NUBIAN RESOURCES LTD.

Condensed Consolidated Interim Financial Report
For the six months ended January 31, 2015 and 2014
(Unaudited)
(Expressed in Canadian Dollars)

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Notice of No Auditor Review of Interim Financial Information

Pursuant to subsection 4.3(3)(a) of Part 4 of National Instrument 51-102 Continuous Disclosure Obligations, if an auditor has not performed a review of an interim financial report, it must be accompanied by a notice indicating that the financial report has not been so reviewed.

The accompanying unaudited condensed consolidated interim financial report of Nubian Resources Ltd. (the "Company") for the period ending January 31, 2015 has been prepared by and is the responsibility of the Company's management.

The Company's independent auditors have not performed a review of this financial report.

"Larry G. Treadgold"
(signed)

Director & Chief Executive Officer

Date: March 20, 2015

NUBIAN RESOURCES LTD.

Condensed Consolidated Interim Financial Report
For the six months ended January 31, 2015
(Expressed in Canadian dollars)
(Unaudited)

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FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NUBIAN RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

		January 31 2015		July 31 2014
ASSETS				
Current				
Cash	$	**944**	$	993
Taxes receivable		**878**		330
Prepaid Expenses		**954**		5,219
Assets held for sale (Note 7)		**1**		1
Total Current Assets		**2,777**		6,543
Non Current Assets				
Equipment		**2,205**		2,493
Exploration and evaluation assets (Note 4)		**100,076**		123,316
Total Assets	$	**105,058**	$	132,352
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**102,157**	$	75,294
Accounts payable on assets held for sale		**118,424**		111,515
Loan payable (Note 5)		**77,818**		64,425
Advances due to related parties (Note 9)		**82,761**		82,761
Total Current Liabilities		**381,160**		333,995
Long-term Liabilities				
Unsecured promissory notes (Note 6 & 8)		**253,534**		253,534
Total Liabilities		**634,694**		587,529
EQUITY				
Share capital (Note 9)		**13,719,903**		13,719,903
Share-based compensation reserve		**1,937,742**		1,937,742
Deficit		**(16,187,281)**		(16,112,822)
Total Equity		**(529,636)**		(455,177)
Total Liabilities and Equity	$	**105,058**	$	132,352

Going Concern (Note 1)
Discontinued Operations (Note 7)

Approved and authorized for issue on behalf of the Board of Directors on March 20, 2015 by:

"Lawrence G. Treadgold"	*"David A. Fynn"*
Director	Director

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

NUBIAN RESOURCES LTD.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended 2015	January 31, 2014	Six months ended 2015	January 31, 2014
Expenses				
Amortization	$ 140	186	$ 289	$ 387
Filing fees	3,669	1,097	6,966	4,329
Insurance	2,089	2,096	4,265	4,192
Bank charges	176	145	388	325
Interest on related party debt	6,907	5,866	13,815	6,383
Interest on convertible notes	-	534	-	6,924
Interest on long-term debt	383	372	907	772
Investor relations and promotion	780	765	1,555	1,530
Management and consulting fees	-	-	-	11,250
Office	114	97	291	774
Professional fees	14,383	435	17,825	25,476
Rent and utilities	1,496	1,305	2,920	2,696
Salaries and benefits	-	3,901	273	10,813
Telecommunications	53	131	436	280
Net Loss From Continuing Operations	$ (30,190)	(16,930)	$ (49,930)	$ (76,131)
Income (loss) From Discontinued Operations (Note 8)	$ (15,218)	44,105	$ (24,529)	$ 61,124
Net Loss and Comprehensive Loss for the Period	$ (45,408)	27,175	$ (74,459)	$ (15,007)
Loss per Share, Basic and Diluted Before Discontinued Operations	$ (0.01)	(0.00)	$ (0.01)	$ (0.01)
Loss per Share, Basic and Diluted After Discontinued Operations	$ (0.01)	(0.00)	$ (0.01)	$ 0.00
Weighted Average Number of Common shares Outstanding, Basic and Diluted	10,177,773	10,177,773	10,177,773	10,177,773

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

NUBIAN RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian dollars)
(Unaudited)

	Number of common shares	Share capital	Equity portion of convertible notes	Share-based compensation reserve	Accumulated deficit	Total shareholders' equity
Balance, August 1, 2013	10,177,773	$ 13,719,903	$ 21,667	$ 1,916,075	$ (14,788,687)	$ 868,958
Equity portion of convertible notes extinguished	-	-	(21,667)	$ 21,667	$ -	$ -
Net loss for the year	-	-	-	-	$ (1,324,135)	$ (1,324,135)
Balance, July 31, 2014	10,177,773	$ 13,719,903	$ -	$ 1,937,742	$ (16,112,822)	$ (455,177)
Net loss for the period	-	-	-	-	$ (74,459)	$ (74,459)
Balance, January 31, 2015	**10,177,773**	**$ 13,719,903**	**$ -**	**$ 1,937,742**	**$ (16,187,281)**	**$ (529,636)**

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

NUBIAN RESOURCES LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Six months ended January 31,	
	2015	2014
Cash Provided By (Used In)		
Operating Activities		
Net loss from continuing operations	$ **(49,930)**	$ **(76,131)**
Items not affecting cash:		
Amortization	**289**	**387**
Accreted interest on convertible notes (Note 6)	**-**	**3,140**
Income (loss) from discontinued operations	**(17,621)**	**61,124**
Changes in non-cash operating assets and liabilities:		
Taxes receivable	**(548)**	**261**
Prepaid expenses	**4,265**	**4,192**
Accounts payable and accrued liabilities	**26,863**	**26,995**
Proceeds receivable on discontinued operations	**-**	**(81,662)**
Accrued liabilities to related parties	**-**	**(78,750)**
Cash provided by (used in) operating activities	**(36,682)**	**(140,444)**
Investing Activities		
Exploration and evaluation assets		
Acquisition costs	**(6,760)**	**(12,299)**
Lease revenues	**30,000**	**15,000**
Cash provided by (used in) investing activities	**23,240**	**2,701**
Financing Activities		
Repayment of convertible notes	**-**	**(130,000)**
Increase (repayment) on loan payable	**13,393**	**(2,339)**
Issuance of promissory notes	**-**	**253,534**
Repayments to related parties	**-**	**-**
Cash provided by (used in) financing activities	**13,393**	**121,195**
Increase (Decrease) In Cash	**(49)**	**(16,548)**
Cash, Beginning Of Period	**993**	**18,505**
Cash, End Of Period	$ **944**	$ **1,957**
Disclosure Of Supplementary Cash Flow And Non-Cash Investing and Financing Information		
Income taxes paid	$ **-**	$ **-**
Interest paid	$ **14,722**	$ **14,079**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nubian Resources Ltd. (the "Company") is listed on the TSX Venture Exchange under the symbol "NBR". The principal business is the exploration of mineral properties and it is considered to be an exploration company. The Company was incorporated on October 28, 2004 pursuant to the Business Corporations Act (British Columbia). On May 2, 2007, the Company became a public company listed on the Toronto Stock Venture Exchange (the "TSX.V"). In February 2011, the Company changed its name from ICS Copper Systems Ltd. to Nubian Resources Ltd. and consolidated its share capital, options and warrants on a five to one basis. These financial statements reflect this share consolidation. The Company's principal place of business is located at 202 – 2526 Yale Court Rd, Abbotsford, British Columbia, V2S 8G9.

The Company was engaged in the business of mineral exploration in Zambia and the Democratic Republic of Congo ("DRC"), Africa to locate and develop economically recoverable mineral reserves. The Company substantially discontinued operations in Africa during the 2010 year-end and is re-focused on mineral exploration in the United States of America ("USA") (Notes 4 and 7).

The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

As at January 31, 2015, the Company has an accumulated deficit of $16,187,281. The Company's operations are funded from equity financing which are dependent upon many external factors and may be difficult or impossible to secure or raise when required. The Company may not have sufficient cash to fund the exploration and development of its mineral properties to commercial production and therefore may require additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities. These factors may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments for the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities.

Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the financial statements.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of

2. BASIS OF PRESENTATION (Continued)

a) Statement of Compliance (Continued)

the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed consolidated interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements as at and for the year ended July 31, 2014.

b) Basis of Preparation

These consolidated financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for financial instruments which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals), considered necessary for a fair presentation have been included.

c) Foreign currencies

i) *Presentation and functional currency*

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

ii) *Foreign currency transactions*

Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

<u>Critical accounting estimates</u>

The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the six months ended January 31, 2015 or the year ended July 31, 2014.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior reporting periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

Useful life of property and equipment

Property, plant and equipment is depreciated over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property and equipment at January 31, 2015 was $2,205 (July 31, 2014 - $2,493).

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's consolidated statement of operations and comprehensive loss.

Critical judgments used in applying accounting policies

In the preparation of these consolidated financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an effect on the amounts recognized in the consolidated financial statements.

Assets held for sale

The Company must report its assets held for sale at the lower of their carrying amount and fair value less costs to sell. This involves management judgment and requires the Company to perform continuous evaluations of its. In performing its evaluation, the Company analyses customer creditworthiness and current economic trends. Management has classified the asset held for sale as a current asset at July 31, 2014 because it expects to realize the asset within the next year.

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

Assets held for sale (Continued)

The asset held for sale was recorded as current as at July 31, 2013 for the same reason however, was not realized due to a protracted contract dispute which has recently reached the stage of arbitration (see Note 9). Any change in the assumptions used could impact the carrying value of the asset held for sale on the consolidated statement of financial position with a corresponding impact made to the consolidated statement of operations and comprehensive loss.

Exploration and evaluation assets

In estimating the recoverability of capitalized exploration and evaluation assets, management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its mineral properties. Once technical feasibility and commercial viability of property can be demonstrated, it is reclassified from exploration and evaluation assets to property and equipment, and subject to different accounting treatment. As at January 31, 2015 and July 31, 2014 management had determined that no reclassification of exploration and evaluation assets was required.

Income tax

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The Company's deferred tax assets have not been recorded in these consolidated financial statements, as the Company's future has been judged to be not more likely than not. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Nubian Resources (USA) Ltd., incorporated in Delaware, USA in September 2011 and operating in Nevada, New Mexico, Idaho and Montana.

b) Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

All financial instruments are classified into one of five categories: fair value through profit and loss (held-for-trading category), held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for trading financial assets are measured at fair value and

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments (Continued)

changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has designated its cash and short term investments as held-for-trading. Amounts receivable are classified as loans and receivables, which are measured at amortized cost, and are equal to fair value. Accounts payable and accrued liabilities, due to related parties, loan payable, and convertible debentures are classified as other financial liabilities at amortized cost. Accounts payable and accrued liabilities are initially measured at the amount to be paid, which approximates fair value because of the short-term nature of these liabilities. Subsequently, they are measured at amortized cost. Loan payable and convertible debentures are measured initially at fair value, net of transaction costs incurred, and subsequently at amortized costs using the effective interest method.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risks is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.

The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices and the price of gold in particular. To mitigate this market risk, management of the Company actively pursues a diversification strategy with property holdings.

c) Cash

Cash consists of balances with banks and investments in financial instruments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. The Company places its cash with institutions of high-credit worthiness. The Company had no cash equivalents as at January 31, 2015 and July 31, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Equipment

Equipment is recorded at cost and depreciated over its estimated useful life. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate. Equipment is recorded at cost less accumulated amortization. Depreciation is recorded when equipment is available for use, over the estimated useful life using the following methods and rates:

CLASSIFICATION	METHOD	RATE
Office equipment	Declining balance	20% to 45%

e) Exploration and Evaluation Assets

The Company capitalizes all acquisition costs and direct exploration expenditures on mineral properties in which it has a continuing interest. On abandonment or sale of any property, accumulated capitalized amounts zero charged to operations net of proceeds. Following commencement of commercial production, capitalized costs will be amortized over the estimated useful life of the mineral reserve using the units of production method. Property investigation costs, where a property interest is not acquired, are expensed as incurred. Incidental revenues received while the properties are in the exploration stage are credited to the carrying value of the mineral properties. Cost recoveries are credited against specific property costs, as received.

Property acquisition costs include cash costs and the fair market value of issued shares, paid under option or joint interest agreements. Payment terms are at the sole discretion of the Company and are recorded as acquisition costs upon payment.

Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values. Capitalized costs are subject to measurement uncertainty and it is reasonably possible a change in future conditions could require a material change in recorded amounts.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of permits and the potential for problems arising from government conveyance accuracy, prior unregistered agreements or transfers, native land claims, confirmation of physical boundaries, and title may be affected by undetected defects. The Company does not carry title insurance.

The Company has evaluated title to all of its mineral properties and believes, to the best of its knowledge, that evidence of title is adequate and acceptable given the current stage of exploration.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Exploration and Evaluation Assets (Continued)

Management's capitalization of exploration costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated metal prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for exploration and evaluation assets.

f) Assets Held for Sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use or abandonment. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

g) Impairment of Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that the assets may be impaired. If such indication exists, the recoverable amount of the identified asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

h) General Provisions

A provision is a liability of uncertain timing or amount of a future expenditure when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The present value of expected future cash outflows is recognized as a liability and the increase to the liability due to the passage of time is recorded as a finance expense. The Company uses a credit adjusted discount rate that reflects current market assessments of the time value of money and the risk specific to the liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Decommissioning Liabilities

The Company accounts for the estimated fair value of legal obligations to reclaim and remediate exploration and evaluation assets in the period incurred, at the net present value of the cash flows required to settle the future obligations. The corresponding amount is capitalized to the related asset and accounted for in accordance with the Company's related accounting policies for exploration and evaluation assets. The liabilities are subject to accretion over time as a finance expense for increases in the fair value of the liabilities. Changes in estimates are accounted for prospectively from the period the estimate is revised.

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

The Company is in the early stages of exploring its exploration and evaluation assets. Management has determined that the Company has no current legal obligation for reclamation and remediation costs.

j) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill that is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

k) Share-based Compensation

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Share-based Compensation (Continued)

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based compensation made 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 that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

l) Loss per Share

Basic loss per common share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the period.

m) New Accounting Standards Not Yet Adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended July 31, 2014:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets[i]

[i] Effective for annual periods beginning on or after January 1, 2015

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

U.S. Properties purchased from Timber Wolf Minerals Ltd.

	August 1, 2013	Costs (Income) for the period	Written-off	July 31, 2014	Costs (Income) for the period	January 31, 2015
Acquisition Costs	$ 309,069	$ -	$ (60,782)	$ 248,287	$ -	$ 248,287
Exploration Costs						
Assaying and sampling	21,086	-	-	21,086	-	21,086
Claim staking	12,039	-	(12,039)	-	-	-
Geological consulting	23,621	-	(5,186)	18,435	-	18,435
Licences, permits and fees	19,341	12,522	(12,234)	19,629	6,760	26,389
Office administration	4,151	-	(1,266)	2,885	-	2,885
	80,238	12,522	(30,725)	62,035	6,760	68,795
	389,307	12,522	(91,507)	310,322	6,760	317,082
Option fees received, net	(93,800)	-	-	(93,800)	-	(93,800)
Lease revenues received	(72,549)	(30,000)	9,343	(93,206)	(30,000)	(123,206)
Total expenditures	$ 222,958	$ (17,478)	$ (82,164)	$ 123,316	$ (23,240)	$ 100,076

	August 1, 2013	Costs (Income) for the period	Written-off	July 31, 2014	Costs (Income) for the period	January 31, 2015
Analyzed by property						
Excelsior Springs, Nevada	$ 78,823	$ (30,000)	$ -	$ 48,823	$ (30,000)	18,823
Worthing Canyon, Idaho	53,719	2,534	(56,253)	-	-	-
Blair Junction, Nevada	15,527	1,510	(17,037)	-	-	-
Palmetto, Nevada	16,669	1,754	-	18,423	1,498	19,921
Dunfee, Nevada	26,004	3,330	-	29,334	3,662	32,996
Copper Hills, New Mexico	25,311	1,425	-	26,736	1,600	28,336
Enright Hills, Nevada	2,344	755	(3,099)	-	-	-
Leach Hot Springs, Nevada	1,933	609	(2,542)	-	-	-
Pipestone, Montana	2,628	605	(3,233)	-	-	-
Total expenditures	$ 222,958	$ (17,478)	$ (82,164)	$ 123,316	$ (23,240)	$100,076

4. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Excelsior Springs Property, Esmeralda County, Nevada

Effective August 29, 2010, the Company signed a lease agreement with Timber Wolf Minerals Ltd. to acquire lease rights over 100% of the Excelsior Springs gold property (the "Lease"). Under the agreement, the Company will pay for all government fees, and make lease payments to the lessor of USD $20,000 in year 1, USD $25,000 in year 2, and USD $30,000 in year 3 and each successive year for the length of the Lease to Timber Wolf Minerals Ltd., and assume responsibility to pay $12,000 per annum pursuant to the Lease on two patented claims within the Excelsior property. Furthermore, a 1% Net Smelter Royalty (NSR) will be payable, to Timber Wolf Minerals Ltd. and a 2% NSR will be payable on the patented claims, upon gold production. The 1% NSR obligation can be bought out for USD $3,000,000 on or before August 30, 2015.

On March 1, 2011, the Company sold an option to earn a 70% interest in the property to a wholly-owned subsidiary of Global Geoscience Ltd. (Global), a public company listed on the Australian Securities Exchange.

To earn the 70% interest Global will be required to assume the responsibilities for the underlying Lease and pay the Company USD $100,000 cash and spend USD $3,000,000 on exploration over four years. Global will solely fund and manage all exploration and property related costs on the property during the option phase. The Company received USD $50,000 upon signing and has received a further USD $50,000 in the year ended July 31, 2013. A finder's fee of 5% was paid to a unrelated third party on the receipt of option payments. The minimum exploration expenditure commitment required in the first year is USD $150,000 and assuming results are satisfactory an additional amount of USD $350,000 must be spent on exploration by July 31, 2012, a further USD $500,000 December 31, 2013, and a further USD $2,000,000 by December 31, 2014.

On August 26, 2013, all parties agreed to:
(1) defer $15,000 of the $30,000 year 3 payment required under the Lease until August 29, 2014; and
(2) extend Global's $3,000,000 cumulative exploration expenditure commitment by a year to December 31, 2015 in exchange for the contribution of a further 60 claims staked by Global in and around the existing Excelsior project

b) Excelsior Springs, Worthing Canyon and Other Properties

On October 31, 2011, the Company purchased 217 unpatented mining claims on nine properties in Nevada, Idaho, Montana and New Mexico, USA for total consideration of USD $260,000 of which USD $100,000 was paid on closing, and the balance is payable in monthly instalments over 36 months, including interest at 2.5% per annum. These properties include the Excelsior Springs and Worthing Canyon properties.

On July 31, 2014, the Company determined that it would no longer develop the Worthing Canyon, Blair Junction, Enright Hills, Leach Hot Springs and Pipestone properties and has written these off.

5. LOAN PAYABLE

		January 31, 2015		July 31, 2014
Unsecured loan payable in US dollars, interest at 2.5% per annum, monthly blended payments of USD $4,618 until January 31, 2015.				
Current portion (Cdn $)	$	**77,818**	$	64,425
Long term portion		**-**		-
Total	$	**77,818**	$	64,425

The lender has agreed to deferral and extension on loan repayments until the Company has funds to repay. The Company continues to accrue interest on this indebtedness.

6. UNSECURED PROMISSORY NOTES

On November 15, 2013, the Company restructured the following existing debts into a two year unsecured note bearing interest at 10% per annum:

Convertible notes extinguished	$	130,000
Accrued interest on convertible notes		13,534
Accrued liabilities to related parties		90,000
Short-term directors' loans		20,000
Total Debt Restructuring	$	253,534

7. DISCONTINUED OPERATIONS

Pursuant to IFRS 5, the financial statements of the Company have been reclassified to reflect discontinued operations of the Company's mineral interests in Zambia. Accordingly, assets, liabilities, net loss and cash flows of discontinued operations have been segregated in the Consolidated Balance Sheets, the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flows. The net assets, net operating results and net cash flows have been reported as "discontinued operations".

During the fiscal year ended July 31, 2009, the Company exercised its right to terminate the Mokambo property agreement because the deposit was determined to be uneconomic. The Company entered into an agreement to sell the EMEW mining equipment on September 21, 2010 for USD $1,500,000. As at July 31, 2013, there was $1,008,000 (USD $980,000) outstanding on the proceeds receivable. The Zambian buyer has not made all the required payments and, accordingly, the Company commenced arbitration proceedings. The claimant is Nubian Resources Ltd., (Canada) and the respondent is Metalco Industries Limited (Zambia). The Arbitrator determined on July 25, 2014, and both parties agreed on September 30, 2014, to the following award:

i. The contract in the amount of USD$1,500,000 is rescinded due to misrepresentations external to the contract and that title to the EMEW plant remains with Nubian.

(Expressed in Canadian Dollars)

7. DISCONTINUED OPERATIONS (Continued)

ii. Claimant is entitled, from the respondent, to unpaid seller's right of disposal, and damages for non-acceptance by the buyer in accordance with Section 50(3) of the Sale of Goods Act, 1893 (Zambia) to be ascertained by the difference between the contract price of USD $1,500,000 and the market or current price at this time. Such damages if not agreed by both parties are to be assessed by the Deputy Registrar of the High Court of Zambia.

iii. Nubian is responsible to repay the USD $520,000 paid by Metalco from the damages above. There shall be a set off of the damages due to Nubian and the $520,000 owed to Metalco, and the net balance will attract interest at 1.5% per month.

iv. The parties shall bear the costs of the arbitration equally, and each shall pay their respective legal costs and expenses.

Nubian is presently using its best efforts to advertise and market the EMEW equipment worldwide. As there is no assurance of this sale, the asset has been written down to $1. Upon agreement with either Metalco or the Deputy Registrar, net damages owing by Metalco to Nubian, together with the sale proceeds of the equipment would total USD $980,000 plus interest. This contingent gain has not been recognised in these financial statements.

The following tables present summarized financial information related to discontinued operations in Zambia:

CONSOLIDATED BALANCE SHEETS

		January 31 2015		July 31 2014
ASSET				
Asset held for sale	**$**	**1**	$	1
LIABILITIES HELD FOR SALE				
Current				
Accounts payable and accrued liabilities	**$**	**118,424**	$	111,515

CONSOLIDATED STATEMENTS OF OPERATION AND COMPREHENSIVE LOSS FROM DISCONTINUED OPERATIONS

Six months ended January 31,		2015		2014
EXPENSES				
Foreign Currency exchange gain (loss)	**$**	**(14,410)**	**$**	79,619
Legal fees re arbitration		**(10,119)**		(18,495)
LOSS (INCOME) FROM DISCONTINUED OPERATIONS	**$**	**(24,529)**	**$**	61,124

(Expressed in Canadian Dollars)

8. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The following Director transactions and Related Party balances pertain solely to Nubian Resources Ltd.

a) Director transactions

For the six months ended January 31, 2015

	Management & consulting fees	Share-based payments	Interest paid on related party loan	Total
	$	$	$	$
Executive Directors*	-	-	-	-
Non-executive Directors*	-	-	-	-
Former Director	-	-	1,034	1,034

For the six months ended January 31, 2014

	Management & consulting fees	Share-based payments	Interest paid on related party loan	Total
	$	$	$	$
Executive Directors*	6,500	-	-	6,500
Non-executive Directors*	4,750	-	-	4,750
Former Director	-	-	1,034	1,034

b) Related party balances

At January 31, 2015 and July 31, 2014

	January 31 2015	July 31 2014
Unsecured 4.5% interest-bearing loan with no fixed terms or repayment	**$ 45,977**	$ 45,977
Unsecured director loans with no fixed terms or repayment **	**$ 36,784**	$ 36,784
Promissory notes payable with interest at 10%, due November 15, 2015	**$ 249,670**	$ 249,670
	$ 332,431	$ 332,431

*Paid to directors, non-executive directors, and/or companies controlled by those individuals.
**Unsecured, non-interest bearing, and with no fixed terms of repayment.

9. SHARE CAPITAL

a) Authorized

Unlimited number of Class "A" voting Common shares without par value
Unlimited number of Preferred shares without par value (none issued)

b) Issued

There were no shares issued during the year ended July 31, 2014 or the six months ended January 31, 2015.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Share Purchase Warrants

A summary of the changes in warrants to acquire an equivalent number of shares for the period ended January 31, 2015 and July 31,2014 was as follows:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance July 31, 2014	3,000,000	$ 0.18
Expired	(3,000,000)	-
Granted	-	-
Balance January 31, 2015	**-**	**$ -**

d) Stock Options

The Company has a stock option plan that provides for the issuance of compensatory options to its directors, officers, employees and consultants. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Options granted under the plan may have a maximum term of ten years. Terms of the vesting period over which the options are earned is determined by the Board of Directors.

There were no stock options granted in the year ended July 31, 2014 or the six months ended January 31, 2015.

The Company had outstanding stock options as of January 31, 2015 as follows:

NUMBER OF OPTIONS	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
70,000	70,000	$ 0.10	May 21, 2019
75,000	75,000	$ 0.10	January 6, 2020
160,000	160,000	$ 0.10	August 27, 2020
50,000	50,000	$ 0.10	August 1, 2021
300,000	300,000	$ 0.10	January 2, 2023
655,000	655,000		

As of January 31, 2015 the weighted average remaining contractual life of the options was 6.5 years (July 31, 2014 – 7.0 years).

e) Nature and Purpose of Share-based Compensation Reserve

Share-based Compensation Reserve is used to recognize the fair value of stock option grants prior to

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

10. CAPITAL MANAGEMENT

The Company manages capital with the goal to safeguard the Company's ability to continue as a going concern and ensure its ability to further explore and develop its mineral property holdings in the USA and dispose of its holdings in Africa. The Company includes cash and the components of shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

To ensure continued operations, the Company depends on external financing to fund its activities. The Company defines capital that it manages as share capital, and cash and cash equivalents.

In the past, the Company has been successful in raising funds through the issuance of share capital. It is uncertain, however, how successful the Company will be in raising more funds in the current difficult market conditions. The Company currently has insufficient funds for its operational activities and will require equity financing, joint ventures or other forms of financing in order to fund continued exploration activities and administrative overhead costs for the coming year.

There were no changes in the Company's approach to capital management during the year ended July 31, 2013. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these consolidated financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

	LEVEL	HELD FOR TRADING	LOANS AND RECEIVABLES/ AMORTIZED COST	FAIR VALUE/ AMORTIZED COST
Financial assets				
Cash	1	$ 944	$ -	$ 944
Assets held for sale	2	1	1	1
		$ 945	$ 1	$ 945
Financial liabilities				
Accounts payable	3	-	102,157	102,157
Accounts payable on assets held for sale	3	-	118,424	118,424
Accounts payable, related parties	3	-	82,761	82,761
Loan payable	3	-	77,818	77,818
Unsecured promissory notes payable			253,534	253,534
		$ -	$ 634,694	$ 634,694

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgement is required to develop certain of these estimates. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments are described below:

The Company is exposed to potential loss from various risks including commodity price risk, interest rate risk, currency risk, credit risk and liquidity risk. Based on the Company's operations the liquidity risk, commodity risk and currency risk are considered the most significant.

The carrying values of the Company's accounts payable and accrued liabilities were a reasonable approximation of fair value due to their short-term nature.

Financial instruments measured at fair value on the balance sheet were made using inputs within the following fair value hierarchy that reflect their significance:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

There have been no transfers between levels 1 and 2, or transfers in or out of level 3 for the period ended January 31, 2015 or the year ended July 31, 2013.

a) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper and gold, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

b) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, United States of America, the Democratic Republic of Congo and Zambia and a portion of its expenses are incurred in United States dollars ("USD"). A significant change in the currency exchange rates between the Canadian dollar and the US dollar could have an effect on the Company's results of operations, financial position or cash flows.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

b) Currency Risk (Continued)

The Company has not hedged its exposure to currency fluctuations. At January 31, 2015, the Company was exposed to currency risk through the following assets and liabilities denominated in USD.

		January 31, 2015		July 31, 2014
USD				
Cash	**$**	**452**	$	273
Assets held for sale	**$**	**1**	$	1
Accounts payable and accrued liabilities	**$**	**(118,424)**	$	(111,515)
Loan payable	**$**	**(77,818)**	$	(64,425)

Based on the above net exposures at January 31, 2015, and assuming that all other variables remain constant a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase/decrease of $20,000 in the Company's loss from operations.

c) Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

The difficult market conditions make it uncertain whether the Company can continue to raise adequate funds to meet its financial obligations (see Notes 1 and 7).