EROS RESOURCES CORP.

(formerly Boss Power Corp.)

(an exploration stage enterprise)

Consolidated Financial Statements

Years ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Eros Resources Corp are the responsibility of the Company's management and are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the consolidated financial statements prior to their submission to the Board of Directors for approval.

"Ronald K. Netolitzky"	*"Karen A. Allan"*
Ronald K. Netolitzky President CEO	Karen A. Allan Chief Financial Officer

Vancouver, British Columbia
April 27, 2016

EROS RESOURCES CORP.
(formerly Boss Power Corp.)
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	Note	**December 31, 2015**	December 31, 2014
Assets			
Current			
Cash and cash equivalents		**$ 7,421,443**	$ 80,116
Accounts receivable		**47,127**	6,173
Prepaid expenses		**76,506**	14,281
Promissory notes receivable	10	**141,273**	-
		7,686,349	100,570
Marketable securities	5	**1,445,121**	486,598
Loan to Skeena Resources Limited	6	**1,500,000**	-
Investment	3	**-**	6,904,660
Reclamation bonds		**26,179**	-
Exploration and evaluation interests	7	**5,263,234**	3,536,340
Equipment		**16,451**	27,318
		$ 15,937,334	$ 11,055,486
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 147,539**	$ 303,194
Deferred income tax	12	**3,738,735**	-
		3,886,274	303,194
Shareholders' Equity			
Capital stock	8	**71,370,577**	69,669,375
Contributed surplus	8	**697,544**	1,656,936
Accumulated other comprehensive income (loss)		**(86,924)**	68,733
Deficit		**(59,930,137)**	(60,642,752)
		12,051,060	10,752,292
		$ 15,937,334	$ 11,055,486

On behalf of the Board:

"Tom MacNeill" Director *"Don Siemens"* Director
Tom MacNeill Don Siemens

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

EROS RESOURCES CORP.
(formerly Boss Power Corp.)
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(expressed in Canadian dollars)

	Capital Stock					
	Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Total Shareholders' Equity**
Balance at December 31, 2013	26,564,723	$ 69,669,375	$ 4,376,862	$ (60,068,684)	$ (1,032,902)	$ 12,944,651
Expiry of warrants	-	-	(2,868,760)	2,868,760	-	-
Fair value adjustment of exercised options	-	-	(6,031)	6,031	-	-
Share-based payments	-	-	154,865	-	-	154,865
Items of comprehensive loss	-	-	-	-	1,101,635	1,101,635
Net loss for the year	-	-	-	(3,448,859)	-	(3,448,859)
Balance at December 31, 2014	26,564,723	69,669,375	1,656,936	(60,642,752)	68,733	10,752,292
Items of comprehensive loss	-	-	-	-	(155,657)	(155,657)
Expiry of warrants	-	-	(1,151,634)	1,151,634	-	-
Exercise of options	525,000	70,000	-	-	-	70,000
Share-based payments	-	-	528,777	-	-	528,777
Cancellation of share-based payments	-	-	(336,535)	336,535	-	-
Issuance of shares on reverse takeover (Note 3)	14,776,631	2,111,744	-	499,270	-	2,611,014
Share issuance costs	-	(480,542)	-	-		(480,542)
Net loss for the year	-	-	-	(1,274,824)	-	(1,274,824)
Balance at December 31, 2015	41,866,354	$ 71,370,577	$ 697,544	$ (59,930,137)	$ (86,924)	$ 12,051,060

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

EROS RESOURCES CORP.
(formerly Boss Power Corp.)
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended December 31
(expressed in Canadian dollars)

	Note	2015	2014
Expenses			
Consulting fees	9	$ **204,883**	$ 144,164
Amortization		**4,959**	7,090
Investor relations		**58,800**	77,547
Professional fees		**110,758**	1,537
Office and administration		**122,779**	130,805
Property research		**136**	19,747
Share-based payment	8	**528,777**	154,865
Transfer agent and listing fees		**39,698**	45,201
Wages		**56,508**	-
Travel		**19,240**	54,584
		(1,146,538)	(635,540)
Interest income		**68,196**	133,858
Equity gain on investment		**-**	6,921,961
Loss on sale of marketable securities		**(11,000)**	(90,166)
Recovery of exploration and evaluation assets, net of write-off		**126,340**	681
Forfeiture of bond on abandoned property		**-**	(68,364)
Loss on sale of exploration and evaluation assets		**-**	(853,660)
Write-off of exploration and evaluation assets		**(293,702)**	(3,333,539)
Loss on disposal of equipment		**(5,908)**	-
Gain on foreign exchange		**144,249**	-
Impairment of promissory note		**-**	(3,554,181)
Unrealized gain (impairment) of marketable securities		**35,064**	(1,952,608)
Dilution of shares in investment		**-**	(17,301)
Loss on divisive reorganization	3	**(894,305)**	-
Loss before income taxes		**(1,977,604)**	(3,448,859)
Income taxes			
Deferred tax recovery		**702,780**	-
Net loss for the year		**(1,274,824)**	(3,448,859)
Items of comprehensive income (loss)			
Unrealized loss on marketable securities		**(155,657)**	(1,132,346)
Transfer on sale of marketable securities		**-**	90,000
Transfer on impairment of marketable securities		**-**	2,143,981
Total comprehensive income (loss)		**(155,657)**	1,101,635
Net loss and comprehensive loss for the year		$ **(1,430,481)**	$ (2,347,224)
Basic and diluted loss per share		$ **(0.03)**	$ (0.07)
Weighted average number of common shares outstanding		**38,410,712**	35,419,749

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

EROS RESOURCES CORP.
(formerly Boss Power Corp.)
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31
(expressed in Canadian dollars)

		2015		2014
Cash from operating activities				
Net loss	**$**	**(1,274,824)**	$	(3,448,859)
Add back non-cash items:				
Share-based compensation		**528,777**		154,865
Amortization		**4,959**		7,090
Equity gain on investment		**-**		(6,921,961)
Loss on sale of marketable securities		**11,000**		90,166
Impairment of marketable securities		**(35,064)**		1,952,608
Loss on reorganization		**894,305**		-
Deferred tax recovery		**(702,780)**		-
Loss on sale of exploration assets		**-**		853,660
Dilution of shares in investments		**-**		17,301
Impairment of promissory note		**-**		3,554,181
Write-off of exploration assets		**293,702**		3,333,539
Forfeiture of bonds		**-**		68,364
Gain on foreign exchange		**(144,249)**		-
Loss on disposal of equipment		**5,908**		-
Net changes in non-cash working capital items:				
Accounts receivable		**(40,954)**		246,104
Prepaid expenses		**(62,225)**		(3,684)
Accounts payable and accrued liabilities		**(155,655)**		(82,594)
Cash used in operating activities		**(677,100)**		(179,220)
Investing activities				
Investment in Skeena Resources Limited		**(1,500,000)**		-
Acquisition of marketable securities		**(1,262,984)**		-
Reclamation bond		**(26,179)**		-
Promissory notes		**(141,273)**		-
Net proceeds from reverse takeover transactions		**13,253,607**		-
Proceeds on sale of marketable securities		**-**		67,514
Evaluation and exploration expenditures		**(2,389,744)**		(82,807)
Cash provided by (used in) investing activities		**7,933,427**		(15,293)
Financing activities				
Proceeds from issuance of shares		**70,000**		-
Proceeds on option of property		**15,000**		-
Cash provided by financing activities		**85,000**		-
Increase (decrease) in cash during the year		**7,341,327**		(194,513)
Cash and cash equivalents, beginning of the year		**80,116**		274,629
Cash and cash equivalents, end of the year	**$**	**7,421,443**	$	80,116
Cash and cash equivalents consist of:				
Cash, Canadian equivalent (includes US$1,533,990 in 2015)	**$**	**2,221,443**	$	80,116
Short-term deposits		**5,200,000**		-
	$	**7,421,443**	$	80,116
Supplemental Cash Flow Information				
Interest received	**$**	**7,767**	$	-

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

1. NATURE OF OPERATIONS

Eros Resources Corp.'s ("Eros" or the "Company") principal business activities include the acquisition, exploration and development of mineral resource properties in North America. The Company's corporate office is located at Suite 650, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3. Eros is a Tier 1 company on the TSX Venture Exchange ("TSX-V").

On July 19, 2015 Boss Power Corp. ("Boss") and Anthem Resources Incorporated ("Anthem") obtained shareholder approval of a transaction pursuant to which Boss acquired all of the issued and outstanding common shares of Anthem at a share exchange ratio of 0.75 of a common share of Eros for each common share of Anthem. Upon completion of the transaction, Boss changed its name to Eros Resources Corp.

This transaction was accounted for as a reverse takeover as the control of the Company was acquired by the former shareholders of Anthem. Although legally, Eros Resources Corp. is regarded as the legal parent, Anthem, whose shareholders now hold more than 50% of the voting shares of the Company, is treated as the acquirer under International Financial Reporting Standards ("IFRS"). Anthem, prior to this transaction owned 64.8% of Eros, and as a result of the transaction, Anthem's share capital has been restructured.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements of the Company, including its subsidiaries, have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on an historical cost basis, except for cash flow information.

The consolidated financial statements of Eros Resources Corp. for the year ended December 31, 2015 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 27, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Blizzard Uranium Corp. ("Blizzard Uranium"), a company incorporated in British Columbia, Anthem, a company incorporated in British Columbia, and Bell Mountain Exploration Corp. (“Bell Mountain”), a company incorporated in Nevada, USA.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the consolidated financial position 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

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Recovery of deferred tax assets</u>

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

<u>Estimated useful lives of equipment</u>

The estimated useful lives of equipment, which is included in the consolidated statements of financial position, will impact the amount and timing of the related amortization included in profit or loss.

<u>Share-based payments</u>

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgments (continued)

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Impairment of long-lived assets

The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, and the useful lives of assets. Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and some assets are likely to become impaired in future periods.

Impairment of marketable securities

Management assesses at each reporting date to determine whether there is any objective evidence that marketable securities are impaired. Marketable securities are considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows.

Management applies judgment in determining impairment by considering whether the decline in fair value is both significant and prolonged. All impairment losses are recognized in profit or loss.

Recoverability of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

The Company capitalizes all expenditures on exploration and evaluation activities as mineral property interests once they have title. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development asset.

Joint interest operations

Some of the Company's exploration activities are conducted jointly with other entities, and accordingly, the consolidated financial statements reflect only the Company's proportionate interest in such entities.

Foreign currencies

The functional currency of the Company and its subsidiaries is the Canadian dollar. Amounts recorded in foreign currency are translated into functional currency as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the consolidated statement of financial position date;
(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from the translation of foreign currency are included in the determination of net income (loss) for the year.

Cash and cash equivalents

The Company considers cash and cash equivalents to be cash and highly liquid investments that can be readily converted into known amounts of cash, and have an original term to maturity of less than three months.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, and available for sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash and cash equivalents are included in this category of financial assets.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method. Promissory notes receivable, accounts receivable, and loan from Skeena Resources Limited are included in this category of financial assets

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company has no assets classified as held-to-maturity.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. The Company has marketable securities classified as AFS financial assets.

Financial liabilities

The Company classifies its financial liabilities in the following category:

Borrowings and other financial liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the consolidated statement of loss and comprehensive loss over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for assets or liabilities that are not based on observable market data

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of loss and comprehensive loss. 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 regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company has a stock option plan that is described in Note 8. 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 option reserve. Consideration received on the exercise of stock options is recorded as capital stock and the related option reserve is transferred to capital stock.

New standards, amendments and interpretations not yet effective

The following new standards, and amendments to standards and interpretations, were not yet effective for the years ended December 31, 2015, and have not been applied in preparing these consolidated financial statements.

Annual improvements effective January 1, 2016

Additional or specific guidance is provided in standards IFRS 5 *Non-current Assets Held for sale and Discontinued Operations* for cases in which an entity reclassifies an asset from held for sale to held-for-distribution or vice versa and IFRS 7 *Financial Instruments: Disclosures* to clarify servicing contract involvement and offsetting disclosures. The Company is in the process of determining the impact of the amendments on its financial statements.

Accounting standards issued and effective January 1, 2018

A finalized version of IFRS 9 *Financial Instruments*, which contains accounting requirements for financial instruments, replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in classification and measurement, impairment of financial assets, hedge accounting and derecognition of financial assets and liabilities carried forward from IAS 39. The Company is in the process of determining the impact of IFRS 9 on its financial statements.

3. INVESTMENT AND REVERSE TAKEOVER

As at December 31, 2014, Anthem held 27,250,000 (34.74%) common shares of Boss. The investment was accounted for using the equity method. The primary asset of Boss was the Blizzard Uranium Project, comprised of the Blizzard claim and certain surrounding mineral claims.

Due to the April 24, 2008 British Columbia government moratorium on uranium exploration and development, which constructively halted the development of the Blizzard Uranium Project, Boss wrote-down the investment.

(expressed in Canadian dollars)

3. INVESTMENT AND REVERSE TAKEOVER (continued)

Eros recorded net loss and comprehensive loss for the year ended December 31, 2014 of $19,927,715. Anthem recorded $6,921,961 as its share of net income and comprehensive income for the year ended December 31, 2014. Anthem recognized a dilution loss of $17,301 for the year ended December 31, 2014. This amount has been included as part of the Company's share of equity income on the consolidated statement of operations and comprehensive loss.

On January 19, 2015, Erosshareholders voted in favour of a divisive arrangement, which has resulted in Anthem holding 64.8% (2014 - 34.74%) of Eros common shares.

Effective January 23, 2015, Eros completed a divisive reorganization by way of statutory arrangement pursuant to sections 288 to 299 of the *Business Corporations Act* (British Columbia). Shareholder and final court approval were obtained on January 19, 2015 and January 22, 2015, respectively.

As a result, Morning Star Resources Ltd., Magic Dragon Ventures Ltd. and Anthony Beruschi (collectively, the "Beruschi Parties"), as well as certain holders of common shares of Eros that validly elected to exchange their Eros common shares for common shares of Blizzard Finance Corp. ("Newco"), a British Columbia corporation incorporated in order to facilitate the Arrangement. Those shareholders that elected, represented, in aggregate, 34,423,717 Eros shares out of a total capital stock of 78,450,348 Eros shares. As a result, the balance of the settlement proceeds held in trust, as previously discussed in a press release of Eros dated June 2, 2014, were distributed as follows: (i) $11,084,436 to Newco, (ii) $23,191 to Anthony Beruschi, and (iii) $13,199,546 to Eros. The complete arrangement is described in Eros' Management Information Circular dated December 18, 2014.

As a result of the arrangement, Anthem was a majority shareholder of Eros and the largest shareholder with 64.8% of the issued and outstanding voting common shares. Both net assets of Eros' and Anthem's percentage interest in those assets changed.

	Percentage of Ownership		Amount
Carrying value prior to divisive reorganization	34.74%	$	6,904,660
Fair value after divisive reorganization	64.80%	$	7,072,949
Gain on re-measurement of equity investment		$	**168,289**
:Anthem's portion of net assets of Eros, as at January 23, 2015		$	7,072,949
Amount owned by Anthem after cash paid on divisive reorganization		$	6,010,355
Loss on divisive reorganization		$	**1,062,594**
Net loss on divisive reorganization		$	**894,305**

(expressed in Canadian dollars)

3. INVESTMENT AND REVERSE TAKEOVER (continued)

As a result of the change in ownership, Anthem recognizes its investment in Eros as a subsidiary, together with a non-controlling interest, representing the percentage of Eros owned by others. The initial recognition as a subsidiary, Anthem measured carrying values as follows:

Fair value of interest prior to gaining control	$	6,010,355
Fair value of non-controlling interest		3,264,878
Net assets of Eros		(9,275,233)
	$	**-**

The net assets and liabilities acquired of Eros are as follows.

Cash	$	13,984,386
Accounts receivable		37,841
Prepaid expenses		13,118
Accounts payable and accrued liabilities		(318,595)
Deferred income tax		(4,441,517)
Net assets acquired	$	9,275,233

On July 19, 2015, shareholders voted in favour of acquiring all of Anthem's common shares at a share exchange ratio of 0.75 Eros commons shares for one Anthem share. The 27,250,000 common shares of Eros held by Anthem were cancelled as a result of the transaction. In accordance with the terms and conditions of the arrangement, 3,725,000 outstanding Eros options were surrendered and cancelled. Anthem's outstanding options were converted at the 0.75 exchange ratio. Because the transaction resulted in a change of control of the Company, the transaction is considered a purchase of the Company's operations by Anthem and is accounted for as a reverse takeover. As Anthem is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. Accordingly, the Company's historical results of operations are ignored and the Company's current results of operations are included in the consolidated financial statements of the Company from the date of the reverse takeover onwards.

For the purposes of accounting for the reverse takeover, the percentage of ownership of the Company in the combined Company upon completion of the reverse takeover was determined to be 35.3% (which represents 14,776,631 common shares out of the total 41,866,354 outstanding upon closing).

All figures as to the numbers of common shares, as well as loss per share in these consolidated financial statements have been retroactively restated to reflect the legal capital of Eros at an exchange ratio of 1 Anthem ordinary share to 0.75 common shares of Eros.

The acquisition of the Company by Anthem was accounted for as a share-based payment. The fair value of the shares issued was $2,111,744 based on the estimated fair value of the shares. The excess of the fair value of net assets acquired over the purchase price was recognized in accumulated deficit.

(expressed in Canadian dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial assets as follows:

	December 31, 2015			**December 31, 2014**		
Financial assets	Loans and receivables	FVTPL	Available-for-sale	Loans and receivables	FVTPL	Available-for-sale
Cash and cash equivalents	$ -	$ 7,421,443	$ -	$ -	$ 80,116	$ -
Marketable securities	-	332,945	1,112,176	-	6,475	480,123
Accounts receivables	47,127	-	-	6,173	-	-
Promissory note receivables	141,273	-	-	-	-	-
Loan to Skeena	1,500,000	-	-	-	-	-
	$ 1,688,400	$ 7,754,388	$1,112,176	$ 6,173	$ 86,591	$ 480,123

FVTPL and AFS assets are carried at fair value and loans and receivables are carried at amortized costs as at December 31, 2015 and 2014. The Company classifies its only financial liability, accounts payable and accrued liabilities, as other financial liabilities and carries it at amortized cost. The fair value of accounts receivable, promissory notes receivable, loan to Skeena Resources Limited ("Skeena") and accounts payable approximate to their fair value.

December 31, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Marketable securities	$ 1,112,176	$ 332,945	$ -	$ 1,445,121

December 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Marketable securities	$ 480,123	$ 6,475	$ -	$ 486,598

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's financial assets that are exposed to credit risk is cash and cash equivalents, accounts receivables, promissory note receivable and loan to Skeena.

The Company holds cash at a major Canadian financial institution in accordance with the Company's investment policy. Management considers credit risk on cash to be low because the counterparties are highly rated Canadian banks.

(expressed in Canadian dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at December 31, 2015 and 2014, the Company is exposed to currency risk through the following financial asset denominated in currency other than Canadian dollars:

	December 31, 2015		**December 31, 2014**	
	US $	CDN $	US $	CDN $
Cash	1,533,990	5,298,400	30,345	44,912
Accounts payable	51,361	96,178	280,570	6,153

Based on the above, assuming all other variables remain constant, an 11.6% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's comprehensive income (loss).

(expressed in Canadian dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value and are therefore directly affected by fluctuations in the market value of the underlying securities. The Company's sensitivity analysis suggests a 10% change in the market price would not have material effect on comprehensive income (loss).

5. MARKETABLE SECURITIES

		December 31, 2015		
Company	Number of common shares	Available-for-sale securities	Other	Available-for-sale securities and other
Skeena Resources Limited	7,055,111	$ 423,307	$ -	$ 423,307
Skeena Resources Limited warrants	384,000	-	-	-
Tarku Resources Ltd.	2,000,000	60,000	-	60,000
Golden Band Resources Inc.	7,441,000	-	-	-
Jack's Fork Exploration Inc.	1,750,000	-	-	-
Nickel North Exploration Corp.	10,933,707	54,669	-	54,669
Westcore Energy Corp.	10,000,000	200,000	-	200,000
Westcore Energy Corp. warrants	10,000,000	-	82,945	82,945
Forum Uranium Corp.	10,000	700	-	700
Harte Gold Corp.	4,150,000	373,500	-	373,500
Canamex Resources Corp. convertible debentures	5,000,000	-	250,000	250,000
		$ 1,112,176	$ 332,945	$ 1,445,121

		December 31, 2014		
Company	Number of common shares	Available-for-sale securities	Other	Available-for-sale securities and other
Skeena Resources Limited	966,905	$ 91,856	$ -	$ 91,856
Skeena Resource Limited warrants	384,000	-	-	-
Sparton Resources Inc.	2,200,000	22,000	-	22,000
Golden Band Resources Inc.	7,441,000	37,205	-	37,205
Jack's Fork Exploration Inc.	1,750,000	-	-	-
Nickel North Exploration Corp.	10,933,707	328,012	-	328,012
Nickel North Exploration Corp. warrants	2,966,853	-	6,475	6,475
Forum Uranium Corp.	10,000	1,050	-	1,050
		$ 480,123	$ 6,475	$ 486,598

(expressed in Canadian dollars)

5. MARKETABLE SECURITIES (Continued)

		December 31, 2015		December 31, 2014
AFS securities at fair value	$	1,112,176	$	448,215
AFS securities held in escrow		-		31,908
Held-for-trading securities at fair value		332,945		6,475
	$	1,445,121	$	486,598

The fair value of shares is determined by reference to closing prices on a stock exchange. The fair value of warrants is determined using the Black-Scholes option pricing model.

The Company paid $250,000 for a Canamex 10% interest-bearing secured convertible debenture maturing November 6, 2016.

6. LOAN RECEIVABLE FROM SKEENA RESOURCES LIMITED

In April 2015, the Company entered into an arrangement with Skeena with exclusivity terms and a conversion option to invest $1,500,000 in Skeena. The funds are exclusively for exploration activities that qualify as eligible Canadian Exploration Expenditures (“CEE”). Upon completion of the earn-in the parties shall have 30 days to negotiate a joint venture agreement, whereby Skeena will continue to be the operator and the Company would contribute its proportionate share of funding to maintain its 8.7% interest in the property. If the Company and Skeena are unable to negotiate an agreement the demand loan may be converted to 25,000,000 common shares of Skeena, subject to regulatory approval. Subsequently, on April 21, 2016, the Company received 25,000,000 common shares of Skeena.

(expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION INTERESTS

The exploration and evaluation assets paid to December 31, 2015 have been capitalized as follows:

	Saskatchewan	Quebec	Labrador/ Newfoundland	Nevada	**Total**
Balance at December 31, 2013	$ 7,821,036	$ -	$ 1	$ -	$ 7,821,037
Additions					
Acquisition and land management costs	24,534	1,065	-	-	25,599
Geology/geophysics	1,924	3,571	-	-	5,495
Environmental and socioeconomic	-	4,850	-	-	4,850
Staking and maintenance		21,195	-	-	21,195
	26,458	30,681	-	-	57,139
	7,847,494	30,681	1	-	7,878,176
Write-off of exploration and evaluation assets	(3,333,539)	-	-	-	(3,333,539)
Disposition of exploration and evaluation assets	(1,008,297)	-	-	-	(1,008,297)
Balance at December 31, 2014	3,505,658	30,681	1	-	3,536,340
Additions					
Acquisition costs	-	-	-	1,185,765	1,185,765
Geology/geophysics	100	9,455	-	363,013	372,568
Field support	-	(65)	-	98,963	98,898
Drilling/trenching	-	-	-	111,954	111,954
Analyses, assays	-	-	-	157,048	157,048
Environmental and socioeconomic	-	5,361	-	49,298	54,659
Staking and maintenance	700	7,793	-	59,871	68,364
Expense recovery	-	(28,660)	-	-	(28,660)
	800	(6,116)	-	2,025,912	2,020,596
	3,506,458	24,565	1	2,025,912	5,556,936
Write-off of exploration and evaluation assets	(293,702)	-	-	-	(293,702)
Balance at December 31, 2015	$ 3,212,756	$ 24,565	$ 1	$ 2,025,912	$ 5,263,234

Realization of exploration and evaluation assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or if the claims are allowed to lapse.

Title to exploration and evaluation interests

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties, and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

Nevada

Bell Mountain Property

On April 24, 2015, the Company completed a transaction to acquire a position in an option to earn the title and interest to the Bell Mountain property for $650,000 cash. On June 15, 2015, Eros met the conditions of the underlying option agreement with Globex Mining Enterprises Inc. ("Globex") to earn a 100% title to the Bell Mountain property. An Advanced Royalty Payment of $20,000 is due annually beginning June 15, 2016 until such time as there is production from the property.

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Nevada (Continued)

Eastgate Property

On May 25, 2015, the Company acquired a 30% interest in the Eastgate property in two transactions totalling US$450,000. The Company will have up to one year to make a second payment of US$200,000 to increase its property interest to 45%. The property is in close proximity to Bell Mountain.

British Columbia

KET and REN claims

The Company holds a 100% interest in the Ket and Ren claims in southern British Columbia. Acquired for their uranium potential, these claims have been inactive since the B.C. Government's announcement in April 2008 and the March 2009 Order in Council regarding a ban on uranium and thorium exploration and development. The Company regards this as an expropriation of an asset. At the request of the Company, the Chief Gold Commissioner issued a Protection Order on the claims to allow them to remain in good standing and protect them from forfeiture. The Company is seeking damages and filed a notice of civil claim in B.C. Supreme Court on February 21, 2014. The Province filed a response to civil claim on November 4, 2014. A court date has not been set.

Saskatchewan

Hatchet Lake and Murphy Lake Joint Ventures

The Company has an interest in two joint venture properties with Denison Mines Corp. ("Denison") as operator, located on the Wollaston Trend at the northeast margin of the Athabasca Basin. The Company elected not to contribute to either program for 2015. Program expenditures for 2015 have not been released to the joint venture. At the end of 2014, the Company held a 41.9% and 41.06% interest in the joint ventures respectively. The estimated dilution at the end of 2015 is expected to bring Eros to a 36% joint venture interest for Hatchet Lake, and 31% for Murphy Lake.

Athabasca Basin – Northern area

The Company had a 100% interest in six claim groups in the northern part of the Athabasca Basin of Saskatchewan. Some of the claims are subject to a non-participating, non-voting, carried 0.5% net smelter return ("NSR"). On February 19, 2014, the Company sold the Fir Island property to Forum Uranium Corp. ("Forum") for 300,000 common shares of Forum and a 1.5% NSR with a 1% buyback provision for $1,000,000 at a deemed price of $129,000 and a loss of $330,376. On June 25, 2014, the Company sold the Fond du lac property to Lakeland Resources Ltd. ("Lakeland") for 200,000 common shares of Lakeland at a deemed price of $24,000 and a loss of $523,284. During the year ended December 31, 2014, the Company wrote down the Athabasca claims for a further $3,333,539.

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Saskatchewan (continued)

Wollaston Trend

The Company has a 2% NSR interest on 44 claims of uranium exploration lands along the Wollaston Trend underlying the southeast margin of the Athabasca Formation. Denison retains the right to purchase one-half of the NSR at any time for $1,000,000.

Athabasca Basin – Uranium

The Company has a 100% interest in six claim groups in the Athabasca Northern Basin of Saskatchewan. Some of the claims are subject to a non-participating, non-voting, carried 0.5% NSR.

Karpinka Joint Venture – Uranium

On May 11, 2009, the Company formed a 50:50 joint venture with Forum, the operator, to re-stake the Company's former Karpinka Lake property near the south margin of the Athabasca Basin. During the year ended December 31, 2014, the Company sold the Karpinka property for 10,000 Forum common shares.

Webb River – Uranium

The Company held a 100% interest in the Webb River property on the southeast margin of the basin. The claims were allowed to lapse during the year ended December 31, 2015, and exploration and evaluation costs of $293,702 were written off.

Quebec

Otish Mountains

Pursuant to a plan of arrangement in September 2012, the Otish Mountains property was exchanged for a promissory note for $3,900,000 secured by the shares of Otish Minerals Ltd. ("Otish"), which owns the claims in the Otish Mountains. With the moratorium on uranium development in Quebec, the purchaser of the Otish property wrote it down to $nil. As a result, the Company impaired the promissory note for the full amount including the accrued interest. In January 2015, the Otish property was returned in good standing for cancellation of the promissory note.

Chateau Fort Gold

After option payments of $15,000 cash and 2,000,000 Tarku Resources Ltd. shares, the net amount of $126,340 in exploration and evaluation assets was transferred to recovery of exploration and evaluation assets. This amount included a write-off of the remaining balance of $28,660. Cash and share issues due March 31, 2016 are in arrears. Negotiations are underway to settle the promissory note (Note 10) and remaining option terms.

(expressed in Canadian dollars)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized

Unlimited number of common shares without par value

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants. Pursuant to the policies of the TSX-V, the Company is authorized to grant options to acquire up to 10% of its issued and outstanding common shares. The exercise price of each option granted under the plan is equal to the market price of the Company's shares determined on the date of each grant. The maximum term of each option is five years.**Share-based payment**

Stock option transactions are summarized as follows:

	Stock Options	
	Number	Weighted Average Exercise Price
Outstanding, December 31, 2013	887,501	$ 0.8800
Grants	1,612,500	$ 0.3330
Outstanding, December 31, 2014	2,500,001	$ 1.0133
Exercised	(525,000)	($ 0.1333)
Granted	1,275,000	$0.1733
Forfeited	(887,501)	($0.88)
Outstanding, December 31, 2015	2,362,500	$0.157
Number currently exercisable	2,362,500	$0.157

On July 19, 2015, all issued and outstanding incentive stock options were cancelled and Anthem stock options were converted at a ratio of 0.75 on the following basis, and as at December 31, 2015, stock options were outstanding as follows:

Grant date	Number of Shares	Exercise Price	Expiry Date
March 10, 2014	862,500	$0.133	March 10, 2019
May 22, 2014	225,000	$0.160	May 22, 2019
June 3, 2015	375,000	$0.1733	June 3, 2020
June 5, 2015	900,000	$0.1733	June 5, 2020
	2,362,500		

(expressed in Canadian dollars)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

As at December 31, 2014, stock options outstanding were as follows:

Grant date	Number of Shares	Exercise Price	Expiry Date
November 1, 2010	825,001	$0.840	November 1, 2015
February 15, 2011	62,500	$1.480	February 15, 2016
March 10, 2014	1,387,500	$0.133	March 10, 2019
May 22, 2014	225,000	$0.160	May 22, 2019
	2,500,001		

Stock option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate the following weighted average assumptions were used in the calculation of fair value of granted options:

	2015	**2014**
Stock price	$0.13	$0.10
Exercise price	$0.13	$0.10
Expected life	5 years	5 years
Annualized volatility	137%	103%
Dividend rate	0%	0%
Risk-free interest rate	1.02%	1.69%

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the years ended December 31, 2015 and 2014 was as follows:

		2015	**2014**
Short-term benefits	[1]	**$ 204,883**	$ 144,164

[1] Short-term benefits consist exclusively of salaries, bonuses, health benefits and consulting fees for key management personnel.

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Arrangement

In June 2015, the Company entered into a letter of intent with Skeena Resources Limited. ("Skeena") to earn an 8.7% interest in the Spectrum property by funding $1,500,000 exclusively o for exploration activities that qualify as eligible Canadian Exploration Expenditures ("CEE") within the 2015 calendar year. Upon completion of the earn-in the parties shall have 30 days to negotiate a joint venture agreement, whereby Skeena will continue to be the operator and the Company would contribute its proportionate share of funding to maintain its 8.7% interest in the property. If the Company and Skeena are unable to negotiate an agreement the demand loan may be converted to 25,000,000 common shares of the Company, subject to regulatory approval (Note 13).

10. PROMISSORY NOTES RECEIVABLE

On August 21, 2015, the Company signed a promissory note agreement with Lincoln Mining Corporation for a total of $66,000 USD. The promissory note bears interest at the rate of 6% per annum due June 30, 2016. On September 8, 2015, the Company issued a promissory note totalling $54,938 to Tarku Resouces Ltd., a company related by a common director. The note bears interest of 10% per annum and is due on demand.

11. CAPITAL DISCLOSURES

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as shareholders' equity. The Company is not exposed to any capital requirements.

The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's capital risk management approach in the year ended December 31, 2015. There were no capital restrictions in the year ended December 31, 2015 and the Company had no debt.

(expressed in Canadian dollars)

12. INCOME TAXES

The reconciliation of income tax computed at the statutory tax rate of 26% (2014 - 26%) to income tax (recovery) expense is:

	2015	2014
Income (loss) before income taxes	$ (1,274,824)	$ (3,448,859)
Income tax rate	26.00%	26.00%
Expected income tax (recovery)	(331,454)	(896,703)
Non-deductible items	137,781	40,265
Change in timing differences	(201,796)	226,627
Under (over) provided in prior years	(567,542)	-
Unrecognized (recognized) tax benefits	260,231	629,811
Deferred tax recovery	$ (702,780)	$ -

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2015 and 2014 are presented below:

	2015	2014
Deferred income tax asset		
Capital losses	$ -	$ -
Non-capital losses	135,237	580,341
Deferred income tax liabilities		
Investment		
Resource properties	(3,873,972)	(580,341)
Net deferred income tax liabilities	$ (3,738,735)	$ -

The Company has accumulated losses for Canadian tax purposes of approximately $7,052,000 that expire in various years as follows:

Available to	Amount
2026	$ 316,000
2027	300,000
2028	104,000
2029	1,385,000
2030	936,000
2031	1,046,000
2032	1,492,000
2033	773,000
2034	700,000
	$ 7,052,000

(expressed in Canadian dollars)

12. INCOME TAXES (continued)

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets are recognized consist of the following amounts:

	2015	2014
Non-capital losses	$ 7,052,015	$ 6,901,790
Equipment	198,203	193,244
Exploration and evaluation assets	-	1,101,459
Marketable securities	3,466,884	3,304,048
Investments	735,542	375,000
Capital losses	424,461	9,503,135
Other	-	62,773
Unrecognized deductible temporary differences	$ 11,877,105	$ 21,441,449

13. SUBSEQUENT EVENTS

On April 26, 2016, the Company exercised its option with Skeena to convert the demand loan of $1,500,000 for 25,000,000 common shares of Skeena.