these estimates directly impact the presentation of evaluation and exploration expenditures. The presentation policy requires management to make certain estimates and assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures have been capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written-off in the year when the new information becomes available.

Impairment of evaluation and exploration assets

The carrying amounts of mining properties and exploration and evaluation assets are tested for impairment only when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future and it is not expected that they be renewed;

(in Canadian dollars)

3 - Significant accounting policies (continued)

Impairment of evaluation and exploration assets (continued)

- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

If any such indication exists, then the asset's recoverable amount is estimated.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on rates taxation (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Company expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities.

Fair value estimates of investments

Through option agreements on its properties, the Company sometimes receives cash payments and/or shares from the company behind the agreement options. The Company determines fair value of these shares when the shares are received using the quoted price when the shares are traded in an active market. In case the shares are not traded in an active market, the Company establishes fair value using a valuation technique.

Amount due to investors

This amount is included in accounts payable and accrued liabilities in the statement of financial position. The Company estimated the fair value of the amount payable based on a history of settlements occurred with other investors.

Going concern

In assessing whether the going concern assumption is appropriate, management takes into consideration all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management evaluates the need of cash for the future considering administrative expenses and obligations related to flow-through financings. The Company estimates to the best of its knowledge the future financing opportunities in order to satisfy itself that the going concern basis is appropriate.

4 - Investments

	December 31, 2015	December 31, 2014
	$	$
280,000 shares of Balmoral Resources Ltd., public company	**120,400**	299,600

5 - Property, plant and equipment

			December 31, 2015
	Cost	**Accumulated depreciation**	**Net book value**
	$	**$**	**$**
Equipment	**8,158**	**6,971**	**1,187**
Computer equipment	**21,390**	**17,374**	**4,016**
	29,548	**24,345**	**5,203**

(in Canadian dollars)

5 - Property, plant and equipment (continued)

	Cost	Accumulated depreciation	December 31, 2014 Net book value
	$	$	$
Equipment	8,158	6,536	1,622
Computer equipment	21,390	15,903	5,487
	29,548	22,439	7,109

6 - Evaluation and exploration assets

	Balance December 31, 2014	Increase	Write-off	**Balance December 31, 2015**
	$	$	$	**$**
Mining properties:				
O'Brien	152,789	-	-	**152,789**
Kewagama	9,950	-	-	**9,950**
Lac Gouin	10,800	-	(10,800)	**-**
	173,539	-	(10,800)	**162,739**
Deferred evaluation and exploration expenditures:				
O'Brien	5,531,420	257,933	-	**5,789,353**
Kewagama	2,231,606	196,762	-	**2,428,368**
Lac Gouin	79,212	-	(79,212)	**-**
	7,842,238	454,695	(79,212)	**8,217,721**
	8,015,777	454,695	(90,012)	**8,380,460**

	Balance December 31, 2013	Increase	Tax credits	Balance December 31, 2014
	$	$	$	$
Mining properties:				
O'Brien	152,789	-	-	152,789
Kewagama	9,950	-	-	9,950
Lac Gouin	10,800	-	-	10,800
	173,539	-	-	173,539
Deferred evaluation and exploration expenditures:				
O'Brien	5,255,910	283,530	(8,020)	5,531,420
Kewagama	2,106,309	127,630	(2,333)	2,231,606
Lac Gouin	25,329	54,727	(844)	79,212
	7,387,548	465,887	(11,197)	7,842,238
	7,561,087	465,887	(11,197)	8,015,777

(in Canadian dollars)

6 - Evaluation and exploration assets (continued)

Variation of deferred evaluation and exploration expenditures:

	December 31, 2015	December 31, 2014
	$	$
Evaluation and exploration expenditures:		
Experts and subcontractors	**377,165**	454,055
General exploration expenditures	**14,235**	11,832
Drilling	**63,295**	-
	454,695	465,887
Other:		
Tax credit	**-**	(11,197)
Mining property and deferred exploration expenses write-off	**(79,212)**	-
Net increase in deferred evaluation and exploration expenditures	**375,483**	454,690
Balance, beginning of year	**7,842,238**	7,387,548
Balance, end of year	**8,217,721**	7,842,238

7 - Income and mining taxes

	2015	2014
	$	$
Deferred tax expense recognized in the current year	**(126,437)**	(114,674)
Adjustment related to flow-through shares	**-**	(83,450)
	(126,437)	(198,124)
Total income and mining tax recovery recognized in the current year	**(126,437)**	(198,124)

The following table provides reconciliation between net earnings and tax expense:

	December 31, 2015	December 31, 2014
	$	$
Loss before income and mining taxes	**(682,722)**	(437,811)
Combined statutory tax rates	**26.9%**	26.9%
Income and mining taxes calculated at the combined rate	**(183,652)**	(117,771)
Deferred tax expense relating to flow-through shares	**169,438**	179,813
Non-deductible expenses and other	**15,603**	11,728
Valuation allowance variation	**54,276**	102,385
Adjustment from previous years	**4,923**	**-**
Non-capital losses expiration	**77,857**	-
Adjustment related to flow-through shares for previous years	**-**	(83,450)
Income taxes and mining taxes	**138,445**	92,705
Other liability related to flow-through shares issuance (Note 8)	**(264,882)**	(290,829)
Recovery of Income taxes and mining taxes relating to continuing operations	**(126,437)**	(198,124)

(in Canadian dollars)

7 - Income and mining taxes (continued)

As at December 31, 2015, the Company had the following tax losses available to reduce future years' taxable income. The tax effect resulting from these tax losses has not been recorded in the financial statements.

Non-capital losses carried forward available for tax purposes:

	Federal	Provincial
	$	$
2026	**972,295**	**845,196**
2027	**802,631**	**801,871**
2028	**809,059**	**809,059**
2029	**432,761**	**432,761**
2030	**444,186**	**444,186**
2031	**513,776**	**513,511**
2032	**342,673**	**342,673**
2033	**435,431**	**435,431**
2034	**436,526**	**436,526**
2035	**443,022**	**443,022**
	5,632,360	**5,504,236**

Furthermore, the Company has $450,576 of capital losses available to reduce capital gains of future years.

Deferred income tax balance:

	December 31, 2014	Recognized in net loss	Recognized directly in equity	**December 31, 2015**
	$	$	$	**$**
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	1,619,418	42,576	-	**1,661,994**
Share issuance costs	13,789	(12,403)	22,788	**24,174**
Property, plant and equipment	63,795	513	-	**64,308**
Available-for-sale financial assets	(4,513)	24,103	-	**19,590**
	1,692,489	54,789	22,788	**1,770,066**
Less valuation allowance	(1,628,693)	(54,276)	(22,788)	**(1,705,757)**
	63,796	513	-	**64,309**
Deferred tax liabilities				
Evaluation and exploration assets	(2,590,955)	(138,958)	-	**(2,729,913)**
Deferred tax liabilities	(2,527,159)	(138,445)	-	**(2,665,604)**

(in Canadian dollars)

7 - Income and mining taxes (continued)

	December 31, 2013	Recognized in net loss	Recognized in comprehensive income	Recognized directly in equity	December 31, 2014
	$	$	$	$	$
Temporary differences					
Deferred tax assets					
Non-capital loss carry forward	1,503,250	116,168	-	-	1,619,418
Share issuance costs	21,807	(13,783)	-	5,765	13,789
Property, plant and equipment	63,240	555	-	-	63,795
Available-for-sale financial assets	22,603	-	(27,116)	-	(4,513)
	1,610,900	102,940	(27,116)	5,765	1,692,489
Less valuation allowance	(1,547,659)	(102,385)	27,116	(5,765)	(1,628,693)
	63,241	555	-	-	63,796
Deferred tax liabilities					
Evaluation and exploration assets	(2,414,245)	(176,710)	-	-	(2,590,955)
Deferred tax liabilities	(2,351,004)	(176,155)	-	-	(2,527,159)

8 - Other liability related to flow-through shares

	December 31, 2015	December 31, 2014
	$	$
Balance, beginning of year	**264,882**	256,220
Increase of the year [1]	**181,440**	299,491
Decrease related to eligible exploration expenses incurred (Note 7)	**(264,882)**	(290,829)
Balance, end of year	**181,440**	264,882

[1] Represents the excess of the proceeds from flow-through shares issued over the fair value of issued shares. More details on note 9, Capital stock section.

9 - Capital stock

Authorized:

Unlimited number of class A shares, voting and participating, no par value

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1 and 5%, non-participating, non-voting, redeemable at the option of the Company for an amount equal to the price paid plus any dividend declared and unpaid, no par value.

(in Canadian dollars)

9 - Capital stock (continued)

Movements in class A shares of the Company are as follows:

	2015		2014	
	Class A shares	**Amount**	Class A shares	Amount
		$		$
Issued and paid				
Balance, beginning of year	**81,815,003**	**32,093,621**	73,785,762	31,362,455
Paid in cash [(2)]	**4,187,693**	**515,855**	5,907,001	534,940
Warrants exercised [(3)]	**1,062,500**	**127,500**	100,000	11,588
Flow-through shares [(4)]	**1,296,000**	**142,560**	2,022,240	206,069
Share issuance costs	**-**	**(84,714)**	-	(21,431)
Balance, end of year [(1)]	**88,361,196**	**32,794,822**	81,815,003	32,093,621

[(1)] 37,500 (37,500 in 2014) class A shares are held in escrow and cannot be transferred, mortgaged, pledged or otherwise disposed without the consent of the Autorité des marchés financiers and the TSX Venture Exchange.

For the year ended December 31, 2015:

[(2)] Class A shares

- In August 2015, the Company issued 3,418,461 units at $0.13 per units for a total amount of $444,400. Each unit is composed of 1 class A share and ½ warrant. This results in the issuance of 1,709,230 warrants at a fair value of $23,930. Each warrant entitles the holder to acquire one class A share at an exercise price of $0.18 per class A share for a period 18 months. In connection with this private placement, 273,477 warrants were issued to the agents to acquire one class A share of the share capital of Radisson for $0.13 until February 13, 2017. The fair value of these warrants is estimated to $7,657 and is accounted for under share issuance costs. Share issuance costs of $68,893 are related to this private placement.
- In September 2015, the Company issued 769,232 units at $0.13 per units for a total amount of $100,000 to Quebec exploration fund Sodémex II s.e.c. Each unit is composed of 1 class A share and ½ warrant. This results in the issuance of 384,616 warrants at a fair value of $4,615. Each warrant entitles the holder to acquire one class A share at an exercise price of $0.18 per class A share for a period of 18 months. Share issuance cost of $5,522 are related to this placement.

[(3)] Warrants

- In March 2015, a Quebec exploration fund exercised 937,500 warrants at $0.12 relating to a 2013 financing for a total amount of $112,500.
- In August 2015, a shareholder exercised 125,000 at $0.12 warrants relating to a 2013 financing for a total amount of $15,000.

[(4)] Flow-through shares

- In December 2015, the Company issued 1,296,000 flow-through shares at $0.25 per share for a total amount of $324,000 (fair value of $142,650). An amount of $181,440 is accounted for as “Other liability related to flow-through shares” (refer to note 8). Share issuance cost of $2,642 are related to this placement.

For the year ended December 31, 2014:

[(2)] Class A shares

- In March 2014, the Company issued 3,750,000 units at $0.08 per units for a total amount of $300,000. Each unit is composed of 1 class A share and ½ warrant. This results in the issuance of 1,875,000 warrants at a fair value of $50,000. Each warrant entitles the holder to acquire one class A share at an exercise price of $0.12 per class A share for a period 18 months.
- In July 2014, the Company issued 1,287,001 class A share at $0.12 for a total amount of $154,440.
- In October 2014, the Company issued 870,000 class A share at $0.15 for a total amount of $130,500.

9 - Capital stock (continued)

(3) Warrants

- In July 2014, a shareholder exercised 100,000 warrants at $0.10 related to a 2012 financing for a total amount of $10,000.

(4) Flow-through shares

- In July 2014, the Company issued 802,240 flow-through shares at $0.25 per share for a total amount of $200,560 (fair value of $96,269). An amount of $104,291 is accounted for as “other liability related to flow-through shares” (refer to Note 8).
- In December 2014, the Company issued 1,220,000 flow-through shares at $0.25 per share for a total amount of $305,000 (fair value of $109,800). An amount of $195,200 is accounted for as “other liability related to flow-through shares” (refer to Note 8).

a) Shareholder Rights Plan

The Board of Directors of the Company has adopted a shareholder protection rights plan (the “Rights Plan”) effective since February 2, 2009.

The Rights Plan was adopted to ensure fair treatment of shareholders of Radisson in connection with any takeover bid for outstanding class A shares of the Company. The Rights Plan will provide the Board of Directors of Radisson (the Board) and the shareholders with more time to consider any unsolicited take-over bid. The Rights Plan is intended to discourage coercive or unfair takeover bids. It also allows additional time to the Board to pursue opportunities to maximize shareholder value. The Rights Plan is not designed to prevent unfair takeover bids towards the shareholders of Radisson.

The Rights Plan was not adopted due to, or in anticipation of a specific proposal to take control of Radisson. The TSX Venture Exchange has approved the scheme of protection contingent upon its ratification and confirmation by the shareholders within six months following the date of entry into force of the Plan. The Company has complied to this requirement since the shareholders approved the Rights plan at the annual general meeting held June 26, 2009. The Rights plan ended at the third annual meeting of shareholders following the entry into force. The Company has extended the rights plan at its annual meeting of shareholders in 2015, for a further period of three years.

Under the terms of the Rights Plan, any proposal that meets certain criteria intended to protect the interests of all shareholders is considered a "Permitted Bid". A "Permitted Bid" must be made from a circular bid prepared by the securities laws in force and, in addition to certain other conditions must be valid for a period of at least 60 days. If at the end of 60 days, at least 50% of the class A shares, other than those held by the offeror and certain related parties have been offered, the offeror may take delivery of the securities offered and pay the price. It must also extend the offer of 10 days to allow other shareholders to submit their shares.

The rights issued under the Rights Plan will become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the outstanding class A shares of Radisson without complying with the “Permitted Bid” provisions of the Rights Plan or without approval of the Board. To the best of the knowledge of Radisson, no shareholder or related group holds, directly or indirectly, 20% or more of the class A shares of the Company. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the Rights Plan will entitle shareholders to purchase additional class A shares of Radisson at a significant discount to the market price at that time.

b) Class A stock options:

On June 28, 2007, the Company obtained the authorization from the TSX Venture Exchange to modify the stock option plan in favour of the directors, management employees and consultants. An aggregate number of 6 million class A shares has been reserved for potential issuance under the plan. The exercise price of each option is the market price of the Company’s stock at the date of grant of options and the maximum term of a new option is 5 years. Unless otherwise determined by the Board of Directors, options granted under the modified plan vest immediately.

(in Canadian dollars)

9 - Capital stock (continued)

A summary of the situation as at December 31, 2015 and as at December 31, 2014 is presented below:

Options:

	2015		2014	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding at beginning	**3,785,000**	**0.11**	3,610,000	0.11
Granted-directors and employees	**725,000**	**0.12**	510,000	0.10
Granted- non-employees	**-**	**-**	300,000	0.15
Expired and cancelled	**(1,550,000)**	**0.12**	(635,000)	0.10
Outstanding at the end	**2,960,000**	**0.11**	3,785,000	0.11
Options exercisable at the end	**2,960,000**	**0.11**	3,710,000	0.11

The following table summarizes the information relating to the stock options as at December 31, 2015:

Number of options outstanding	**Exercise price**	**Weighted average remaining life**	**Number of options exercisable**
	$	**years**	
525,000	**0.13**	**4.4**	**525,000**
500,000	**0.12**	**0.5**	**500,000**
1,935,000	**0.10**	**2.5**	**1,935,000**
2,960,000	**0.11**		**2,960,000**

The following table summarizes the information relating to the stock options as at December 31, 2014:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	$	years	
300,000	0.15	1.4	225,000
650,000	0.12	1.5	650,000
875,000	0.11	0.8	875,000
1,960,000	0.10	3.3	1,960,000
3,785,000	0.11		3,710,000

(in Canadian dollars)

9 - Capital stock (continued)

b) Class A stock options (continued):

The Company uses the fair value method for stock options granted to directors, officers, employees and non- employees. Accordingly, the fair value of the options at the date of grant is recorded through net loss, with a credit to equity-settled reserve, over vesting periods (which can vary from immediate vesting to 3 years). Upon exercise of option, the amount initially recorded as equity-settled reserve is transferred to capital stock. During the year ended December 31, 2015, the Company granted 725,000 options to directors, officers and employees. During the same period 1,550,000 stock options expired.

The following table presents the weighted average fair value at grant date and the weighted average assumptions used to determine the share-based compensation expense using the Black & Scholes option pricing model:

	Year ended December 31, 2015	Year ended December 31, 2014
Share-based compensation and payments	**$41,650**	$49,920
Expected volatility [1]	**47%**	90%
Risk-free interest rate	**1.01%**	1.39%
Expected dividend rate	**0%**	0%
Estimated duration	**5 years**	3.9 years
Weighted average fair value at grant date	**$0.06**	$0.06

[1] The expected volatility is based on historic volatility of the stock price of the Company.

c) Warrants:

	2015		2014	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding at beginning	**1,875,000**	**0.12**	3,333,334	0.10
Granted	**2,367,323**	**0.18**	1,875,000	0.12
Expired	**(812,500)**	**0.12**	(3,233,334)	0.10
Exercised	**(1,062,500)**	**0.12**	(100,000)	0.10
Outstanding at the end	**2,367,323**	**0.18**	1,875,000	0.12

At December 31, 2015, there were 2,367,323 warrants which were as follows:

Exercise price	**Outstanding**	**Expiration date**
$		
0.18	**1,709,230**	**February 2017**
0.13	**273,477**	**February 2017**
0.18	**384,616**	**March 2017**

(in Canadian dollars)

9 - Capital stock (continued)

c) Warrants (continued):

At December 31, 2014, there were 1,875,000 warrants which were as follows:

Exercise price	Outstanding	Expiration date
$		
0.12	1,875,000	September 2015

The following table presents the weighted average assumptions used to determine the fair value of warrants granted using the Black & Scholes model:

	Year ended December 31, 2015	Year ended December, 31, 2014
Warrants value	**$36,202**	$50,000
Expected volatility [1]	**42%**	97%
Risk-free interest rate	**0.42%**	1.01%
Expected dividend rate	**0%**	0%
Estimated duration	**1.5 year**	1.5 year

[1] The expected volatility is based on historic volatility of the stock price of the Company.

10 - Basic and diluted loss per share

	December 31, 2015	December 31, 2014
Net loss of the year	**$(556,285)**	$(239,687)
Weighted average outstanding shares	**84,081,173**	77,814,532
Net loss per share	**$(0.007)**	$(0.003)

Diluted loss per share equals basic loss per share as options and warrants are antidilutive.

11 - Funds reserved for evaluation and exploration

	December 31, 2015	December 31, 2014
	$	$
Flow-through shares financings received during the year	**324,000**	505,560
Less: Deferred evaluation and exploration expenditures related to flow-through shares financings of the year	**-**	(66,556)
Plus: Deferred evaluation and exploration expenditures included in accounts payable and accrued liabilities	**88,190**	28,495
Required funds reserved for evaluation and exploration	**412,190**	467,499
Less: Funds used for current administration costs (a)	**(70,518)**	(246,696)
Funds reserved for evaluation and exploration presented in the statement of financial position	**341,672**	220,803

(in Canadian dollars)

11 - Funds reserved for evaluation and exploration (continued)

The Company issues flow-through shares to fund its evaluation and exploration expenditures. These shares require the Company to spend the obtained funds in eligible exploration expenses. These funds, which are not available for the operating activities, are presented separately in the statement of financial position as funds reserved for evaluation and exploration expenditures.

(a) As at December 31, 2015, the Company used an amount of $70,518 ($246,696 as at December 31, 2014) as current administration costs of the Company. This amount was reserved for evaluation and exploration under the flow-through financings.

The temporary use of these funds will be covered in part by the investments held by the Company. The Company will also need to generate cash and obtain an additional non-flow-through financing in 2016 to meet its financial requirements toward its subscribers related to flow-through financings.

12 - Information on related parties

Related party transactions

During 2015, the Company incurred the following transactions with key management and officers of the Company, a company owned by the president and chief executive officer of the Company and with a related party of the president and chief executive officer.

	Year ended December 31, 2015	Year ended December 31, 2014
	$	$
Rent and occupancy costs	**-**	4,800
Office supply	**3,162**	-
Interest and bank charges	**855**	-
General exploration expenditures	**16,548**	-
	20,565	4,800

In June 2015, the Company received short-term advances from three officers for a total amount of $75,000. The advances consist of term notes bearing interest at an annual rate of 6%. The advances were reimbursed on August 24, 2015 following the closing of August 13, 2015 placement (Note 9). Total interest of $855 were paid to the officers.

The above transactions occurred within the normal course of business and are measured at the exchange value, which is the amount of consideration established and agreed by the related parties. The payable balance in relation with these operations is amounting to $16,548 as at December 31, 2015 ($0 as at December 31, 2014).

Compensation of key management personnel:

The remuneration paid or payable to key management (president, vice-president and chief of financial operations, financial manager and directors) was as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
	$	$
Salaries and employee benefits	**89,654**	54,427
Experts and subcontractors included in exploration expenses	**12,750**	-
Experts and subcontractors	**73,500**	81,806
Share-based compensation	**38,950**	41,820
	214,854	178,053

13 - Commitments

Properties located in Québec

O'Brien and Kewagama properties:

On March 15, 1999, a purchase and sale agreement was signed by the Company, Breakwater Resources and 3064077 Canada Inc., a subsidiary of Breakwater Resources Inc., for the purchase by the Company of the O'Brien and Kewagama properties. By this agreement, the Company has acquired all rights on both properties including all the infrastructures on site.

In consideration, the Company agreed to pay $1,000,000 in cash upon starting commercial production less the costs that could be incurred to restore the tailing ponds.

A 2% royalty on net smelter return is payable to a third party in the event of commercial production of the Kewagama property.

Lac Gouin property:

On July 29, 2013, the Company entered into an agreement with independent prospectors to acquire the mining property "Lac Gouin SSO", Lac St-Jean, Québec. In return, the Company paid $9,000 in cash and issued 30,000 Class A shares for a fair value of $1,800. Should the property entered in commercial production, the agreement provides for a 1% Net Mineral Royalty ("NMR"). This 1% NMR will be automatically converted into a 2% of the proceeds from the sale of the property if the property is sold by the Company to a phosphate producer.

14 - Other information

	December 31, 2015	December 31, 2014
	$	$
Net change in non-cash working capital items:		
Government taxes receivable	**705**	11,762
Other accounts receivable	**-**	12,297
Prepaid expenses	**12,929**	(43,561)
Accounts payable and accrued liabilities	**(13,105)**	(65,987)
	529	(85,489)
Non-cash investing activities:		
Deferred evaluation and exploration expenditures included in account payables and accrued liabilities	**88,190**	28,495

15 - Objectives and policies regarding risk on financial instruments

a) The activities of the Company are exposed to different risks relating to financial instruments: interest rate risk, currency risk, credit risk, liquidity risk and equity market risk.

i) Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. Assets and liabilities are not exposed to interest rate risk since they do not bear interest. The company is not exposed to interest risk.

ii) Currency risk

The Company is not exposed to currency fluctuations because most transactions occur in Canadian dollars.

15 - Objectives and policies regarding risk on financial instruments

iii) Credit risk

The credit risk is the risk that a party of a financial instrument fails to fulfill its obligations and thus leads the other party to incur a financial loss. The funds reserved for evaluation and exploration and accounts receivable are the main financial instruments of the Company which are potentially subject to credit risk. Moreover, as the majority of accounts receivable is with the provincial and federal governments for goods and services taxes and for government assistance, the credit risk is not significant.

iv) Liquidity risk

The liquidity risk is the risk that an entity will have difficulty to respect obligations associated with financial liabilities. The Company manages its cash balance and cash flows in order to respect its obligation. The issuance of contractual financial liabilities is less than one year. Refer to Note 1 for more details on the liquidity risk.

v) Equity market risk

Equity market risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Company.

The Company currently holds investments in optionee company's which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to $120,400 ($299,600 as at December 31, 2014).

b) Fair value

The estimated fair value is established on the statement of financial position date based on relevant market information and other reference on financial instruments.

The fair value of cash and cash equivalent, funds reserved for evaluation and exploration, accounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term maturity. The fair value of investments in shares is based on quoted market prices.

c) Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The investments are the only financial instruments recorded at fair value in statement of financial position and they are classified at Level 2.

During the years ended December 31, 2015 and December 31, 2014, there were no transfer of amounts between level 1 and 2.

16 - Capital disclosures

The Company's objectives when managing capital are:

- to maintain and safeguard its accumulated capital in order to maintain a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits;

16 - Capital disclosures

- to invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, in order to minimize the risk of loss of principal;
- to obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Company includes shareholders' equity in the definition of capital. The Company is not exposed to externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets, especially with respect to exploration results on properties in which the Company has an interest. In order to facilitate the management of capital and development of its mining properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mining properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. Notwithstanding the risks described in Note 1, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.