DALRADIAN
RESOURCES

Dalradian Resources Inc.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended December 31, 2014
and December 31, 2013

March 24, 2015

Management's Responsibility for Consolidated Financial Statements

Date March 24, 2015

To the Shareholders of Dalradian Resources Inc.

The accompanying consolidated financial statements of Dalradian Resources Inc. ("the Company") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee, whose members are independent directors of the Company, assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management and the external auditors quarterly. The audit committee reviews the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. The Audit Committee also has the responsibility of engaging the external auditors.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Dalradian Resources Inc.

(signed) Patrick F. N. Anderson

Patrick F. N. Anderson
Chief Executive Officer

(signed) Keith McKay

Keith McKay
Chief Financial Officer

Dalradian Resources Inc.
(An exploration stage company)

Independent Auditors' Report

To the Shareholders of Dalradian Resources Inc.

We have audited the accompanying consolidated financial statements of Dalradian Resources Inc., which comprise the consolidated balance sheets as at December 31, 2014 and December 31, 2013, the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider 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 is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dalradian Resources Inc. as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

(signed) KPMG

Chartered Professional Accountants, Licensed Public Accountants
March 24, 2015
Toronto, Canada

Dalradian Resources Inc.
(An exploration stage company)

Consolidated Balance Sheets
(Expressed in Canadian dollars)

	As at Dec. 31, 2014	As at Dec. 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 29,776,872	$ 6,855,035
Amounts receivable	246,390	80,355
Prepaid expenses and advance payments (note 4)	2,963,947	600,272
	32,987,209	7,535,662
Restoration deposit (note 7)	1,120,870	-
Equipment (note 5)	408,069	671,978
Exploration and evaluation assets (note 6)	49,085,740	40,349,082
	$ 83,601,888	$ 48,556,722
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,950,848	$ 713,077
Non-Current liabilities:		
Provision for decommissioning and restoration (note 7)	380,937	-
Shareholders' equity:		
Share capital (note 8)	110,693,043	79,585,917
Warrants (note 8)	7,288,894	139,310
Contributed surplus	11,118,485	10,103,852
Accumulated deficit	(48,830,319)	(41,985,434)
	80,270,103	47,843,645
	$ 83,601,888	$ 48,556,722

Commitments and contingencies (note 14) and subsequent events (note 17)

On behalf of the Board:

(signed) Thomas Obradovich

Thomas Obradovich
Director

(signed) Ronald P. Gagel

Ronald P. Gagel
Director

See accompanying notes, which are an integral part of these consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Operating expenses:		
Salaries and related benefits	$ 3,176,139	$ 2,554,909
Professional fees and consulting	978,443	452,901
Share-based payments	1,103,903	880,439
Investor relations and general travel	771,732	707,879
Office, regulatory and general	1,023,751	656,031
Amortization	165,793	232,866
Foreign exchange (gain) loss	(180,348)	74,426
Interest and bank charges	8,713	10,083
Loss on disposal of equipment	-	41
Impairment charges (note 16)	-	16,348,550
	7,048,126	21,918,125
Interest income and other	203,241	115,254
Loss and comprehensive loss for the year	$ (6,844,885)	$ (21,802,871)
Loss per share – basic and diluted (note 10)	$ (0.06)	$ (0.24)

See accompanying notes, which are an integral part of these consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Consolidated Statements of Shareholders' Equity
(Expressed in Canadian dollars)

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Share capital:		
Balance, beginning of year	$ 79,585,917	$ 79,585,917
Common shares issued (note 8)	30,796,719	-
Options exercised (note 8)	310,407	-
Balance, end of year	$ 110,693,043	$ 79,585,917
Warrants:		
Balance, beginning of year	$ 139,310	$ 91,550
Warrants issued (note 8)	7,149,584	47,760
Balance, end of year	$ 7,288,894	$ 139,310
Contributed surplus:		
Balance, beginning of year	$ 10,103,852	$ 9,244,127
Increase from share-based payments	1,133,790	859,725
Options exercised (note 8)	(119,157)	-
Balance, end of year	$ 11,118,485	$ 10,103,852
Accumulated deficit:		
Balance, beginning of year	$ (41,985,434)	$ (20,182,563)
Loss and comprehensive loss for the year	(6,844,885)	(21,802,871)
Balance, end of year	$ (48,830,319)	$ (41,985,434)
Total shareholders' equity	$ 80,270,103	$ 47,843,645

See accompanying notes, which are an integral part of these consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Cash flows from (used in) operating activities:		
Loss and comprehensive loss for the year	$ (6,844,885)	$ (21,802,871)
Unrealized foreign exchange (gain) loss	(205,502)	25,131
Interest income and other	(203,092)	(115,254)
Items not affecting cash:		
Amortization	165,793	232,866
Share-based payments	1,103,903	880,439
Loss on disposal of equipment	-	41
Impairment charges (note 16)	-	16,348,550
Change in non-cash operating working capital:		
Amounts receivable	(160,313)	579,215
Prepaid expenses and advance payments	91,680	39,344
Accounts payable and accrued liabilities	708,759	(132,449)
Cash flows used in operating activities	$ (5,343,657)	$ (3,944,988)
Cash flows from financing activities:		
Net proceeds from common shares issued (note 8)	$ 37,946,304	$ -
Exercise of options (note 8)	191,250	-
Cash flows from financing activities	$ 38,137,554	$ -
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets	$ (8,951,309)	$ (11,886,129)
Restoration deposit (note 7)	(1,120,870)	-
Additions to equipment	(193,928)	(181,368)
Proceeds from disposal of equipment	-	3,316
Interest received	188,545	129,307
Cash flows used in investing activities	$ (10,077,562)	$ (11,934,874)
Net change in cash and cash equivalents	22,716,335	(15,879,862)
Cash and cash equivalents, beginning of year	6,855,035	22,760,432
Effect of exchange rate fluctuations on cash held	205,502	(25,535)
Cash and cash equivalents, end of year	$ 29,776,872	$ 6,855,035

See accompanying notes, which are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Dalradian Resources Inc. (collectively with its subsidiaries, the "Company") was incorporated on March 27, 2009, in the Province of Ontario, Canada, and is involved in the acquisition, exploration and evaluation of mineral properties in Northern Ireland. The registered address of the Company's head office is 155 Wellington Street West, Suite 2920, Toronto, Ontario, M5V 3H1.

While the Company has no source of revenue, management believes it has sufficient cash resources to meet its obligations and fund planned expenditures and administrative costs for at least the next twelve months. In order to meet planned expenditures and cover administrative costs beyond that point, the Company will need to raise additional financing. The Company will also have to raise financing in the future to develop the operating mine. Although the Company has been successful in raising funds to date, as evidenced by the recent financings in February and July 2014 (see note 8), and private placement in February 2015 (see note 17), there can be no assurance that adequate financing will be available in the future, or available under terms favourable to the Company.

The majority of the Company's efforts are devoted to the exploration and evaluation of its properties. The recoverability of the amounts paid for the acquisition of, and investment in, mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral prospecting licences and mining lease option agreements, the ability to obtain necessary financing and the attainment of profitable operations or, alternatively, the disposal of properties or the Company's interests therein on an advantageous basis.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

These consolidated financial statements have been approved and authorized to be issued by the Board of Directors on March 24, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with IFRS. Outlined below is a summary of the significant accounting policies used in the preparation of these consolidated financial statements.

(a) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments, warrants, and share-based payments, which are initially measured at fair value.

(b) Basis of consolidation

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its 100% owned subsidiaries, Dalradian Gold Limited ("DGL") and Norwegian Minerals

Group Inc. ("Ontco"). All inter-company transactions and balances have been eliminated on consolidation. Prior to its disposition during the year ended December 31, 2014, the Company also owned 100% of Norwegian Minerals Group AS ("NMG").

(c) Measurement uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the related reported expenses during the year. The most significant estimates and judgments are related to:

(i) Recoverability of exploration and evaluation assets and related equipment as described in note 2(d) and 2(i);

(ii) Fair value of share-based payments and warrants as described in note 2(f);

(iii) Measurement of deferred income tax assets and liabilities as described in note 2(g);

(iv) Measurement of the provision for decommissioning and restoration as described in note 2(e)

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

(d) Exploration and evaluation assets

The Company capitalizes costs incurred to acquire, explore for and evaluate mineral resources. These expenditures are included in the exploration and evaluation assets classification within the Company's balance sheet. Once the technical feasibility and commercial viability of a mineral resource is determined, an impairment test is required and the carrying value is reclassified as development cost. The future development costs are capitalized until the properties are placed into production, become inactive, are assessed as impaired or are sold or abandoned. Capitalized exploration and evaluation costs will be amortized over the estimated useful life of the mineral property following the commencement of production, or written off if the property becomes inactive, is assessed as impaired or is sold or abandoned. The exploration and evaluation costs include the fair market value of consideration, including cash and shares, if any, on the acquisition of property interests. The amount of property acquisition costs and their related deferred exploration and evaluation costs represent actual expenditures incurred and are not intended to reflect present or future fair values.

The Company assesses its exploration and evaluation assets for impairment whenever facts and circumstances suggest that the carrying amount is not recoverable. The Company considers the conditions listed in IFRS 6, *Exploration and Evaluation of Mineral Resources* in determining whether the carrying value of its exploration and evaluation assets is not recoverable, such as the loss of the rights to explore an area, poor exploration results or abandonment of work programs. This evaluation requires significant judgment regarding the status of the exploration program to determine whether any of the conditions have been met.

If the recoverable amount of an exploration and evaluation asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of loss and comprehensive loss. If the circumstances leading to the impairment change, and an impairment subsequently reverses, the carrying amount is increased to the revised estimate of the 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. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of loss and comprehensive loss.

(e) Provision for decommissioning and restoration

A provision for decommissioning and restoration is recognized when: (i) the Company has a present legal or constructive obligation as a result of past exploration and evaluation activities; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

The Company records a liability and corresponding asset for the present value of the estimated costs of legal and constructive obligations for future site decommissioning and restoration.

The present value is determined based on current market assessments of the discount rate specific to the country in which the reclamation site is located based on the risk-free rate of borrowing approximated by the yield on sovereign debt for that country, with a maturity approximating the end of decommissioning and restoration period.

The estimated present value of the decommissioning and restoration cost is reassessed on an ongoing basis for completed exploration and evaluation activities and for new material information as it becomes available. When estimates of decommissioning and restoration costs are revised, the present value of the changes in decommissioning and restoration costs is recorded in the period by a change in the decommissioning and restoration provision and a corresponding adjustment to the exploration and evaluation assets.

The ultimate cost of decommissioning and restoration is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements and the emergence of new restoration techniques. The expected timing of expenditure can also change. As a result there could be significant adjustments to the provisions for decommissioning and restoration, which would affect future financial results.

Funds on deposit with third parties provided as security for future decommissioning and restoration costs are included in restoration deposits on the balance sheet.

(f) Share-based payments and warrants

The fair value of any share-based payments granted to directors, officers, employees and consultants is recorded as an expense or a component of exploration and evaluation assets based on the nature of the services for which it was awarded over the vesting period of the award with a corresponding increase recorded to contributed surplus. Share-based payments for directors, officers and employees are valued at the grant date whereas consultants' share-based payments are valued as the goods and services are received from the recipient. Fair value of share options for directors, officers and employees, and warrants is determined using the Black-Scholes option pricing method utilizing management's assumptions, as disclosed in note 8. Fair value of share-based payments for consultants is determined based on the fair value of the goods and services received and requires management to make estimates of the value of the goods and services received. Upon exercise of a share option or warrant, consideration paid by the option or warrant holder, together with the amount previously recognized in contributed surplus and warrants, respectively, is recorded as an increase to share capital.

The Restricted Share Units ("RSU") are accounted for as equity settled share-based payments, and the grant date fair value is amortized over their vesting period. The fair value of the RSU is based on the share price at the grant date as disclosed in note 8.

(g) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and on losses carried forward. For non-monetary assets denominated in a foreign currency, the tax basis is translated to the functional currency using the current foreign exchange rate. Deferred income tax assets and liabilities are measured using the substantially enacted tax rates that are expected to be in effect when the differences are expected to reverse or losses are expected to be utilized. The effect on deferred income tax assets and liabilities of a change in the enacted tax rate is included in income in the period in which the change is substantially enacted. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized. This evaluation requires management to make judgments as to whether it is probable that a tax asset may be realized in the future.

(h) Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. The dilutive effect of share-based payments and warrants is calculated using the treasury stock method. The treasury stock method assumes that any proceeds from the exercise of dilutive share-based payments and warrants would be used to repurchase common shares at the average market price during the year, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation to the extent that it is dilutive. Share-based payments and share purchase warrants are not included in the computation of diluted loss per share in periods where the Company incurs a loss as their inclusion would be anti-dilutive.

(i) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recognized, using the straight-line method, over the following periods:

Furniture and office equipment	3 years
Computer equipment	3 years
Leasehold improvements	Over the lease term
Other equipment	3-5 years

(j) Foreign currency translation

The Company has a functional currency of Canadian dollars, which is also the currency in which the consolidated financial statements are presented. Transactions and balances denominated in a foreign currency have been translated into Canadian dollars using a method that retains their basis of measurement in terms of the Canadian dollar, as described below. Any conversion differences are recorded as exchange gains or losses in the consolidated statement of loss and comprehensive loss. Under this method:

(i) monetary items are translated at the exchange rate in effect at the balance sheet date;

(ii) non-monetary items, principally the exploration and evaluation assets, are translated at historical exchange rates; and

(iii) revenue and expenses are translated at the average rates of exchange during the year, other than share-based payments and amortization which are translated at historical rates.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of less than 3 months.

(l) Financial instruments

All financial instruments are initially recognized at fair value on the consolidated balance sheet. The Company has classified each financial instrument into one of the following categories: fair value through profit or loss; loans and receivables; and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities classified as fair value through profit or loss are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year.

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Subsequent Measurement
Cash and cash equivalents, Restoration deposit	Fair value through profit or loss	Fair value
Amounts receivable	Loans and receivables	Amortized cost
Accounts payables and accrued liabilities	Other liabilities	Amortized cost

3. RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTION OF NEW AND AMENDED IFRS STANDARDS

(a) Adoption of new and amended IFRS standard

The Company has adopted the new IFRS standard described below as at January 1, 2014.

IFRIC 21 *Levies*

In May 2013, the IASB issued IFRIC 21, *Levies*. This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The IFRIC provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets.*

The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements.

The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

The Company adopted IFRIC 21 in its Consolidated Financial Statements on January 1, 2014. The adoption of IFRIC 21 had no material impact on the Consolidated Financial Statements for the current period.

(b) New accounting pronouncement

The following new IFRS standard is issued but not yet effective for the Company:

IFRS 9 *Financial Instruments*

On July 24, 2014, the IASB issued the completed IFRS 9, *Financial Instruments,* (IFRS 9 (2014)). In November 2009 the IASB issued the first version of IFRS 9, *Financial Instruments*, (IFRS 9 (2009)) and subsequently issued various amendments in October 2010 (IFRS 9 (2010)) and November 2013 (IFRS 9 (2013)).

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment, and new general hedge accounting requirements. IFRS 9 is to come into effect on January 1, 2018 with early adoption permitted.

The Company does not intend to adopt IFRS 9 (2009), IFRS 9 (2010), IFRS 9 (2013) or IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2015 and the extent of the impact of adoption that these standards would have had, if any, has not yet been determined.

4. PREPAID EXPENSES AND ADVANCE PAYMENTS

DGL entered into an agreement dated August 18, 2014 with a Northern Ireland based company, FP McCann, for the surface works portion of the underground exploration program ("Underground Program"). This agreement is for the completion of the surface civil engineering, including the building and commissioning of the temporary waste water treatment plant. As of December 31, 2014, included in prepaid expenses and advance payments are advance payments to FP McCann totaling $2,044,845 (£1,133,353), approximately $1.5 million of which is held in an escrow account with a legal firm, which will be applied to future invoices. Funds held on escrow account will be released upon joint release instructions from both the Company and FP McCann. See note 14.

(Expressed in Canadian dollars)

5. EQUIPMENT

	Furniture and office equipment	Computer equipment and software	Leasehold improvements	Other equipment	Total
Cost					
Balance at January 1, 2013	$ 218,283	$ 334,043	$ 681,011	$ 461,092	$ 1,694,429
Additions	-	114,746	23,128	43,494	181,368
Disposals	-	(1,717)	-	(2,940)	(4,657)
Impairment charge (note 16)	-	(1,972)	-	(7,581)	(9,553)
Balance at December 31, 2013	$ 218,283	$ 445,100	$ 704,139	$ 494,065	$ 1,861,587
Additions	-	92,591	-	101,337	193,928
Balance at December 31, 2014	$ 218,283	$ 537,691	$ 704,139	$ 595,402	$ 2,055,515
Accumulated Amortization					
Balance at January 1, 2013	$ 135,418	$ 112,646	$ 299,760	$ 126,234	$ 674,058
Amortization	72,137	132,035	161,253	157,137	522,562
Disposals	-	(1,050)	-	(653)	(1,703)
Impairment charge (note 16)	-	(1,097)	-	(4,211)	(5,308)
Balance at December 31, 2013	$ 207,555	$ 242,534	$ 461,013	$ 278,507	$ 1,189,609
Amortization	10,728	144,692	144,519	157,898	457,837
Balance at December 31, 2014	$ 218,283	$ 387,226	$ 605,532	$ 436,405	$ 1,647,446
Net Book Value					
Balance at December 31, 2013	$ 10,728	$ 202,566	$ 243,126	$ 215,558	$ 671,978
Balance at December 31, 2014	$ -	$ 150,465	$ 98,607	$ 158,997	$ 408,069

6. EXPLORATION AND EVALUATION ASSETS

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Balance, beginning of year	$ 40,349,082	$ 45,080,836
Exploration	2,034,958	9,285,261
Asset evaluation	6,671,813	2,300,242
Share-based payments	29,887	(20,714)
Warrants (note 8)	-	47,760
Impairment charge (note 16)	-	(16,344,303)
Balance, end of year	$ 49,085,740	$ 40,349,082

Included within accounts payable and accrued liabilities is $2,191,860 (2013 - $281,911) in relation to exploration and evaluation assets.

Asset evaluation expenditures include development planning, permitting and other activities associated with the underground exploration program.

The Company, through its wholly-owned subsidiary DGL, holds a 100% interest in prospecting licences and options, subject to royalties as described below, in approximately 84,000 hectares, consisting of four contiguous areas (DG1, DG2, DG3 and DG4), located in counties Tyrone and Londonderry, Northern Ireland, United Kingdom. There are two elements comprising this interest:

- The Crown Estate Commissioners ("CEC") has entered into mining lease Option Agreements with DGL (the "CEC Mining Lease Option Agreements") for gold and silver, covering these four contiguous areas; and
- The Department of Enterprise, Trade and Investment ("DETI"), a separate government body, has granted to DGL, Prospecting Licenses for base metals (the "DETI Prospecting Licences") covering the same four areas.

The DETI Prospecting Licences for DG1 and DG2 have a renewal term expiring December 31, 2015, and the licences for DG3 and DG4 have a renewal term expiring April 23, 2015.

The CEC Mining Lease Option Agreements for DG1 and DG2 have a renewal term expiring December 31, 2015, and Mining Lease Option Agreements for DG3 and DG4 have a renewal term expiring April 23, 2015.

The Company has applied to renew the DG3 and DG4 licences and option agreements, and expects to complete the renewals before the expiry date.

This approximately 84,000-hectare area is collectively known as the "Northern Ireland Properties". Pursuant to a royalty agreement dated December 13, 2004 (the "Royalty Agreement"), between DGL (formerly known as Ulster Minerals) and Minco Plc., a company duly incorporated under the laws of the Republic of Ireland, a 2% net smelter return royalty on a portion of the Northern Ireland Properties (as defined in the Royalty Agreement) is payable by DGL to Minco Plc. or its nominee. As provided in the CEC Mining Lease Option Agreements, a 4% royalty will be payable to the CEC upon production of gold and/or silver from the Northern Ireland Properties.

7. PROVISION FOR DECOMMISSIONING AND RESTORATION

With the start of the surface works phase of the Underground Program in 2014, the Company was required to place a restoration deposit of $1,120,870 (£620,000) in a reserve account as security for restoration to be performed in accordance with CEC requirements. The funds will remain in the reserve account until restoration associated with the Underground Program has been satisfactorily completed.

The Company estimates future decommissioning and restoration costs based on the level of current exploration and evaluation activity and estimates of costs required to fulfil the Company's future obligation. As of December 31, 2014, provision for decommissioning and restoration is estimated to be $380,937 (£210,800).

8. SHARE CAPITAL, WARRANTS, SHARE OPTIONS AND RESTRICTED SHARE UNITS

(a) Share Capital:

The Company is authorized to issue an unlimited number of common shares with no par value. As at December 31, 2014, 140,050,483 (December 31, 2013 – 89,542,983) common shares were issued and outstanding.

(Expressed in Canadian dollars)

	Number of shares issued		Amount
Balance, December 31, 2012 and 2013	89,542,983	$	79,585,917
Bought deal offering February 19, 2014 (ii)	19,837,500		12,121,149
Issuance costs of bought deal offering February 19, 2014 (ii)	-		(1,394,922)
Bought deal offering July 31, 2014 (iv)	19,205,000		14,019,649
Issuance costs of bought deal offering July 31, 2014 (iv)	-		(1,345,299)
Private placement July 31, 2014 (v)	11,200,000		8,176,000
Issuance costs of private placement July 31, 2014 (v)	-		(779,858)
Issuance on exercise of options (iii, vi)	265,000		310,407
Balance, December 31, 2014	140,050,483	$	110,693,043

(b) Warrants:

	Number of warrants		Amount		Weighted average exercise price
Balance, December 31, 2012	70,000	$	91,550	$	1.96
Warrants issued January 1, 2013 (i)	50,000		47,760		1.50
Balance, December 31, 2013	120,000	$	139,310	$	1.77
Warrants issued February 19, 2014 (ii)	9,918,750		1,765,101		0.90
Broker warrants issued February 19, 2014 (ii)	1,190,250		329,888		0.70
Issuance costs of bought deal offering February 19, 2014 (ii)	-		(203,131)		-
Warrants issued July 31, 2014 (iv)	9,602,500		3,264,850		1.50
Broker warrants issued July 31, 2014 (iv)	1,152,300		368,736		0.90
Issuance costs of bought deal offering July 31, 2014 (iv)	-		(313,289)		-
Warrants issued private placement July 31, 2014 (v)	5,599,999		1,904,000		1.50
Broker warrants issued private placement July 31, 2014 (v)	672,000		215,040		0.90
Issuance costs of private placement July 31, 2014 (v)	-		(181,611)		-
Balance, December 31, 2014	28,255,799	$	7,288,894	$	1.22

Each warrant entitles the holder to purchase one common share at the stated exercise price up to the expiry date.

The fair value of the Company's warrants, including broker warrants granted during the years ended December 31, 2014, and December 31, 2013 were estimated using the Black-Scholes option pricing method using the following range of assumptions:

	2014	2013
Volatility	68% to 81%	100%
Risk-free interest rate	1%	1%
Expected life (years)	1 to 3	3
Dividend yield	nil	nil

(Expressed in Canadian dollars)

As at December 31, 2014, the following warrants were issued and outstanding:

Type	Expiry date	Number of warrants	Shares issuable	Carrying value	Exercise price
Warrants	January 1, 2016	30,000	30,000	$ 43,783	$ 2.17
Warrants	January 1, 2017	40,000	40,000	47,767	1.81
Warrants	January 1, 2018	50,000	50,000	47,760	1.50
Warrants	February 19, 2015	9,918,750	9,918,750	1,561,970	0.90
Broker warrants	August 19, 2015	1,190,250	1,190,250	329,888	0.70
Warrants	July 31, 2017	15,202,499	15,202,499	4,673,950	1.50
Broker warrants	July 31, 2016	1,824,300	1,824,300	583,776	0.90
		28,255,799	28,255,799	$ 7,288,894	$ 1.22

(i) On January 1, 2013, the Company issued 50,000 warrants to two landowners at an exercise price of $1.50 per share, under an agreement dated December 21, 2010 for access to their land for the purpose of exploration activities. The warrants expire on January 1, 2018 and had a fair value on grant date of $47,760.

(ii) On February 19, 2014, the Company closed a bought deal offering of 19,837,500 units including fully exercised over-allotment units, at a price of $0.70 per unit, for gross proceeds of $13,886,250. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. The common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.90 until February 19, 2015. The Company allocated approximately $0.09 to each one-half of one warrant using the Black-Scholes option pricing method, and allocated the residual $0.61 to each common share. A cash commission of $833,175 (6% of gross proceeds) was paid, together with the issuance of 1,190,250 broker warrants equal to 6% of the total number of units sold (valued at $329,888 using the Black-Scholes option pricing method) and advisory fee and other transaction costs of $434,990. Each broker warrant entitles the holder to purchase one common share at an exercise price of $0.70 until August 19, 2015.

(iii) On July 3, 2014, the Company issued 250,000 shares as a result of the exercise of 250,000 options. The cash proceeds from the option exercise were $187,500. The balance of $116,827 in contributed surplus was transferred to common shares upon exercise.

(iv) On July 31, 2014, the Company closed a bought deal offering of 19,205,000 units including fully exercised over-allotment units, at a price of $0.90 per unit, for gross proceeds of $17,284,500. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. The common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $1.50 until July 31, 2017. The Company allocated $0.17 to each one-half of one warrant using the Black-Scholes option pricing method, and allocated the residual $0.73 to each common share. A cash commission of $1,037,070 (6% of gross proceeds) was paid, together with the issuance of 1,152,300 broker warrants equal to 6% of the total number of units sold (valued at $368,736 using the Black-Scholes option pricing method) and advisory fee and other transaction costs of $252,782. Each broker warrant entitles the holder to purchase one common share at an exercise price of $0.90 until July 31, 2016.

(Expressed in Canadian dollars)

(v) On July 31, 2014, the Company completed a non-brokered private placement of 11,200,000 units, at a price of $0.90 per unit, for gross proceeds of $10,080,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. The common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $1.50 until July 31, 2017. The Company allocated $0.17 to each one-half of one warrant using the Black-Scholes option pricing method, and allocated the residual $0.73 to each common share. A cash commission of $604,800 (6% of gross proceeds) was paid, together with the issuance of 672,000 broker warrants equal to 6% of the total number of units sold (valued at $215,040 using the Black-Scholes option pricing method) and advisory fee and other transaction costs of $141,629. Each broker warrant entitles the holder to purchase one common share at an exercise price of $0.90 until July 31, 2016.

(vi) On November 26, 2014, the Company issued 15,000 shares as a result of the exercise of 15,000 options. The cash proceeds from the option exercise were $3,750. The balance of $2,330 in contributed surplus was transferred to common shares upon exercise.

(c) Share options:

On April 27, 2010, and as amended on March 22, 2011 and May 26, 2014, the Company adopted a share option plan under which it is authorized to grant share options to senior officers, directors, employees and consultants of the Company. Under the share option plan, the Company may not have more than 10% of the outstanding issued common shares reserved for incentive share options granted at any time. Options granted under the plan will have a term not to exceed five years, from the later of (i) the grant date; or (ii) August 10, 2010, the date on which the common shares were listed for trading on the Toronto Stock Exchange, have an exercise price of not less than the closing price of the shares on the exchange on which the common shares are listed on the trading date immediately preceding the date the options are granted and may be subject to vesting terms as determined by the Board of Directors.

In accordance with the option plan, the Board of Directors determined that one third of the total options granted would vest immediately upon approval and the remaining thirds would each vest on the first and second anniversaries of the date they were issued.

	Number of options	Weighted average exercise price
Balance, December 31, 2012	6,881,668	$ 1.06
Granted (i), (ii)	760,000	0.74
Forfeited and expired	(1,216,668)	1.51
Balance, December 31, 2013	6,425,000	$ 0.94
Granted	2,430,000	0.94
Exercised[1]	(265,000)	0.72
Forfeited and expired	(775,000)	1.61
Balance, December 31, 2014	7,815,000	$ 0.88

1. The weighted average share price on the date of exercise of exercised share options during 2014 is $0.98 (2013 - $nil).

(Expressed in Canadian dollars)

As at December 31, 2014, share options granted and still outstanding were as follows:

Grant Date	Exercise price	Grant date fair value of options outstanding	Number of vested options	Number of non-vested options	Number of outstanding options	Remaining life in years	Expiry date
Apr. 10, 2012	1.28	143,094	180,000	-	180,000	0.12	Feb. 12, 2015
Nov. 16, 2009	0.25	94,742	610,000	-	610,000	0.61	Aug. 10, 2015
Apr. 15, 2010	0.75	721,988	1,545,000	-	1,545,000	0.61	Aug. 10, 2015
Jun. 9, 2010	0.75	256,574	550,000	-	550,000	0.61	Aug. 10, 2015
May 27, 2011	1.60	249,632	250,000	-	250,000	1.41	May 27, 2016
Nov. 2, 2011	2.20	95,468	70,000	-	70,000	1.84	Nov. 2, 2016
Apr. 11, 2012	1.23	91,695	120,000	-	120,000	2.28	Apr.11, 2017
Apr. 23, 2012	1.10	34,209	50,000	-	50,000	2.31	Apr. 23, 2017
May 14, 2012	0.97	30,130	50,000	-	50,000	2.37	May 14, 2017
Aug. 7, 2012	1.11	482,168	700,000	-	700,000	2.60	Aug. 7, 2017
Sept. 11, 2012	1.02	316,598	500,000	-	500,000	2.70	Sep. 11, 2017
Feb. 11, 2013	1.30	28,227	23,334	11,666	35,000	3.12	Feb. 11, 2018
May 8, 2013	0.71	99,005	150,000	75,000	225,000	3.35	May 8, 2018
Jul. 9, 2013	0.71	109,874	500,000	-	500,000	3.52	Jul. 9, 2018
Feb. 14, 2014	0.85	135,100	100,000	200,000	300,000	4.13	Feb. 14, 2019
Jun. 25, 2014	0.98	987,506	633,334	1,266,666	1,900,000	4.48	Jun. 25, 2019
Sept. 24, 2014	0.71	51,901	46,667	93,333	140,000	4.74	Sept. 25, 2019
Dec. 10, 2014	0.67	31,016	30,000	60,000	90,000	4.95	Dec. 10, 2019
		$ 3,958,927	6,108,335	1,706,665	7,815,000	2.08[1]	

1. The weighted average remaining life for the options outstanding at December 31, 2014 is 2.08 years (2013 - 2.47 years)

The fair value of the Company's options granted to directors and employees during the years ended December 31, 2014 and December 31, 2013 were estimated using the Black-Scholes option pricing method using the following range of assumptions:

	2014	2013
Volatility	79% to 82%	81% to 100%
Risk-free interest rate	1.0% to 1.2%	1.1% to 1.3%
Expected life (years)	3	3
Dividend yield	nil	nil
Forfeiture rate	5%	0% to 5%

In August 2013, the Company concluded it had sufficient trading history to estimate the future volatility by reference to the Company's historic volatility over a period equal to the expected life of the option. Prior to that, the Company estimated the future volatility of 100% by reference to the historic volatility of comparable listed companies on the Toronto Stock Exchange.

(Expressed in Canadian dollars)

The total fair value of unvested options that will be recognized in the consolidated statement of loss or capitalized into exploration and evaluation assets in future periods amounts to $459,394 as at December 31, 2014.

(d) Restricted Share Units ("RSUs"):

On June 25, 2012, the shareholders approved an RSU plan. Under the plan, the participants are granted rights to acquire fully paid and non-assessable common shares from the Company. The maximum numbers of RSUs that may be granted under this plan is 995,390.

	Number of RSUs		Fair value per unit at grant date [(i)]
Balance, December 31, 2012 and 2013	850,000	$	1.11
Granted	145,000		0.69
Balance, December 31, 2014	995,000	$	1.05

[(i)] The fair value of the RSUs is based on the share price on grant date of August 7, 2012 and October 2, 2014.

On August 7, 2012, a total of 850,000 RSUs at a fair value of $1.11 per RSU, based on the share price on grant date, were granted to a director of the Company and two officers who were also directors of the Company at the time of the grant under the Company's RSU plan. These RSUs have a vesting period of three years.

On October 2, 2014, a total of 145,000 RSUs at a fair value of $0.69 per RSU, based on the share price on grant date, were granted to an officer who is also a director of the Company under the Company's RSU plan. These RSUs have a vesting period of three years.

The RSU expense for the year ended December 31, 2014 was $322,838 (2013 - $314,500).

9. RELATED PARTY TRANSACTIONS

Compensation of key management personnel comprised:

		Year ended Dec. 31, 2014		Year ended Dec. 31, 2013
Short-term employee benefits	$	1,400,000	$	1,100,000
Directors' fees		405,000		405,000
Share-based payments		988,869		688,126
	$	2,793,869	$	2,193,126

10. BASIC AND DILUTED LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

		Year ended Dec.31, 2014		Year ended Dec. 31, 2013
Numerator:				
Loss for the year	$	(6,844,885)	$	(21,802,871)
Denominator:				
Weighted average number of common shares		119,671,915		89,542,983
Basic and diluted loss per share	$	(0.06)	$	(0.24)

(Expressed in Canadian dollars)

The outstanding share options, RSUs and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

11. DEFERRED INCOME TAX RECOVERY

The major components of deferred income tax expense/recovery for the years ended December 31, 2014 and December 31, 2013 are as follows:

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Reconciliation of effective tax rate:		
Net loss before taxes	$ (6,844,885)	$ (21,802,871)
Income tax recovery at statutory rates 26.5 % (2012: 26.5%)	(1,813,895)	(5,777,761)
Non-deductible expenses	294,319	2,697,659
Rate adjustments	-	21,204
Change in recognized temporary differences	1,514,021	3,035,604
Effect of tax rates in foreign jurisdiction	5,555	23,294
	$ -	$ -
Unrecognized deferred tax assets:		
Deferred tax assets have not been recognized in respect of:		
Investment in subsidiaries	$ 2,988,258	$ 10,420,223
Deductible temporary differences	5,771,607	3,620,720
Tax losses	39,382,148	31,907,251
	$ 48,142,013	$ 45,948,194

For Canadian income tax purposes, the non-capital tax losses begin to expire in 2029. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Value

Cash and cash equivalents and restoration deposits are measured at fair value using level 1 inputs per the fair value hierarchy.

The carrying values of amounts receivable and accounts payable and accrued liabilities reflected in the consolidated balance sheet approximate fair value because of the short-term maturity of these financial instruments.

(b) Commodity Price Risk

The Company's ability to develop its properties and its future profitability are directly related to the market price of gold. The price of gold is affected by numerous factors, such as global consumption and demand for gold, international economic and political trends, fluctuations in value of the U.S. dollar and other currencies, interest rates and inflation.

(c) Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

(i) the Company will not have sufficient funds to settle a transaction on the due date;

(ii) the Company will be forced to sell financial assets at a value that is less than what they are worth; or,

(iii) the Company may be unable to settle liabilities or recover a financial asset at all.

The ultimate responsibility for liquidity risk rests with the Board of Directors of the Company, which has built an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity requirements. The Company's cash requirements and balances are projected based on estimated future requirements. The Company plans to meet these requirements through a mix of available funds, equity financing, sale of or mining of assets, and project debt financing. Continuing operations are dependent on the Company's ability in the near term to access sufficient capital to complete the Company's exploration and evaluation activities, identify commercial gold reserves and to ultimately have profitable operations. Accounts payable and accrued liabilities at December 31, 2014 all have contractual maturities of less than 90 days and are subject to normal trade terms. The Company had sufficient funds on hand at December 31, 2014 to settle these liabilities.

(d) Credit Risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the consolidated balance sheet date. The majority of the Company's financial assets are cash and cash equivalents, restoration deposit and amounts receivable. Management considers the credit risk on cash and cash equivalents to be limited because the counterparties are established well-known financial institutions. During the year ended December 31, 2014, no amounts receivable were past due. Consequently no allowances or bad debts were required on the amounts receivable. The maximum exposure to credit risk is represented by the carrying amount of the cash and cash equivalents, restoration deposit and amounts receivable on the consolidated balance sheet.

(e) Foreign Currency Risk

Foreign currency risk is the risk that a variation in the exchange rates between the Canadian dollar and foreign currencies could affect the Company's operating and financial results. The Company is exposed to foreign currency risk as the Company holds cash in foreign currencies and has other financial assets and liabilities that are denominated in foreign currencies. The Company's management monitors the exchange rate fluctuations on a regular basis and does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

At December 31, 2014, the carrying amounts of the Company's foreign currency-denominated net financial assets are approximately as follows:

(Expressed in Canadian dollars)

	Net financial assets (liabilities)	Effect of 10% change in exchange rate on loss
U.S. dollar	$ (1,247)	$ (125)
Euro	(20,085)	(2,009)
Pound sterling	6,256,030	625,603
	$ 6,234,698	$ 623,469

13. CAPITAL DISCLOSURES

The Company's policy with respect to managing its capital is as follows:

(a) to safeguard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders; and

(b) to raise sufficient funds to finance ongoing mineral property to provide an adequate return to shareholders.

The Company defines capital as total equity plus long-term debt. Total equity is comprised of share capital, accumulated deficit, contributed surplus and warrants. Currently the Company has no debt or borrowings, other than short-term accounts payable and accrued liabilities with terms of less than 90 days to maturity. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to raise capital.

	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Shareholders' equity	$ 80,270,103	$ 47,843,645
Long-term debt	-	-
	$ 80,270,103	$ 47,843,645

14. COMMITMENTS AND CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations.

The Company entered into an agreement with another Canadian mineral exploration company to share office space in Toronto. The agreement commenced on September 1, 2010 and expires on August 31, 2015. Under this agreement, the Company is responsible for fifty percent (50%) of the rent and fifty percent (50%) of the operating costs of the leasehold interests. Payments are included in the commitment table below.

On September 10, 2012, the Company entered into an operating lease for office and warehouse units in Omagh, Northern Ireland. The lease expires on September 30, 2016 and the payments are included in the commitment table below.

On September 8, 2014, the Company entered into a lease agreement for a storage facility in Londonderry, Northern Ireland for a period of 24 months from the completion of the storage facility.

(Expressed in Canadian dollars)

The lease expires on December 31, 2016 and the payments are included in the commitment table below.

At December 31, 2014, the Company had the following commitments for operating leases for the next five fiscal years:

2015	$	338,029
2016		169,090
2017		18,649
2018		18,649
2019		18,649
	$	563,066

DGL has entered into an agreement dated September 25, 2014 for the underground portion of the Underground Program with an Irish mining services firm, QME Limited. The estimated total value of the contract is approximately £4.1 million ($7.5 million). On October 16, 2014, the Company deposited £325,300 ($584,000) with QME Limited which will be applied to future invoices. As at December 31, 2014, the deposit balance is at £22,500 ($40,550). This agreement is for the preparation of the existing 700 metre adit, additional development of the adit by approximately 1,000 metres, construction of underground drill bays, and removal of samples for metallurgical and other testing.

DGL has entered into an agreement dated October 17, 2014 with SRK Consulting (Canada) Inc. for technical engineering services and compilation of a preliminary feasibility study technical report on the Curraghinalt Gold Project in Northern Ireland. The estimated total value of the contract is approximately $1.6 million. On October 30, 2014, the Company deposited $300,000 with SRK which will be applied to the final invoice. The balance of the deposit remains unchanged at December 31, 2014.

DGL has entered into an agreement dated October 20, 2014 with SRK Consulting (UK) Limited for an environmental and social impact assessment on Curraghinalt Gold Project. The total estimated value of the contract is approximately £0.5 million ($0.8 million). A deposit is not required under the terms of the contract.

DGL has entered into an agreement dated August 18, 2014 with a Northern Ireland based company, FP McCann, for the surface works portion of the Underground Program. This agreement is for the completion of the surface civil engineering, including the building and commissioning of the temporary waste water treatment plant (see note 4).

15. SEGMENTED REPORTING

The Company’s corporate office is in Canada. The geographical segmentation of the Company's assets and expenses are as follows:

(Expressed in Canadian dollars)

	Canada	Northern Ireland	Norway	Total
As at December 31, 2014				
Current assets	$ 29,168,950	$ 3,818,259	$ -	$ 32,987,209
Restoration deposit	-	1,120,870	-	1,120,870
Exploration and evaluation assets	-	49,085,740	-	49,085,740
Equipment	102,660	305,409	-	408,069
Total assets	$ 29,271,610	$ 54,330,278	$ -	$ 83,601,888
Year ended December 31, 2014				
Additions to equipment	$ -	$ 193,928	$ -	$ 193,928
Additions to exploration and evaluation assets	$ -	$ 8,736,658	$ -	$ 8,736,658
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 6,732,144	$ 85,461	$ 27,280	$ 6,844,885
As at December 31, 2013				
Current assets	$ 6,553,858	$ 877,452	$ 104,352	$ 7,535,662
Exploration and evaluation assets	-	40,349,082	-	40,349,082
Equipment	268,455	403,523	-	671,978
Total assets	$ 6,822,313	$ 41,630,057	$ 104,352	$ 48,556,722
Year ended December 31, 2013				
Additions to equipment	$ -	$ 181,368	$ -	$ 181,368
Additions to exploration and evaluation assets	$ -	$ 8,815,535	$ 2,797,014	$ 11,612,549
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 4,812,892	$ 411,447	$ 16,578,532	$ 21,802,871

16. IMPAIRMENT OF NON-CURRENT ASSETS

During the year ended December 31, 2013, the Company recorded impairment charges of $16,348,550 related to exploration and evaluation assets and equipment in Norway due to the Company indefinitely suspending exploration programs in Norway. The Company did not make the annual concession payments for the Norwegian properties which were due in January 2014 and the concessions were allowed to lapse.

The carrying value of exploration and evaluation assets and equipment were written down to their estimated recoverable value which was determined to be nil based on their fair value less costs of disposal and value-in-use as a result of the Company’s decision to indefinitely suspend exploration activities for the properties and return the concession to the government. During the year ended December 31, 2014, the Company disposed of its subsidiary in Norway.

17. SUBSEQUENT EVENTS

Private Placement

On February 9, 2015, the Company closed a non-brokered private placement of 12,556,000 units at a price of $0.90 per unit, for gross proceeds of $11,300,400. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $1.15 until February 9, 2017. A cash commission equal to 4% of the gross proceeds was paid.

Warrant Exercise

In February 2015, the Company received proceeds of $8,623,485 as a result of the exercise of 96.6% or 9,581,650 of the common share purchase warrants which expired on February 19, 2015. The warrants were originally issued on February 19, 2014.

Share option issuance

On March 2, 2015, 750,000 share options were granted to an officer, with an exercise price of $0.78 per share. One third of these options vested immediately with the remaining thirds each vesting on the first and second anniversaries of the date they were issued. These options expire March 2, 2020.