Blue Sky Uranium Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

Blue Sky Uranium Corp.

Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2015 $	December 31, 2014 $
ASSETS			
Non-current assets			
Mineral property interests	3	32,702	32,702
Total non-current assets		32,702	32,702
Current assets			
Prepaid expenses		2,548	8,180
Amounts receivable		8,663	4,116
Cash		9,785	53,751
Total current assets		20,996	66,047
Total Assets		53,698	98,749
(DEFICIT) EQUITY			
Share capital	6	19,137,576	19,137,576
Reserves	6	4,076,680	4,076,680
Deficit		(23,824,326)	(23,671,530)
Total (Deficit) Equity		(610,070)	(457,274)
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	347,851	284,183
Exploration liabilities	4	44,855	44,855
Interest payable	5, 7	23,062	8,985
Loans payable	5, 7	248,000	218,000
Total Liabilities		663,768	556,023
Total (Deficit) Equity and Liabilities		53,698	98,749

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 10)

SUBSEQUENT EVENT (Note 13)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 26, 2015. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Blue Sky Uranium Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

		Three months ended June 30,		Six months ended June 30,	
		2015	2014	2015	2014
	Note	$	$	$	$
Expenses					
Accounting and audit		2,570	6,970	2,570	6,970
Depreciation		-	3,309	-	6,618
Corporate development and investor relations		745	21,811	4,605	51,067
Exploration	3	21,734	17,280	43,123	100,316
Exploration and other costs recovery	4	-	4,050	-	(70,273)
Foreign exchange (gain) loss		(405)	10,141	(1,098)	1,638
Management fees	7	-	44,400	-	80,700
Office and sundry	7	4,581	14,825	6,371	36,166
Professional fees	7	15,085	44,428	36,119	94,631
Rent, parking and storage	7	-	15,019	-	29,719
Salaries and employee benefits	7	15,000	26,017	30,000	124,550
Share-based compensation		-	(914)	-	8,583
Transfer agent and regulatory fees		2,458	3,939	11,077	16,658
Loss from operating activities		61,768	211,275	132,767	487,343
Finance expenses	5, 7	-	-	6,000	-
Interest expense	5, 7	7,419	-	14,077	-
Interest income		(23)	(42)	(48)	(169)
Write-off of mineral property interests	3	-	2,733,916	-	2,733,916
Loss and comprehensive loss for the period		69,164	2,945,149	152,796	3,221,090
Basic and diluted loss per common share ($)	8	0.02	0.87	0.04	1.10

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

Blue Sky Uranium Corp.
Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
	$	$	$	$
Cash flows used in operating activities				
Loss for the period	(69,164)	(2,945,149)	(152,796)	(3,221,090)
Depreciation	-	3,309	-	6,618
Finance expenses	-	-	6,000	-
Interest expense	7,419	-	14,077	-
Share-based compensation	-	(914)	-	8,583
Write-off of mineral property interests	-	2,733,916	-	2,733,916
	(61,745)	(208,838)	(132,719)	(471,973)
Change in non-cash working capital items:				
(Increase) in amounts receivable	(2,510)	(111)	(4,547)	(1,624)
Decrease in prepaid expenses	1,977	22,740	5,632	51,930
Increase (decrease) in accounts payable and accrued liabilities	21,475	1,288	57,668	(345,427)
Increase (decrease) in exploration advances	-	4,050	-	(70,273)
Net cash used in operating activities	(40,803)	(180,871)	(73,966)	(837,367)
Cash flows from financing activities				
Commitment to issue shares	-	(25,520)	-	-
Loans received	-	60,000	30,000	60,000
Issuance of common shares and warrants	-	114,345	-	384,895
Share issue costs	-	(4,400)	-	(16,916)
Net cash from financing activities	-	144,425	30,000	427,979
Net (decrease) in cash	(40,803)	(36,446)	(43,966)	(409,388)
Cash at beginning of period	50,588	53,868	53,751	426,810
Cash at end of period	9,785	17,422	9,785	17,422

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

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

Blue Sky Uranium Corp.
Consolidated Statements of Changes in (Deficit) Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of Shares[1]	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants $	Accumulated Deficit $	Total $
Balance at January 1, 2014	2,687,699	18,927,627	3,187,408	422,514	299,941	(20,144,188)	2,693,302
Private placements	749.000	241,805	-	-	143,090	-	384,895
Share issue costs	-	(31,856)	-	-	-	-	(31,856)
Agent's warrants granted	-	-	-	-	14,940	-	14,940
Share-based compensation	-	-	-	8,583	-	-	8,583
Stock options expired	-	-	30,060	(30,060)	-	-	-
Warrants expired	-	-	16,315	-	(16,315)	-	-
Agent's warrants expired	-	-	2,962	-	(2,962)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(3,221,090)	(3,221,090)
Balance at June 30, 2014	3,436,699	19,137,576	3,236,745	401,037	438,694	(23,365,278)	(151,226)
Share-based compensation	-	-	-	204	-	-	204
Stock options expired	-	-	21,760	(21,760)	-	-	-
Warrants expired	-	-	226,406	-	(226,406)	-	-
Agent's warrants expired	-	-	14,712	-	(14,712)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(306,252)	(306,252)
Balance at December 31, 2014	3,436,699	19,137,576	3,499,623	379,481	197,576	(23,671,530)	(457,274)
Stock options expired	-	-	53,507	(53,507)	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(152,796)	(152,796)
Balance at June 30, 2015	3,436,699	19,137,576	3,553,130	325,974	197,576	(23,824,326)	(610,070)

[1] On December 3, 2014, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering (the "Offering") and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction (the "QT") and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 709 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

On July 5, 2012, the Company acquired 100% of the outstanding common shares of Windstorm Resources Inc. ("Windstorm"), a Canadian junior mining and exploration company, which became a wholly-owned subsidiary of the Company. The Company issued to each shareholder of Windstorm 0.38868 (the "Share Exchange Ratio") of a common share in the capital of the Company in exchange for each Windstorm common share held by such shareholder. No fractional shares of the Company were issued, and fractions were rounded down to the nearest lower whole share. The holders of outstanding stock options and warrants of Windstorm received equivalent stock options and warrants of the Company as adjusted by the Share Exchange Ratio. As a result of the acquisition, the Company issued 8,000,021 common shares to Windstorm shareholders.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

The Company has experienced recurring operating losses and has an accumulated deficit of $23,824,326 at June 30, 2015 (December 31, 2014 - $23,671,530) and deficit of $610,070 at June 30, 2015 (December 31, 2014 – $457,274). In addition, the Company had a working capital deficiency of $642,772 at June 30, 2015 (December 31, 2014 – $489,976). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern which would be material.

Statement of compliance

The Company's condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial reporting" ("IAS 34") and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the six months ended June 30, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky BVI Uranium Corp.	British Virgin Islands	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Non-derivative financial assets

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

(i) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified at fair value through profit or loss if they are classified as held for trading or are designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. As at June 30, 2015 and 2014, the Company has not classified any financial assets as FVTPL.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and amounts receivable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-derivative financial liabilities

(i) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. As at June 30, 2015 and 2014, the Company has not classified any financial liabilities as FVTPL.

(ii) Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities comprise accounts payable and accrued liabilities, exploration liabilities, interest payable and loans payable.

Equipment

Equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over its estimated useful lives of two years for geological equipment and computer software. Depreciation of an asset begins once it is available for use.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment. Mineral property interests are classified as intangible assets.

Cash and Cash Equivalents

Cash and cash equivalents are classified as loans and receivables and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrant equity.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

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 property 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, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 as the disturbance to date is immaterial.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income Taxes

Income tax on the profit or loss for the periods presented 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 enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position 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 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 enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

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.

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

i. the assessment of indications of impairment of each mineral property and related determination of the recoverable amount and write-down of those properties where applicable.

Critical accounting judgments

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

ii. the analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

iii. Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

   At June 30, 2015, management has determined there were no new impairment indicators present with respect to the Company's mineral property interests.

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In May 2011, the IASB issued IFRS 9, *Financial Instruments*. The new Standard limits the number of categories for classification of financial assets to two: amortized cost and fair value through profit or loss. IFRS 9 also replaces models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The required adoption date for IFRS 9 has been deferred and is not expected until January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at June 30, 2015 and December 31, 2014:

Acquisition Costs

	Argentina	
	Sierra Colonia $	**Total $**
Balance – December 31, 2014	32,702	32,702
Land payments and staking fees	-	-
Balance – June 30, 2015	32,702	32,702

Exploration Expenditures

	Argentina				
	Santa Barbara $	**Anit $**	**Ivana $**	**Sierra Colonia $**	**Total $**
Cumulative exploration costs – December 31, 2014	964,017	3,662,898	3,287,034	850,571	8,764,520
Expenditures during the period:					
Office	-	-	183	10,157	10,340
Property maintenance payments	172	612	7,706	4,206	12,696
Salaries and contractors	-	-	560	13,366	13,926
Statutory taxes	29	102	1,408	4,622	6,161
	201	714	9,857	32,351	43,123
Cumulative exploration costs – June 30, 2015	964,218	3,663,612	3,296,891	882,922	8,807,643

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to as at June 30, 2014 and December 31, 2013:

Acquisition Costs

	Argentina						
	Santa Barbara $	**Anit $**	**Ivana $**	**Sierra Colonia $**	**Tierras Colaradas $**	**Other $**	**Total $**
Balance – December 31, 2013	814,430	960,404	17,852	32,702	42,735	898,495	2,766,618
Impairment	(814,430)	(960,404)	(17,852)	-	(42,735)	(898,495)	(2,733,916)
Balance – June 30, 2014	-	-	-	32,702	-	-	32,702

Exploration Expenditures

	Argentina					
	Santa Barbara $	**Anit $**	**Ivana $**	**Sierra Colonia $**	**Other $**	**Total $**
Cumulative exploration costs – December 31, 2013	959,333	3,644,091	3,152,134	834,512	626,962	9,217,032
Expenditures during the period:						
Office	2,527	2,808	6,314	-	-	11,649
Salaries and contractors	-	-	82,966	-	182	83,148
Supplies and equipment	-	-	2,024	-	618	2,642
Transportation	-	-	2,877	-	-	2,877
	2,527	2,808	94,181	-	800	100,316
Cumulative exploration costs – June 30, 2014	961,860	3,646,899	3,246,315	834,512	627,762	9,317,348

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION ADVANCES & COSTS RECOVERY

On December 20, 2011, the Company entered into a Memorandum of Understanding ("MOU") with AREVA Mines ("AREVA") to jointly explore for uranium deposits in Argentina. Under the terms of the MOU, as amended on November 12, 2013, the following commitments had been made (amounts in CAD):

(i) AREVA can select one or two projects and earn a 51% interest by:
   i. Funding $1 million in exploration by December 31, 2012 (received).
   ii. Funding $2 million in exploration by December 31, 2013 (received).
   iii. Upon the completion of phase 2 if AREVA:
      a) Elects to proceed with two projects it must incur a minimum of $4 million in phase 3; or
      b) Elects to proceed with one project it must incur a minimum of $3 million in phase 3.

   Phase 3 work must be completed no later than December 31, 2017.

(ii) Upon the completion of the phase 3 program, the Company will retain a 100% interest in all projects except the one (or two) project(s) AREVA selects to earn a 51% interest.

(iii) On newly acquired uranium targets in Argentina that are not listed in this MOU, AREVA can elect to earn a 51% interest by funding $1 million in exploration on each new target.

(iv) For any non-uranium discoveries made the Company will retain a 100% interest.

On April 28, 2014, the Company received notification from AREVA to discontinue with the MOU to jointly explore for uranium deposits in Argentina.

The Company did not receive funding from AREVA during the six months ended June 30, 2015.

The schedule below summarizes the exploration and other costs recovery at each mineral property interest for the six months ended June 30, 2015 and 2014:

Exploration expenses incurred	June 30, 2015	June 30, 2014
Santa Barbara	-	2,527
Anit	-	2,808
Ivana	-	94,181
Other	-	800
Foreign exchange translation of Argentinean pesos, US and Canadian dollars	-	(30,043)
Exploration and other costs recovery	-	70,273

As of June 30, 2015 and December 31, 2014, the Company had received the following in funding from AREVA:

	Amount ($)
Exploration and other costs recovery	70,273
Exploration funding for the period	-
Less: Exploration liabilities for funding received in the previous year	(115,128)
Exploration liabilities	(44,855)

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. LOANS PAYABLE

At June 30, 2015, the Company has the following loans payable:

	June 30, 2015		
	Maturity	Currency	Fair value
Unsecured, 12% annual interest rate	July 21, 2015	Canadian dollar	$140,000
Unsecured, 12% annual interest rate	September 17, 2015	Canadian dollar	$38,000
Unsecured, 12% annual interest rate	December 18, 2015	Canadian dollar	$40,000
Unsecured, 12% annual interest rate	March 10, 2016	Canadian dollar	$30,000
			$248,000

At December 31, 2014, the Company has the following loans payable:

	December 31, 2014		
	Maturity	Currency	Fair value
Unsecured, 12% annual interest rate	July 21, 2015	Canadian dollar	$140,000
Unsecured, 12% annual interest rate	September 17, 2015	Canadian dollar	$38,000
Unsecured, 12% annual interest rate	December 18, 2015	Canadian dollar	$40,000
			$218,000

$140,000 Unsecured, 12% annual interest rate

On May 27, 2014 the Company received an advance for working capital purposes in the amount of $60,000 from an arm's length private B.C. Company. On July 21, 2014, the Company received an additional $80,000 and entered into a loan agreement with the lender. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $28,000. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.

$38,000 Unsecured, 12% annual interest rate

On September 17, 2014, the Company entered into a loan agreement with an arm's length private B.C. Company. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $7,600. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.

5. LOANS PAYABLE (continued)

$40,000 Unsecured, 12% annual interest rate

On December 18, 2014, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $8,000. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval. See Note 7 for further information.

$30,000 Unsecured, 12% annual interest rate

On March 10, 2015, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totalling $6,000. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval. See Note 7 for further information.

All loans payable may be repaid in whole or in part at any time, without notice or penalty.

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Issued Share Capital

At June 30, 2015, the issued share capital comprised 3,436,699 common shares (December 31, 2014 – 3,436,699).

Details of Private Placement Issues of Common Shares in 2015 and 2014

In April 2014, the Company completed the second tranche of a non-brokered private placement consisting of 600,000 units at a price of $0.055 per unit for gross proceeds of $33,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.10 per share for two years from the date of issue of the warrant. Finders' fees were $2,640 in cash and 48,000 non-transferable warrants exercisable into common shares at $0.10 per share for two years having a fair value of $2,060. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.06%; expected stock price volatility – 147.31%; dividend yield of 0%; and expected warrant life of 1.45 years.

6. SHARE CAPITAL AND RESERVES (continued)

In April 2014, the Company completed the first tranche of a non-brokered private placement consisting of 1,479,000 units at a price of $0.055 per unit for gross proceeds of $81,345. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.10 per share for two years from the date of issue of the warrant. Finders' fees were $1,760 in cash and 32,000 non-transferable warrants exercisable into common shares at $0.10 per share for two years having a fair value of $1,629. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.05%; expected stock price volatility – 147.97%; dividend yield of 0%; and expected warrant life of 1.45 years.

In March 2014, the Company completed the second tranche of a non-brokered private placement consisting of 3,450,000 units at a price of $0.05 per unit for gross proceeds of $172,500. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.10 per share for two years from the date of issue of the warrant. Finders' fees were $4,240 in cash and 84,800 non-transferable warrants exercisable into common shares at $0.10 per share for two years having a fair value of $6,994. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.05%; expected stock price volatility – 145.80%; dividend yield of 0%; and expected warrant life of 1.44 years.

In January 2014, the Company completed the first tranche of a non-brokered private placement consisting of 1,961,000 units at a price of $0.05 per unit for gross proceeds of $98,050. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of $0.10 per share for two years from the date of issue of the warrant. Finders' fees were $8,276 in cash and 156,880 non-transferable warrants exercisable into common shares at $0.10 per share for two years having a fair value of $4,257. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.98%; expected stock price volatility – 150.74%; dividend yield of 0%; and expected warrant life of 1.50 years.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted vest immediately, are subject to a four-month hold period and are exercisable for a period of five years.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended June 30, 2015 is as follows:

Expiry date	Exercise Price	December 31, 2014	Granted	Exercised	Expired/ Forfeited	June 30, 2015	Options Exercisable
March 4, 2015	$5.15	3,886	-	-	(3,886)	-	-
March 15, 2015	$73.00	1,000	-	-	(1,000)	-	-
October 5, 2015	$26.00	7,250	-	-	-	7,250	7,250
December 10, 2015	$11.58	2,526	-	-	-	2,526	2,526
January 23, 2016	$1.00	30,000	-	-	-	30,000	30,000
March 2, 2016	$10.81	6,413	-	-	-	6,413	6,413
May 31, 2016	$22.00	6,000	-	-	-	6,000	6,000
September 25, 2016	$10.00	2,000	-	-	-	2,000	2,000
September 24, 2017	$1.20	93,500	-	-	-	93,500	93,500
		152,575	-	-	(4,886)	147,689	147,689
Weighted average exercise price ($)		4.42	-	-	19.04	3.94	3.94
Weighted average contractual remaining life (years)		2.1	-	-	-	1.6	1.6

The continuity of share purchase options for the six months ended June 30, 2014 is as follows:

Expiry date	Exercise Price	December 31, 2013[(1)]	Granted	Exercised	Expired/ Forfeited	June 30, 2014	Options Exercisable
May 6, 2014	$15.00	3,250	-	-	(3,250)	-	-
December 9, 2014	$65.00	585	-	-	-	585	585
March 4, 2015	$5.15	3,886	-	-	-	3,886	3,886
March 15, 2015	$73.00	1,000	-	-	-	1,000	1,000
October 5, 2015	$26.00	7,250	-	-	-	7,250	7,250
December 10, 2015	$11.58	2,526	-	-	-	2,526	2,526
January 23, 2016	$1.00	-	30,000	-	-	30,000	15,000
March 2, 2016	$10.81	6,413	-	-	-	6,413	6,413
May 31, 2016	$22.00	6,000	-	-	-	6,000	6,000
September 25, 2016	$10.00	2,000	-	-	-	2,000	2,000
September 24, 2017	$1.20	93,500	-	-	-	93,500	93,500
		126,410	30,000	-	(3,250)	153,160	138,160
Weighted average exercise price ($)		5.78	1.00	-	15.00	4.65	5.05
Weighted average contractual remaining life (years)		3.2	1.8	-	-	2.6	2.7

(1) On December 3, 2014, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

The weighted average fair value of share purchase options granted during the six months ended June 30, 2015 is $Nil (2013 - $0.05). Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Six months ended June 30,	
	2015	2014
Risk-free interest rate	-	0.98%
Expected option life in years	-	2.00
Expected share price volatility	-	148.36%
Grant date share price	-	$0.075
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

Warrants

The continuity of warrants for the six months ended June 30, 2015 is as follows:

Expiry date	Exercise Price	December 31, 2014	Granted	Exercised	Expired	June 30, 2015
December 19, 2015	$1.00	230,000	-	-	-	230,000
January 28, 2016	$1.00	211,788	-	-	-	211,788
March 3, 2016	$1.00	353,480	-	-	-	353,480
April 13, 2016	$1.00	151,100	-	-	-	151,100
April 24, 2016	$1.00	64,800	-	-	-	64,800
		1,011,168	-	-	-	1,011,168
Weighted average exercise price ($)		1.00	-	-	-	1.00

The continuity of warrants for the six months ended June 30, 2014 is as follows:

Expiry date	Exercise Price	December 31, 2013[(1)]	Granted	Exercised	Expired	June 30, 2014
March 4, 2014	$1.50	68,150	-	-	(68,150)	-
August 16, 2014	$1.50	313,000	-	-	-	313,000
August 28, 2014	$1.50	142,800	-	-	-	142,800
September 12, 2014	$1.50	234,600	-	-	-	234,600
December 19, 2015	$1.00	230,000	-	-	-	230,000
January 28, 2016	$1.00	-	211,788	-	-	211,788
March 3, 2016	$1.00	-	353,480	-	-	353,480
April 13, 2016	$1.00	-	151,100	-	-	151,100
April 24, 2016	$1.00	-	64,800	-	-	64,800
		988,550	781,168	-	(68,150)	1,701,568
Weighted average exercise price ($)		1.50	1.00	-	1.50	1.20

(1) On December 3, 2014, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following entities transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows:

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2014 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Transactions	$	$	$	$
Services rendered:				
Grosso Group Management Ltd.				
Management fees	-	44,400	-	80,700
Rent, parking and storage	-	15,000	-	29,700
Office & sundry	-	10,800	-	28,800
Total for services rendered	-	70,200	-	139,200

At June 30, 2015, the Company had $50,500 (December 31, 2014 - $50,500) included in accounts payable and accrued liabilities to Grosso Group.

Mr. Joseph Grosso

Grosso Group Management Ltd. is a private company of which Mr. Joseph Grosso is a director and officer.

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso. For the three months ended June 30, 2015, Oxbow was paid $12,500 (three months ended June 30, 2014 - $12,500) for management consulting services. For the six months ended June 30, 2015, Oxbow was paid $25,000 (six months ended June 30, 2014 - $25,000) for management consulting services. Amounts paid to Oxbow are classified as professional fees in the consolidated statements of loss and comprehensive loss.

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

At June 30, 2015, the Company had $64,437 (December 31, 2014 - $35,220) included in accounts payable and accrued liabilities to Oxbow.

At June 30, 2015, the Company has $70,000 (December 31, 2014 - $40,000) included in loans payable, $3,656 (December 31, 2014 - $171) in interest payable and $14,000 (December 31, 2014 - $8,000) in finance expenses included in accounts payable and accrued liabilities to Mr. Joseph Grosso.

See Subsequent Event Note 13 for further information.

Mr. Nikolaos Cacos

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos, a director and officer of the Company. For the three months ended June 30, 2015, Cacos Consulting was paid $15,000 (three months ended June 30, 2014 - $15,000) for CEO services. For the six months ended June 30, 2015, Cacos Consulting was paid $30,000 (six months ended June 30, 2014 - $30,000) for CEO services. Amounts paid to Cacos Consulting are classified as salaries in the consolidated statements of loss and comprehensive loss.

At June 30, 2015, the Company had $84,000 (December 31, 2014 - $52,500) included in accounts payable and accrued liabilities to Cacos Consulting.

Mr. Ron H. McMillan

R.H. McMillan Ltd. ("R.H. McMillan") is a private company controlled by Ron McMillan, a former director of the Company. For the three months ended June 30, 2015, R.H. McMillan was paid $Nil (three months ended June 30, 2014 - $6,000) for geological services. For the six months ended June 30, 2015, R.H. McMillan was paid $Nil (six months ended June 30, 2014 - $12,000) for geological services. Amounts paid to R.H. McMillan are classified as professional fees in the consolidated statements of loss and comprehensive loss.

At June 30, 2015, the Company had $8,400 (December 31, 2014 - $8,400) included in accounts payable and accrued liabilities to R.H. McMillan Ltd.

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Key management personnel compensation

During the three and six months ended June 30, 2015 and 2014 the following amounts were incurred with respect to the Company's executive officers, comprising the current Chief Executive Officer and President, Nikolaos Cacos, current Chief Financial Officer, Darren Urquhart, former President and Chief Executive Officer, Sean Hurd and former Chief Financial Officer, Michael Iannacone:

	Three months ended June 30, 2015		Three months ended June 30, 2014	
Compensation	Salaries $	Total $	Salaries $	Total $
Chief Executive Officer	15,000	15,000	22,500	22,500
Chief Financial Officer	-	-	2,000	2,000
Total	15,000	15,000	24,500	24,500

	Six months ended June 30, 2015		Six months ended June 30, 2014	
Compensation	Salaries $	Total $	Salaries $	Total $
Chief Executive Officer	30,000	30,000	52,500	52,500
Chief Financial Officer	-	-	8,000	8,000
Total	30,000	30,000	60,500	60,500

At June 30, 2015, the Company had severance of $27,500 (December 31, 2014 - $27,500) included in accounts payable and accrued liabilities to Mr. Sean Hurd to be paid in cash or common shares of the Company.

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2015 and 2014 was based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Loss attributable to common shareholders ($)	69,164	2,945,149	152,796	3,221,090
Weighted average number of common shares outstanding	3,436,699	3,398,123	3,436,699	2,923,113

Diluted loss per share did not include the effect of 147,689 (June 30, 2014 – 153,160) share purchase options and 1,011,168 (June 30, 2014 – 1,701,568) common share purchase warrants as they are anti-dilutive.

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2015 and 2014.

The Company's total non-current assets are segmented geographically as follows:

June 30, 2015		
	Argentina $	Total $
Mineral property interests	32,702	32,702
	32,702	32,702

December 31, 2014		
	Argentina $	Total $
Mineral property interests	32,702	32,702
	32,702	32,702

10. COMMITMENT

Management Service Agreement

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is $Nil per month due to a significant curtailment in activity. This fee is reviewed and adjusted quarterly based on the level of services required.

11. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended June 30,		Six months ended June 30	
	2015 $	2014 $	2015 $	2014 $
Non-cash investing and financing activities				
Share issue costs – issuance of warrants to agents	-	3,689	-	14,940

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash, amounts receivable, exploration liabilities, accounts payable and accrued liabilities, interest payable and loans payable. The recorded amounts for cash, amounts receivable, exploration liabilities, loans payable, interest payable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due (Note 1). The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentinean pesos, all denominated in cash, amounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, and between the Canadian dollar and the Argentinean peso as of June 30, 2015 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $107.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $15,262.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds.

13. SUBSEQUENT EVENTS

On July 22, 2015, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is $4,500 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. As additional consideration for providing the loan, the Company will pay to the lender an arrangement fee in an amount equal to 20% of the principal amount of the loan totaling $900. Such amount is payable at the election of the lender in cash or common shares, or a combination of both. Payment of all or any part of the arrangement fee in common shares is subject to TSX Venture Exchange approval.