GREAT QUEST FERTILIZER LTD.

Vancouver, Canada

Consolidated Financial Statements

For the years ended

December 31, 2015 and 2014

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Independent Auditor's Report

To the Shareholders of
Great Quest Fertilizer Ltd.

We have audited the accompanying consolidated financial statements of Great Quest Fertilizer Ltd. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, and the consolidated statements of loss and comprehensive loss, changes in 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.

Auditor's 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 audits 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 auditor's 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 Great Quest Fertilizer Ltd. and its subsidiaries 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 modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Great Quest Fertilizer Ltd. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia
March 24, 2016

GREAT QUEST FERTILIZER LTD.

Consolidated statements of financial position

(*Expressed in Canadian dollars)*

As at		December 31 2015		December 31 2014
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**17,050**	$	578,702
GST recoverable		**6,870**		5,889
Investments (note 4)		**5,432**		21,730
Prepaid expenses		**19,134**		26,670
		48,486		632,991
Non-current assets				
Vehicle, equipment, and furniture (note 5)		**327,343**		-
Exploration and evaluation properties (note 6)		**5,354,921**		5,127,443
Deposit		**-**		6,001
Total assets	**$**	**5,730,750**	$	5,766,435
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**203,090**	$	120,850
Due to related parties (note 8)		**535,421**		636,072
Total liabilities		**738,511**		756,922
Equity				
Share capital (note 7)		**16,752,772**		15,867,906
Share-based payment reserve (note 7)		**2,976,084**		3,669,590
Deposit on shares		**120,000**		-
Accumulated other comprehensive loss		**(16,298)**		-
Non-controlling interest		**23,356**		23,356
Deficit		**(14,863,675)**		(14,551,339)
Total shareholders' equity		**4,992,239**		5,009,513
Total liabilities and shareholders' equity	**$**	**5,730,750**	$	5,766,435

Nature and continuance of operations and going concern (note 1)
Subsequent events (note 13)

Approved on behalf of the Board of Directors on March 24, 2016:

"Jeddiah Richardson"	*"John Clarke "*
President & CEO	Director

GREAT QUEST FERTILIZER LTD.

Consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars)

	For the years ended December 31	
	2015	**2014**
Expenses		
Accounting and audit	$ **38,831**	$ 33,120
Amortization (note 5)	**-**	1,054
Consulting	**12,649**	10,429
Project investigation	**-**	53,509
Investor relations	**124,937**	133,260
Legal	**8,841**	21,938
Management and director fees (note 8)	**542,566**	710,910
Office and general	**156,498**	179,304
Promotion, travel and shareholder relations	**55,684**	119,937
Rent	**52,786**	59,310
Share-based payment (notes 7 and 8)	**125,643**	780,755
Telephone and communication	**12,120**	17,093
Loss before other items	**(1,130,555)**	(2,120,619)
Other Items		
Gain (loss) on foreign exchange conversion	**(1,493)**	5,083
Loss on sale of exploration and evaluation property (note 6)	**-**	(1,242,660)
Realized loss on sale of investment (note 4)	**-**	(4,534)
Impairment of investment (note 4)	**-**	(185,607)
Interest income	**563**	1,724
Net loss for the year	**(1,131,485)**	(3,546,613)
Other Comprehensive Income (loss)		
Reallocation of realized loss on sale of investment (note 4)	**-**	4,534
Reallocation of impairment loss on investment (note 4)	**-**	185,607
Unrealized loss on investment (note 4)	**(16,298)**	(43,460)
	(16,298)	146,681
Comprehensive loss for the year	$ **(1,147,783)**	$ (3,399,932)

Net loss and comprehensive loss were 100% attributable to the shareholders of the Company for each of the years ended December 31, 2015 and 2014.

Weighted average number of outstanding shares	**51,401,623**	**48,980,464**
Basic and diluted loss per share	$ **(0.02)**	$ **(0.07)**

GREAT QUEST FERTILIZER LTD.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	For the years ended December 31	
	2015	**2014**
Operating activities		
Net loss for the year	$ **(1,131,485)**	$ (3,546,613)
Adjustments:		
Amortization	**-**	1,054
Share-based payment	**125,643**	780,755
Loss on sale of exploration and evaluation property	**-**	1,242,660
Loss on sale of investment	**-**	4,534
Impairment of investment	**-**	185,607
Write off of deposit	**6,001**	-
Unrealized loss (gain) on foreign exchange conversion	**1,493**	(5,083)
	(998,348)	(1,337,086)
Change in non-cash working capital items:		
GST recoverable	**(981)**	15,309
Prepaid expenses	**7,536**	4,476
Accounts payable and accrued liabilities	**82,240**	(60,493)
Due to related parties	**(100,651)**	186,422
	(1,010,204)	(1,191,372)
Financing activities		
Proceeds from private placement	**892,850**	312,000
Share issuance costs	**(7,984)**	(5,725)
Exercise of options and warrants	**-**	1,746,801
Deposits on shares	**120,000**	-
	1,004,866	2,053,076
Investing activities		
Net proceeds from sale of exploration and evaluation property	**-**	380,000
Proceeds from sale of investment	**-**	2,310
Purchase of equipment	**(281,909)**	-
Exploration and evaluation property costs	**(272,912)**	(869,524)
	(554,821)	(487,214)
Foreign exchange effect on cash balance	**(1,493)**	5,083
Change in cash and cash equivalents	**(561,652)**	379,573
Cash and cash equivalents at beginning of year	**578,702**	199,129
Cash and cash equivalents at end of year	$ **17,050**	$ 578,702
Cash and cash equivalents comprised of:		
Cash	$ **8,800**	$ 303,953
Term deposits	**8,250**	274,749
	$ **17,050**	$ 578,702

Supplemental cash flow information (note 10)

GREAT QUEST FERTILIZER LTD.

Consolidated statements of changes in equity

(Expressed in Canadian dollars)

	Number of shares	Share capital	Deposits on shares	Share-based payment reserve	Accumulated other comprehensive loss – unrealized loss on AFS investments	Non-controlling interest	Deficit	Total
Balance at December 31, 2013	**47,137,942**	**$ 13,493,580**	**$ 154,000**	**$ 3,266,662**	**$ (146,681)**	**$ 23,356**	**$ (11,215,303)**	**$ 5,575,614**
Private placement	776,666	466,000	(154,000)	-	-		-	312,000
Exercise of warrants	1,568,480	1,558,601	-	-	-		-	1,558,601
Exercise of options	310,000	188,200	-	-	-	-	-	188,200
Fair value of share options allocated to shares issued on exercise	-	167,250	-	(167,250)	-	-	-	-
Share-based payment	-	-	-	780,755	-	-	-	780,755
Expired warrants and options	-	-	-	(210,577)	-	-	210,577	-
Share issuance costs	-	(5,725)	-	-	-	-	-	(5,725)
Other comprehensive income	-	-	-	-	146,681		-	146,681
Net loss for the year	-	-	-	-	-	-	(3,546,613)	(3,546,613)
Balance at December 31, 2014	**49,793,088**	**15,867,906**	-	**3,669,590**	**-**	**23,356**	**(14,551,339)**	**5,009,513**
Private placement	2,976,166	892,850	-	-	-		-	892,850
Share issuance costs	-	(7,984)	-	-	-		-	(7,984)
Share-based payment	-	-	-	125,643	-	-	-	125,643
Expired options	-	-	-	(819,149)	-	-	819,149	-
Deposit on shares	-	-	120,000	-	-	-	-	120,000
Other comprehensive loss	-	-	-	-	(16,298)		-	(16,298)
Net loss for the year	-	-	-	-	-	-	(1,131,485)	(1,131,485)
Balance at December 31, 2015	**52,769,254**	**$ 16,752,772**	**$ 120,000**	**$ 2,976,084**	**$ (16,298)**	**$ 23,356**	**$ (14,863,675)**	**$ 4,992,239**

1. Nature and continuance of operations and going concern

Great Quest Fertilizer Ltd. (the "Company") is incorporated under the British Columbia *Business Corporations Act* and its principal business activities are the exploration and development of exploration and evaluation properties located in Mali, West Africa. The Company's registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia.

These consolidated financial statements have been prepared on a going-concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going-concern is dependent upon achieving profitable operations and/or obtaining additional financing.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation properties. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying values of the Company's exploration and evaluation assets do not reflect current or future values. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company is pursuing its efforts in raising funds in order to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. To the extent financing is not available, the Company's financial commitments may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company is working towards the resumption of its exploration activities on the Tilemsi phosphate properties and the setting up of its small scale production unit in northern Mali.

2. Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable for the reporting period, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

3. Summary of significant accounting policies

(a) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss or available-for-sale, which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The policies set out in the ensuing paragraphs have been consistently applied to all periods presented unless otherwise noted.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments in applying accounting policies. Judgments that have the most significant effect of the amounts recognized in these financial statements are described below. Management is also required to make assumptions and critical estimates. Critical estimates are those which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months. Judgments, assumptions and estimates are based on historical experience, current trends and available information. Future events cannot be determined with certainty. As confirming events occur, actual results could differ materially from the assumptions and estimates.

Critical judgments made in the preparation of these financial statements are as follows:

- The economic recoverability of the exploration and evaluation properties. Judgment was used to determine whether indicators of impairment exist.
- Verification of title to its interests in exploration and evaluation properties.
- Functional currency of the Company. Judgment was used in determining the currency that primarily determines or influences the costs of goods and services.
- Going concern. Please see note 1.
- Assessment of any impairment indicators of available-for-sale investments.

Significant assumptions and estimates used are as follows:

- Share based payments - Assumptions were used in applying valuation techniques to determine the costs for these payments, in particular, in estimating the future volatility of the stock price, expected dividend yield, future employee turnover rate, and risk free interest rate.
- Provisions - Assumptions were made to determine whether obligations exist and to estimate the amount of the obligations believed to exist. Please see note 3 (j).
- Deferred income taxes - The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Summary of significant accounting policies *(continued)*

(a) Basis of preparation (continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company's subsidiaries are as follows:

Name	Country of Incorporation	Ownership Interest
Great Quest (Barbados) Limited	Barbados	100%
Great Quest Mali S.A. (“GQ Mali”)	Mali	100%
Engrais Phosphates du Mali S.A. (“EPM”)	Mali	94%

(b) Foreign currencies

The consolidated financial statements are presented in Canadian dollars. The functional currency of the Company, Great Quest (Barbados) Limited, GQ Mali and EPM is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effect of Changes in Foreign Exchange Rates.*

These consolidated financial statements have been translated to the Canadian dollar in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*. This standard requires that monetary assets and liabilities be translated using the exchange rate at period-end, and income and expenses are translated using the exchange rates at the dates of the transactions (where there is not significant fluctuation in the exchange rates used, the average rate for the period is applied to income and expense balances). The exchange differences are recognized in profit or loss.

At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Summary of significant accounting policies *(continued)*

(c) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Upon initial recognition, financial assets and liabilities are measured at fair value plus transaction costs, except for those financial assets and liabilities classified as fair value through profit or loss, which are expensed as incurred.

(i) Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss ("FVTPL") - This category comprises derivatives, assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or assets designated upon initial recognition as FVTPL. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.
- Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest rate method less any impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Amounts deemed to be uncollectable are written off against the allowance account and subsequent recoveries are credited against the allowance account. Changes in the allowance account are recognized in profit or loss.
- Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.
- Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where there is a disposal or where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated comprehensive income (loss) and recognized in profit or loss.

All financial assets except for those recorded at FVTPL are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. Summary of significant accounting policies *(continued)*

(c) Financial instruments (continued)

(ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was assumed. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term or liabilities designated upon initial recognition as FVTPL. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.
- Other financial liabilities - Other financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, using the effective interest rate method.

The Company's financial instruments consist of the following:

Instrument	Classification	Measurement basis
Cash and cash equivalents	FVTPL	Fair value
Investments	Available-for-sale	Fair value
Accounts payables and accrued liabilities	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

(iii) Classification of financial instruments

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as follows:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

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

The Company's cash and cash equivalents and investment have been valued using level 1 techniques.

(d) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and all highly liquid investments. The Company minimizes its credit risk by investing in cash equivalents with major international banks and financial institutions. Management believes that no concentration of credit risk exists with respect to investment in its cash and cash equivalents. As at December 31, 2015, cash equivalents consist of cash and cashable term deposits.

(e) Vehicles, equipment and furniture

Vehicles, equipment and furniture are carried at cost less accumulated amortization. Amortization of vehicles and furniture is calculated using the straight-line method over 3 years. Amortization of laboratory equipment is calculated using the straight-line method over 10 years.

3. Summary of significant accounting policies *(continued)*

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash generating unit's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

(g) Exploration and evaluation properties

Costs incurred prior to obtaining the legal right to explore and evaluate are expensed as incurred. Exploration and evaluation properties consist of exploration and mining permits, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If the property is put into production, the capitalized costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to profit or loss.

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Where there is an indication of non-recoverability, management will review the capitalized costs on its exploration and evaluation properties and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or sale of the property.

3. Summary of significant accounting policies *(continued)*

(g) Exploration and evaluation properties (continued)

Recorded costs of exploration and evaluation properties are not intended to reflect present or future values of exploration and evaluation properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, those changes in future conditions could require a material change in the recognized amount.

The Company records mineral exploration tax credits on an accrual basis.

Exploration and evaluation properties are classified as intangible assets.

(h) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Share-based payment transactions

The Company has a stock option plan that allows certain officers, directors, consultants, and related company employees to acquire shares of the Company. The fair value of the options is recognized as an expense with a corresponding increase in equity.

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche of an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

3. Summary of significant accounting policies *(continued)*

(i) Share-based payment transactions (continued)

Share-based payments to non-employees are measured at fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The share-based payments are recorded as an operating expense and as share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When options are exercised, the consideration received is recorded as share capital. In addition, the related share based payments originally recorded as share-based payment reserve are transferred to share capital. The amounts recorded as share-based payments for options that have expired unexercised or have vested but have been forfeited following the termination of agreement with the option holders are transferred to deficit. Unamortized amounts of share-based payments with respect to options that have been cancelled are immediately charged to profit or loss on the cancellation date.

(j) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(k) Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset and the environment in which the mine operates.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

3. Summary of significant accounting policies *(continued)*

(k) Restoration, rehabilitation, and environmental obligations (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations at December 31, 2015 and 2014 as the disturbance to date on the Company's exploration and evaluation properties is not significant.

(l) Leases

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets held under finance leases are recognized at the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(m) Loss per share

The Company presents the basic (loss) income per share data for its common shares, calculated by dividing the (loss) income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted (loss) income per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding for the year, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period. During the year ended December 31, 2015 and 2014, all outstanding stock options and warrants were anti-dilutive.

(n) Share capital

Common shares are classified as equity. New issuance of common shares is valued at the consideration received for those shares. When new shares are issued following the exercise of a share purchase warrant or stock option, in addition to the consideration received, the share-based payment originally recorded as share-based payment reserve is also recorded as share capital. Incremental costs directly attributable to the issue of the common shares are recognized as a deduction from equity, net of any tax effects.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants (“Warrants”). Depending on the terms and conditions of each equity financing agreement (“Agreement”), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement.

3. Summary of significant accounting policies *(continued)*

(n) Share capital (continued)

Warrants that are part of units are valued using the residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and are recognized in equity. When warrants are forfeited or are not exercised at the expiry date the amount previously recognized in equity is transferred from share capital to reserves.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date shares are issued or received.

(o) New standards, amendments and interpretations effective from January 1, 2015

The following amendments that have been adopted on January 1, 2015 had no material impact on the consolidated financial statements:

Related Party Disclosures

IAS 24 – Related Party Disclosures was amended to clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.

Share–based payment

IFRS 2 – Share-based payment was amended to clarify vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.

(p) Future changes in accounting policies not yet effective as at December 31, 2015

Revenue Recognition

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, 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 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is currently mandatory for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

(Expressed in Canadian dollars)

3. Summary of significant accounting policies *(continued)*

(p) Future changes in accounting policies not yet effective as at December 31, 2015 (continued)

Financial instruments

The new standard IFRS 9 - Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018.

Leases

IFRS 16 - Leases was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

4. Investment

	Granite Creek Gold Ltd.	
	Number of shares	**Value**
Balance, December 31, 2013	562,500	$ 67,500
Disposal	(19,250)	(2,310)
Fair value adjustment	-	(43,460)
Balance, December 31, 2014	543,250	21,730
Fair value adjustment	-	(16,298)
Balance December 31, 2015	**543,250**	**$ 5,432**

The bid price on the TSX Venture Exchange for the 543,250 shares at December 31, 2015 was $0.01 (2014: $0.04) per share for a total fair value of $5,432 (2014: $21,730).

During the year ended December 31, 2014, Granite Creek Gold Ltd. consolidated its capital on a one new share for four shares held. The Company disposed of 19,250 shares, with an original value of $6,844 for an amount of $2,310. A resulting loss of $4,534 was recorded.

The original recorded value of the remaining shares amounted to $207,337 and cumulative fair value adjustment to December 31, 2014 amounted to $185,607. Given the trend in the share prices over the past years, the Company deemed the value of the shares to have been impaired and an impairment loss of $185,607 was transferred from accumulated other comprehensive loss to net loss during the year ended December 31, 2014.

(Expressed in Canadian dollars)

5. Vehicles, equipment and furniture

		Vehicles		Equipment		Furniture		Total
Cost								
Balance, December 31, 2014 and 2013	**$**	**166,397**	**$**	**90,075**	**$**	**6,946**	**$**	**263,418**
Transfer from Exploration and Evaluation properties		-		62,662		-		62,662
Additions		-		281,909		-		281,909
Removed from use		(166,397)		(90,075)		(6,946)		(263,418)
Balance, December 31, 2015	**$**	**-**	**$**	**344,571**	**$**	**-**	**$**	**344,571**
Accumulated Amortization								
Balance, December 31, 2013	**$**	**146,190**	**$**	**89,477**	**$**	**5,892**	**$**	**241,559**
Charge for the year		20,207		598		1,054		21,859
Balance, December 31, 2014		**166,397**		**90,075**		**6,946**		**263,418**
Removed from use		(166,397)		(90,075)		(6,946)		(263,418)
Charge for the year		-		17,228		-		17,228
Balance, December 31, 2015	$	-	$	17,228	$	-	$	17,228
Carrying amounts								
At December 31, 2015	**$**	**-**	**$**	**327,343**	**$**	**-**	**$**	**327,343**
At December 31, 2014	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

During the year ended December 31, 2015, the Company recorded amortization expense of $Nil (2014: $1,054) to income statement and capitalized $17,228 (2014: $20,805) to exploration and evaluation properties (Note 6).

(Expressed in Canadian dollars)

6. Exploration and evaluation properties

	Canada	Mali			Grand Total
	Taseko	Phosphate	Gold	Total Mali	
Balance, December 31, 2013	**$ 1,622,660**	**$ 3,095,044**	**$ 1,142,070**	**$ 4,237,114**	**$ 5,859,774**
Disposal	(1,622,660)	-	-	-	(1,622,660)
Additions:					
Property payments	-	15,746	-	15,746	15,746
Deferred exploration costs					
Amortization of equipment	-	20,805	-	20,805	20,805
Permits	-	10,592	31,363	41,955	41,955
Consulting	-	61,278	4,052	65,330	65,330
Office, personnel and other	-	145,316	41,519	186,835	186,835
Field costs, assays and agronomic trials	-	284,222	34,231	318,453	318,453
Engineering work – small plant	-	178,543	-	178,543	178,543
Laboratory equipment		62,662	-	62,662	62,662
Balance, December 31, 2014	**-**	**3,874,208**	**1,253,235**	**5,127,443**	**5,127,443**
Transfers:					
Laboratory Equipment	-	(62,662)	-	(62,662)	(62,662)
Additions:					
Property payments	-	10,905	-	10,905	10,905
Deferred exploration costs					
Agronomic trials	-	52,174	-	52,174	52,174
Amortization of equipment	-	17,228	-	17,228	17,228
Assays	-	-	10,297	10,297	10,297
EIA and PEA reports	-	80,549	-	80,549	80,549
Licences and permits	-	3,099	3,184	6,283	6,283
Office, personnel and other	-	68,325	44,379	112,704	112,704
Balance, December 31, 2015	**$ -**	**$ 4,043,826**	**$ 1,311,095**	**$ 5,354,921**	**$ 5,354,921**

(a) MALI Phosphate Properties - Tilemsi Phosphate Project

The Tilemsi project comprises three contiguous properties namely the Tilemsi, the Tarkint Est and the Aderfoul. The three properties cover a total permitted area of 1,206 Km^2 in the northern part of Mali.

i. Tilemsi Phosphate Research Permit

The Tilemsi research permit ("permis de recherche") was originally held 100% by EPM, a private company incorporated under the laws of Mali. In 2009, the Company, through its wholly owned subsidiary, GQ Mali, entered into an agreement to acquire 88% of the issued share capital of EPM and in 2011 increased its shareholding to 94%. Under the agreement the Company is required to make three payments to the minority shareholder of 50,000,000 FCFA ($100,000) each and issue 50,000 warrants, which expired unexercised in 2014. At December 31, 2015, the first two payments, totaling $209,485, were completed. The final payment is due on receipt of a permit for commercial exploitation of the Tilemsi property.

6. Exploration and evaluation properties *(continued)*

(a) MALI Phosphate Properties - Tilemsi Phosphate Project *(continued)*

i. Tilemsi Phosphate Research Permit *(continued)*

On February 13, 2014, the Permit was transferred from EPM to GQ Mali, for which the Company paid, in 2013, a transfer fee of 10,0000,000 FCFA ($21,000) and a transfer tax of $14,036.

On August 18, 2014, the permit was renewed for a further two years. During the year ended December 31, 2014, the Company paid 1,000,000 FCFA ($2,242) towards the final payment of 50,000,000 FCFA.

See note below – "*Consolidation of the Phosphate Permits*"

ii. Tarkint Est Phosphate Research Permit

During 2010 the Company, through its wholly owned subsidiary, Great Quest Mali SA, entered into an agreement to earn a 100% interest in the 320 km^2 Tarkint Est research permit in Mali, subject to a 3% net carried interest and payments in aggregate of 100,000,000 FCFA ($200,000) over three years.

On October 7, 2011, through a new Arrete, the area covered by the permit was extended to cover a total area of 589 km^2, for which the Company was required to pay a total amount of 15,000,000 FCFA ($30,000). The extended area was included within the terms of the initial agreement which provided for a 3% net carried interest.

The agreement was re-negotiated on September 22, 2012 to have the research permit transferred to GQ Mali. On August 18, 2014, the permit was renewed for two years.

At December 31, 2012, the Company paid a total of 67,000,000 FCFA ($133,800). During the year ended December 31, 2013 a total of 23,000,000 FCFA ($46,000) was paid, following the receipt on February 20, 2013, of the Arrete confirming the transfer of the permit to GQ Mali. In addition the Company paid a transfer tax of 10,000,000 FCFA ($20,000).

The balance of 25,000,000 FCFA ($50,000) is due six months after the resumption of activities on the property which will commence upon obtaining the commercial exploration permits. Of this balance, the Company paid FCFA 5,000,000 ($10,905) during the year ended December 31, 2015 and FCFA 6,000,000 ($13,503) during the year ended December 31, 2014.

See note below – "*Consolidation of the Phosphate Permits*"

iii. Aderfoul area

On January 17, 2013, the Company received the Arrete, valid for three years, with respect to a research permit covering an area of 200 km^2, which granted the Company a 100% interest in the Aderfoul property. An application for its renewal has been lodged with the Malian Authorities.

See note below – "*Consolidation of the Phosphate Permits*"

6. Exploration and evaluation properties *(continued)*

(a) MALI Phosphate Properties - Tilemsi Phosphate Project *(continued)*

iv. Consolidation of Phosphate Permits

The Company has re-negotiated the agreement it has with the optionors on the Tilemsi and Tarkint Est permits, such that each optionor would have an interest in the entire Tilemsi Phosphate project ("TPP") instead of individual permits:

Tilemsi Phosphate Research Permit

The Optionor will retain a 2.07% carried net profit interest in the TPP.

Tarkint Est Phosphate Research Permit

The Optionor will retain a 1.47% carried net profit interest in the TPP.

(b) MALI Gold Properties

i. Sanoukou Gold Research Permit

In 2010, the Company entered into an agreement to acquire the 24 km^2 Sanoukou gold research permit in western Mali, subject to a 5% carried net profit interest for a total amount of 60,000,000 FCFA ($123,300), which was fully settled in 2011, subsequent to which, the permit was transferred to the Company .

On August 26, 2015, the permit was renewed for another two years.

ii. Dabia Ouest Gold Research Permit

During 2010, the Company acquired 100% interest, subject to a 5% carried net profit interest, in the Dabia Ouest gold research permit in western Mali for 50,000,000 FCFA ($100,000) which was settled in full over the ensuing three years.

On June 11, 2015, the permit was renewed for another two years.

(c) BRITISH COLUMBIA – Gold, Copper, Molybdenum Project

Taseko Project:

During the year ended December 31, 2014, the Company sold the project for $400,000. A finder's fee of 5% was on the proceeds. The Company also retains a Net Smelter Return of 2%, purchasable at time of commercial production for $2,000,000. The carrying value of the project was $1,622,660 at the date of disposal, consequently, a loss of $1,242,660 was recorded.

7. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Transactions for the issue of share capital

During the year ended December 31, 2015:

(i) On May 20, 2015, the Company closed a private placement of 2,294,166 units at $0.30 per unit for total proceeds of $688,250. Each unit comprised of one common share and one share purchase warrant. Each warrant is exercisable at a price of $0.50 per share for a period of five years.

(ii) On September 18, 2015, the Company closed a private placement of 682,000 units at $0.30 per unit for total proceeds of $204,600. Each unit comprised of one common share and one share purchase warrant. Each warrant is exercisable at a price of $0.50 per share on or before May 20, 2020.

During the year ended December 31, 2014:

(i) On January 7, 2014, the Company closed a private placement of 776,666 units at $0.60 per unit for total proceeds of $466,000. Each unit comprised of one common share and one share purchase warrant. The Warrant is exercisable at a price of $0.80 per share for a period of three years, subject to the Company's right to accelerate the expiry of the Warrants in the event the daily volume weighted average trading price of the Shares on the TSX Venture Exchange is equal to or exceeds $1.20 per share for a period of 20 consecutive trading days. At December 31, 2013, the Company had received subscriptions of $154,000 relative to this placement.

(ii) The Company issued 893,333 and 675,147 shares at prices of $0.80 and $1.25 respectively, for total proceeds of $1,558,600, following the exercise of warrants.

(iii) The Company issued 75,000 shares at a price of $0.80 per share for the exercise of options for total consideration of $60,000.

(iv) The Company issued 120,000 shares at a price of $0.91 per share for the exercise of options for total consideration of $109,200.

(v) The Company issued 15,000 shares at a price of $0.60 per share for the exercise of options for total consideration of $9,000.

(vi) The Company issued 100,000 shares at a price of $0.10 per share for the exercise of options for total consideration of $10,000.

Stock options

The Company has adopted an incentive stock option plan (the “Plan”) which was approved at the Company’s Annual General Meeting on June 19, 2015. The essential elements of the Plan provide that the aggregate number of common shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company’s common shares immediately preceding the issuance of a news release announcing the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

(Expressed in Canadian dollars)

7. Share capital *(continued)*

Stock options *(continued)*

A summary of the status of the Company's stock option plan as of December 31, 2015 and 2014 and changes during the years then ended were as follows:

	Number of Options	Weighted Average Exercise price
Stock options outstanding at December 31, 2013	**3,815,000**	**$ 1.01**
Granted	750,000	1.38
Exercised	(310,000)	0.61
Cancelled/forfeited	(305,000)	1.08
Stock options outstanding at December 31, 2014	**3,950,000**	**1.11**
Cancelled/forfeited	**(1,125,000)**	**0.96**
Stock options outstanding at December 31, 2015	**2,825,000**	**$ 1.16**

The weighted average trading price at the date options were exercised during the year ended December 31, 2014 was $1.50.

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2015:

Expiry Date	Exercise Price	Number of Options Outstanding	Number of Exercisable Options	Average Remaining Life (Years)
June 10, 2016	$3.30	200,000	200,000	0.44
October 31, 2016	$2.20	200,000	200,000	0.84
December 20, 2016	$1.64	100,000	100,000	0.97
March 7, 2017	$2.88	100,000	100,000	1.18
July 16, 2017	$0.90	150,000	150,000	1.54
October 9, 2017	$0.85	150,000	150,000	1.78
May 10, 2018	$0.60	1,525,000	1,525,000	2.36
April 10, 2019	$1.38	400,000	300,000	3.28
	$1.16	**2,825,000**	**2,725,000**	**2.08**

During the year ended December 31, 2014, the Company granted 750,000 stock options with a fair value of $871,800 for the purchase of 750,000 shares at a price of $1.38 per share until April 10, 2019. The stock options vest 25% every six months from the grant date.

The fair values of options granted were estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31, 2015	Year ended December 31, 2014
Expected annual volatility	-	124%
Risk-free interest rate	-	1.67%
Expected life	-	5 years
Expected dividend yield	-	0%
Estimated forfeitures	-	0%

The expected stock price volatility was estimated by reference to historical volatility of the Company with a comparable period in their lives.

(Expressed in Canadian dollars)

7. Share capital *(continued)*

Warrants

Warrants outstanding	Number	Weighted Average Exercise Price
Balance at December 31, 2013	**2,241,480**	**$ 0.98**
Issued (Note 7(i))	776,666	0.80
Expired	(53,000)	2.51
Exercised	(1,568,480)	0.99
Balance at December 31, 2014	1,396,666	0.80
Issued (Note 7)	2,976,166	0.50
Balance at December 31, 2015	**4,372,832**	**$ 0.60**

During the year ended December 31, 2014, 53,000 warrants expired unexercised, of which 50,000 warrants exercisable at $2.59 were issued with respect to the Tilemsi research permit (see Note 6(i)) at a fair market value of $121,040. This amount was transferred to retained earnings upon expiry of the warrants.

The following table summarizes information about the warrants outstanding at December 31, 2015:

Expiry Date	Exercise Price	Number of Warrants Outstanding	Average Remaining Life (Years)
June 16, 2016	$0.80	620,000	0.46
January 6, 2017	$0.80	776,666	1.02
May 20, 2020	$0.50	2,976,166	4.39
		4,372,832	**3.23**

8. Related party transactions and balances

Key management personnel are officers and directors, or their related parties, who hold positions in the Company and its subsidiaries, that result in these officers and directors having control or significant influence over the financial or operating policies of those entities. These include the members of the Board, current and former Chief Executive Officers, Presidents, Chief Financial Officers and the Chief Operating Officer.

The following entities transacted with the Company in the reporting period.

Transactions with key management personnel

The aggregate value of transactions with key management personnel being directors and key management personnel were as follows:

		Year ended December 31		
Compensation		**2015**		**2014**
Short term benefits, including fees and salaries	$	542,566	$	542,410
Directors fees		-		168,500
Total compensation included in management and director fees		542,566		710,910
Share-based payment		117,828		470,142
Total	$	660,394	$	1,181,052

(Expressed in Canadian dollars)

8. Related party transactions and balances (*continued*)

Certain executive officers are entitled to a termination benefit of up to 12 months' gross salary or fees in accordance with the employment regulations in the jurisdiction in which they are employed.

During the year ended December 31, 2015, the Company paid or accrued management fees to:

(i) J.A. Richardson Enterprises Inc., a private company controlled by Mr. Jeddiah Richardson for CEO services amounting to $210,000 (2014: $210,000);
(ii) Mr. Mohammed Bouhsane as Chief Operating Officer ("COO") amounting to $203,783 (2014: $203,705);
(iii) Mr. Jayram Hosanee as CFO amounting to $128,781 (2014: $128,705):

At December 31, 2015, the amounts payable with respect to management and directors fees were as follows:

	December 31 2015	December 31 2014
Mr. Mohammed Bouhsane (COO)	$ 275,000	$ 166,666
J.A. Richardson Enterprises Inc.	135,600	120,000
Jayram Hosanee	10,417	-
Directors fees	114,404	349,406
	$ 535,421	$ 636,072

9. Segmented information

The Company's activities are all in the one industry segment of exploration and evaluation property acquisition, exploration and development.

Exploration and evaluation properties by geographical segment are as follows:

	Mali	Canada	Total
December 31, 2015			
Exploration and evaluation properties	$ 5,354,921	$ -	$ 5,354,921
Vehicle, equipment, and furniture	327,343	-	327,343
	$ 5,682,264	$ -	$ 5,682,264
December 31, 2014			
Exploration and evaluation properties	$ 5,127,443	$ -	$ 5,127,443

	Mali	Canada	Total
For the year ended December 31, 2015			
Net Loss	$ 106,478	$ 1,025,007	$ 1,131,485
For the year ended December 31, 2014			
Loss on sale of exploration and evaluation property	$ -	$ 1,242,660	$ 1,242,660
Impairment of investment	$ -	$ 185,607	$ 185,607
Net Loss	$ 151,224	$ 3,395,389	$ 3,546,613

(Expressed in Canadian dollars)

10. Supplemental cash flow information

Year ended December 31		**2015**		**2014**
Cash received (paid) for interest	$	563	$	1,724
Cash paid for income taxes	$	-	$	-

The Company incurred non-cash financing and investing activities during the years ended December 31, 2015 and 2014 as follows:

		2015		**2014**
Exploration and evaluation activities - amortization	$	17,228	$	20,805
Fair value of share options allocated to shares issued on exercise	$	-	$	167,250
Expired options and warrants	$	819,149	$	210,577

11. Capital disclosures and financial risk management

The Company includes cash and cash equivalents, share capital and deficit in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

Financial risk management:

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk:

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has minimal accounts receivable exposure in the form of refundable GST due from Canadian governments.

(Expressed in Canadian dollars)

11. Capital disclosures and financial risk management *(continued)*

Currency risk:

The Company's functional currency is the Canadian dollar. There is foreign exchange risk to the Company as some of its exploration and evaluation property interests and resulting commitments are located in Mali. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

As at December 31, 2015, the Company was exposed to currency risk through the following monetary assets and liabilities in Mali FCFA:

	Canadian$ equivalent
Cash	$ 10,498
Accounts Payable	$ 66,881
Foreign exchange rate at December 31, 2015	0.00226

Based on the net exposures at December 31, 2015, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the Mali FCFA would not have a material impact on the Company's net earnings.

Interest rate risk:

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates.

Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company's investment in Granite Creek Gold Ltd. shares are subject to fluctuations in market prices.

Liquidity risk:

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company had a net working deficiency of $690,025 at December 31, 2015. Subsequent to December 31, 2015, the Company settled certain due to related party balances in the amount of $284,404, through the issue of 948,013 common shares and entered into a convertible loan agreement for $3,000,000. Please see notes 13 (a) and (b).

(Expressed in Canadian dollars)

12. Income tax

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

		2015		2014
Net income (loss) for the year	$	(1,131,485)	$	(3,546,613)
Statutory Canadian corporate tax rate		26%		26%
Anticipated tax expense (recovery)		(294,000)		(922,000)
Change in tax resulting from:				
Non-capital loss expired		35,000		-
Non-deductible items for tax purposes		33,000		227,000
Difference in tax rates in other jurisdictions		(1,000)		(4,000)
Unrealized tax benefits		227,000		699,000
Income tax recovery	$	-	$	-

The significant components of the Company's unrecorded deferred tax assets (liabilities) are as follows:

		December 31, 2015		December 31, 2014
Exploration deductions	$	409,000	$	362,000
Investments		24,000		22,000
Vehicles, equipment and furniture		19,000		45,000
Non-capital loss carry forwards		2,527,000		2,291,000
Share issue costs		14,000		22,000
		2,993,000		2,742,000
Unrecognized deferred tax assets		(2,993,000)		(2,742,000)
	$	-	$	-

The Company has available non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount approximately $7,943,000 will expire as follows:

2016	$	313,000
2027		970,000
2028		626,000
2029		553,000
2030		616,000
2032		1,352,000
2033		1,371,000
2034		1,218,000
2035		924,000
	$	7,943,000

At December 31, 2015, the Company has unclaimed Canadian resource deductions of approximately $714,000 (2014: 714,000) which may be deducted against future Canadian taxable income on a discretionary basis and share issue costs of approximately $53,000 (2014: $83,000). The Company also has certain unused foreign deductions which may be deducted against future foreign taxable income.

13. Subsequent events

(a) On February 10, 2016, the Company issued 948,013 common shares as settlement of certain balances due to related parties aggregating $284,404 to insiders, when the market price was $0.24. This gave rise to a gain on debt settlement of $56,881.

(b) On February 15, 2016, the Company entered into a loan agreement for $3,000,000 on a term of three years with no interest, of which a total amount of $2,000,000 has already been received. The Lender has the option of converting the loan into common shares at a minimum price of $0.60. The agreement also provides for issue of a maximum of 5,000,000 warrants exercisable at $0.60 for a period of three years.