Cadan Resources

CADAN RESOURCES CORPORATION

Consolidated Financial Statements
Years Ended December 31, 2015 and 2014
(Expressed in Canadian Dollars)

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Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CADAN RESOURCES CORPORATION

We have audited the accompanying consolidated financial statements of Cadan Resources Corporation, which comprise the consolidated balance sheets as at December 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cadan Resources Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2016

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CADAN RESOURCES CORPORATION
Consolidated Balance Sheets
As at December 31,
(Expressed in Canadian dollars)

	Notes		2015		2014
Assets					
Current					
Cash		$	185,581	$	67,645
Amounts and advances receivable			836,752		225,670
Prepaid expenses			559,650		506,226
			1,581,983		799,541
Exploration and evaluation assets	**5**		1,094,881		1,094,881
Property, plant and equipment	**9**		2,462,983		2,121,370
		$	5,139,847	$	4,015,792
Liabilities					
Current					
Accounts payable and accrued liabilities	**13**	$	6,264,740	$	5,903,386
Loans payable	**16**		705,365		325,360
Convertible notes	**10**		2,571,607		3,946,363
Deferred income tax liability			1,627,338		222,654
Due to related parties	**11, 13**		5,605,196		5,268,371
			16,774,246		15,666,134
Retirement benefit obligation	**15**		119,655		209,198
			16,893,901		15,875,332
Shareholders' deficiency					
Share capital	**12**		63,985,212		57,336,073
Share subcriptions received in advance	**12**		-		514,251
Reserves	**12**		2,085,310		2,083,283
Deficit			(48,421,506)		(44,367,150)
Equity attributable to owners of the Company			17,649,016		15,566,457
Non-controlling interest			(29,403,070)		(27,425,997)
			(11,754,054)		(11,859,540)
		$	5,139,847	$	4,015,792

Approved on behalf of the Board:

"Ryan Sander" ………………………………………………………
Ryan Sander, Director

"Peter Main" ………………………………………………………
Peter Main, Director

See notes to consolidated financial statements

CADAN RESOURCES CORPORATION
Consolidated Statements of Comprehensive Loss
Years Ended December 31,
(Expressed in Canadian dollars)

		2015		2014
Expenses				
Bank charges and interest	$	1,124,448	$	1,238,999
Consulting fees		828,625		663,175
Exploration and evaluation (note 5)		1,409,405		1,316,036
Legal and professional		128,167		121,364
Travel and accommodation		106,972		43,633
Office and miscellaneous		284,356		1,288,139
Regulatory and shareholder costs		86,229		57,852
Rent		35,855		20,712
Share based payments		583,680		-
Loss before other items		(4,587,737)		(4,749,910)
Other items				
Loss on retirement of property, plant and equipment		-		(3,172)
Termination fees		-		(495,000)
Gain on sale of Metallum Limited shares		-		61,911
Share of income (loss) in equity accounted investment		323,609		124,962
Foreign exchange (loss) gain		(1,528,972)		(228,943)
Impairment of exploration and evaluation assets		-		(1,029,478)
Impairment of investment in Agusan		(179,755)		-
Impairment of Agusan loan		(143,854)		(1,595,074)
Net loss before tax		(6,116,709)		(7,914,704)
Deferred income tax expense		1,159,224		535,303
Net loss and comprehensive loss	$	(7,275,933)	$	(8,450,007)
Net loss and comprehensive loss attributed to:				
Owners of the Company	$	(5,298,860)	$	(6,852,171)
Non-Controlling Interest		(1,977,073)		(1,597,836)
	$	(7,275,933)	$	(8,450,007)
Loss Per Share – basic and diluted	$	(0.100)	$	(0.415)
Weighted Average Number of Common Shares Outstanding		61,376,868		19,049,249

See notes to consolidated financial statements

CADAN RESOURCES CORPORATION
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian dollars)

	Number of shares issued	Share capital	Share-based payments reserve	Share subscriptions received	Deficit	Equity attributable to owners of the Company	Non-Controlling Interest	Shareholders' Deficency
Balance at December 31, 2013	**18,213,248**	**$56,696,847**	**$3,894,981**	**$ -**	**$ (39,501,677)**	**$21,090,151**	**$ (25,828,161)**	**$ (4,738,010)**
Common shares issued for cash ($0.40 per share)	500,000	$ 200,000	-	-	-	$ 200,000	-	$ 200,000
Shares issued for debt ($0.40 per share)	1,098,063	439,226	-	-	-	439,226	-	439,226
Adjustments due to fractional rounding on 8:1 share consolidation	(129)	-	-	-	-	-	-	-
Subscriptions received ($0.05 per share)	-	-	-	514,251	-	514,251	-	514,251
Reclassification of expired conversion feature	-	-	(717,311)	-	717,311	-	-	-
Reverse finders fees accrued and not paid	-	-	-	-	175,000	175,000	-	175,000
Reclassification of the fiar value of options and warrants on expiry	-	-	(1,094,387)	-	1,094,387	-	-	-
Net loss for year ended December 31	-	-	-	-	(6,852,171)	(6,852,171)	(1,597,836)	(8,450,007)
Balance at December 31, 2014	**19,811,182**	**$57,336,073**	**$2,083,283**	**$ 514,251**	**$ (44,367,150)**	**$15,566,457**	**$ (27,425,997)**	**$ (11,859,540)**
Common shares issued for cash ($0.05 per share)	15,325,020	766,251	-	(514,251)	-	252,000	-	252,000
Common shares issued for cash ($0.05 per share)	57,120,000	2,856,000	-	-	-	2,856,000	-	2,856,000
Shares issued for debt ($0.05 per share)	19,120,000	956,000	-	-	-	956,000	-	956,000
Shares issued for Finders Fees	1,267,000	63,350	-	-	-	63,350	-	63,350
Shares issued for debt ($0.40 per share)	32,711,760	1,635,588	-	-	-	1,635,588	-	1,635,588
Shares issued for debt ($0.40 per share)	1,088,250	435,300	-	-	-	435,300	-	435,300
Share issue costs	-	(63,350)	-	-	-	(63,350)	-	(63,350)
Share based payments	-	-	583,680	-	-	583,680	-	583,680
Discount attributed to the convertible note conversion features	-	-	662,851	-	-	662,851	-	662,851
Reclassification of expired conversion feature	-	-	(118,607)	-	118,607	-	-	-
Reclassification of the fair value of options and warrants on expiry	-	-	(1,125,897)	-	1,125,897	-	-	-
Net loss for year ended December 31	-	-	-	-	(5,298,860)	(5,298,860)	(1,977,073)	(7,275,933)
Balance at December 31, 2015	**146,443,212**	**$63,985,212**	**$2,085,310**	**$ -**	**$ (48,421,506)**	**$17,649,016**	**$ (29,403,070)**	**$ (11,754,054)**

See notes to consolidated financial statements

CADAN RESOURCES CORPORATION
Consolidated Statements of Cash Flows
Years Ended December 31,
(Expressed in Canadian dollars)

	2015	2014
Cash flows from operating activities		
Net loss for the year	$ (7,275,933)	$ (8,450,007)
Items not involving cash		
Amortization	358,971	448,694
Deferred income tax expense	1,159,224	535,303
Retirement benefit obligation	(89,543)	10,437
Loss on sale of property plant and equipment	-	3,172
Gain on sale of Metallum Limited shares	-	(61,911)
Loss on disposal of capital assets	45,617	-
Share of gain in equity accounted investment	(323,609)	(124,962)
Unrealized loss on foreign exchange	1,157,930	135,229
Impairment of Agusan loan	143,854	1,595,074
Impairment of investment in Agusan	179,755	-
Share based payments	583,680	-
Impairment of exploration and evaluation assets	-	1,029,478
Accretion of interest on debt	1,124,508	1,212,795
	(2,935,546)	(3,666,698)
Changes in non-cash working capital		
Amounts and advances receivable	(611,082)	(180,089)
Prepaid expenses	(53,424)	(238,758)
Accounts payable and accrued liabilities	978,654	1,961,111
Loans payable	-	11,766
Cash used in operating activities	(2,621,398)	(2,112,668)
Cash flows from investing activities		
Proceeds on sale of investment in Metallum Limited	-	233,834
Proceeds on sale of property, plant and equipment	-	87,198
Purchase of property and equipment	(746,201)	(280,748)
Cash used in Investing activities	(746,201)	40,284
Cash flows from financing activities		
Proceeds from issuance of common shares	3,108,000	200,000
Proceeds from credit facility	64,031	1,332,317
Proceeds from additional loans	313,504	-
Subscriptions received in advance	-	514,251
Cash provided by financing activities	3,485,535	2,046,568
Inflow (Outflow) of Cash	117,936	(25,816)
Cash, Beginning of the period	67,645	93,461
Cash, End of the period	$ 185,581	$ 67,645

Supplemental cash flow information (note 21)

See notes to consolidated financial statements

1. GOING CONCERN AND NATURE OF OPERATIONS

Cadan Resources Corporation (the "Company" or "Cadan") was incorporated on November 14, 1977 and continued under the laws of British Columbia on August 28, 2007. The Company is an exploration stage company, and its principal business activity is natural resource exploration, focusing on resources located in the Philippines. The head office, principal and registered address and records office of the Company is Suite 600 – 666 Burrard Street, Vancouver, British Columbia, Canada.

These consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company had cash of $185,581 at December 31, 2015 (2014 - $67,645), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the year ended December 31, 2015, the Company had a net loss of $7,275,933 (2014 - $8,450,007). At December 31, 2015, the Company had an accumulated deficit of $48,421,506 (2014 - $44,367,150). The Company has not yet demonstrated an ability to produce a sustained source of revenue to satisfy its requirements to conduct its planned exploration, progress the development of the T'Boli mine and processing plant, meet repayment obligations on its debts and meet its administrative overhead and maintain its resource interests. The Company has relied principally upon the issuance of securities and debt to finance operations. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Mining and exploration involves a high degree of risk and there can be no assurance that current mining and exploration programs will result in profitable mining operations.

The recoverability of the Company's investment in, and expenditures on, exploration and evaluation assets, and property, plant and equipment is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

On November 28, 2014, the Company announced that the TSX Venture Exchange approved a share consolidation of the outstanding shares on the basis of eight (8) pre-consolidation common shares for one (1) post-consolidation common share (the "Consolidation") (note 12). As a result of the Consolidation, Cadan's issued and outstanding 158,490,484 common shares were reduced to 19,811,182 common shares. The Company has retroactively amended the share and per share amounts contained in these consolidated financial statements, to reflect the effects of the Consolidation.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

(b) Approval of the consolidated financial statements

The consolidated financial statements of the Company 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 29, 2016.

(c) New accounting pronouncements and interpretations not yet adopted

At the date of authorization of these consolidated financial statements, the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") have issued a number of new and revised standards and interpretations, which are not yet effective for the relevant reporting periods.

The Company has not early-adopted these standards, amendments and interpretations. The Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company. The new accounting standards and interpretations that will be adopted in future years are as follows:

IFRS 9 *Financial Instruments*

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

***Accounting for Acquisitions of Interests in Joint Operations* (Amendments to IFRS 11)**

Amends IFRS 11 *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRS for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to annual periods beginning on or after January 1, 2016.

Clarification of Acceptable Methods of Depreciation and Amortization **(Amendments to IAS 16 and IAS 38)**

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to annual periods beginning on or after January 1, 2016.

Equity Method in Separate Financial Statements **(Amendments to IAS 27)**

Amends IAS 27 *Separate Financial Statements* to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Applicable to annual periods beginning on or after January 1, 2016.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture **(Amendments to IFRS 10 and IAS 28)**

Amends IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e., a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, i.e., whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The amendments to IFRS 10 and IAS 28 have been deferred indefinitely.

Presentation of Financial Statements (**Amendments to IAS 1)**

On December 18, 2014 the IASB amended IAS 1 *Presentation of Financial Statements*. The amendments to existing IAS 1 requirements relate to materiality, order of the notes, subtotals; accounting policies and disaggregation. These amendments will not impact the Company's consolidated financial statements.

Applicable to annual periods beginning on or after January 1, 2016.

Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:

- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 — Clarify the meaning of "elsewhere in the interim report" and require a cross-reference.

Applicable to annual periods beginning on or after January 1, 2016.

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases.*

Applicable to annual periods beginning on or after January 1, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company (the ultimate parent company), its wholly owned subsidiaries, Exploradora La Esperanza S.A. (a Colombian company); Sabena Limited and its subsidiaries (Australian companies); Tribal Holdings Inc., Batoto Holdings Inc., and Philco Holdings Inc. (Canadian companies); and Tribal Processing Corporation ("Tribal Processing") (Philippine company); and the accounts of its partially owned (40%) Philippine affiliates, Batoto Resources Corporation ("Batoto") and TMC Tribal Mining Corporation ("TMC"), referred to throughout the consolidated financial statements as the "Philippine companies". The Company owns 40% of each of the Philippine companies, which have been consolidated as they meet the criteria under IFRS 10 *Consolidated Financial Statements*. The Company's ownership percentage in the Philippine companies is a result of Philippine laws restricting foreign ownership, but the Company is acting as operator of the Philippine companies. The remaining 60% ownership of each of the Philippine companies is owned by the two respective presidents of those companies. Each president has signed an option agreement allowing the Company to acquire control in certain circumstances. All significant intercompany balances and transactions have been eliminated on consolidation.

The Company has a 20% interest in Agusan Metals Corporation ("Agusan") (notes 6 and 7) and is able to exert significant influence over Agusan as a result. Agusan is considered to be an associate as at December 31, 2015 and 2014 and for the years then ended.

Non-controlling interest in the net assets of consolidated partially owned Philippine companies are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

(b) Use of judgments and estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. In particular, significant judgments made by management in the application of IFRS during the preparation of the consolidated financial statements and estimates with a risk of material adjustment are:

(i) Realization of assets

The exploration and evaluation assets (note 5), property, plant and equipment (note 9), and the investment in and loan to Agusan comprise a significant portion of the Company's assets. Realization of the Company's investments and loan receivable are dependent upon the Company or Metallum Limited ("Metallum") obtaining permits for exploration or development of resource claims, the satisfaction of governmental requirements, satisfaction of possible aboriginal claims, raising sufficient funds to explore and develop the respective projects, the attainment of successful production from the properties, or from the proceeds upon disposal of the Company's interests therein. Resource 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.

(ii) Environmental

Environmental legislation is becoming increasingly stringent and the costs 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 of mineral resource properties, the potential for production on the properties may be diminished or negated.

The Company is subject to 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.

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

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.

(iii) Valuation of receivable

The loan to Agusan has no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of this receivable. The loan to Agusan has been presented at net present value using a discount rate of 25%, and assuming that repayment will occur over a three-year period beginning in the fiscal year ended December 31, 2020, less impairments in value as a result of uncertainty around repayment resulting from inaction on the underlying exploration and evaluation assets of Agusan. Events and circumstances arising during the year, or that are foreseeable at year-end, are reflected in the valuation of this receivable in the consolidated balance sheets and reflect management's best estimate of the fair value of this financial instrument. Management's basis for valuation is described in note 7.

(iv) Impairment assessment

Annually, the Company assesses whether indicators of impairment exist. If indicators of impairment are identified, the Company then assesses whether its assets' carrying values are greater than their recoverable values. The recoverable value is the higher of an asset's fair value, less costs to sell, and its value in use. The Company has reviewed its most recent economic models and forecasts in assessing whether there were indicators of impairment for its property, plant and equipment and exploration and evaluation costs incurred. Management uses several criteria in its assessment including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, accessible facilities, existing permits and life of mine plans.

(v) Convertible notes

Management must make judgments about the valuation of convertible notes, principally through the determination of an appropriate discount rate for similar debt without conversion features or attached warrants. The Company reviewed discount rates in use by companies of similar sizes and in the same industry and life cycle stage to determine an appropriate discount rate. Management also considered the Company's history of borrowings, the general economic outlook for junior exploration entities, and its overall access to credit facilities.

(vi) Provision for site reclamation liability

Management must make judgments about the existence and valuation of provisions for site reclamation liabilities. The assessment of provision for site reclamation liabilities requires management to assess the stage of exploration activities in each mineral property, compliance with local environmental regulations, and agreements in place.

(vii) Contingencies

By their nature, contingencies, including the retirement benefit obligation, will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events, including the use of actuarial assumptions.

(viii) Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the balance sheets cannot be derived from active markets, their fair value is estimated using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but, where this is not feasible, judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management judgments and estimates include: fair value of financial instruments; rates of amortization; balances of accrued liabilities; determination of provision for reclamation liability; the determination of the variables used in the calculation of share-based payments and the value of derivative investments; the determination of the variables used in the calculation of the net present value of the loan to Agusan; and actuarial assumptions for retirement benefit obligations. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(c) Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated amortization and accumulated impairment losses. Amortization is recorded using the straight-line method at the following annual rates:

Buildings	- 4%
Vehicles and exploration equipment	- 20 to 25%
Office furniture and equipment	- 25 to 33%

(i) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

(ii) Impairment

The Company's tangible assets are reviewed for indications of impairment at each balance sheet date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the year.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(iii) Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(d) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

(e) Investments in associates

Investments in which the Company exerts significant influence are accounted for using the equity method whereby the original cost of the investment is adjusted for the Company's share of earnings, losses and dividends during the current period. The Company's share of earnings and losses of such investments are included in profit or loss.

(f) Convertible notes

When the Company issues convertible debt with or without additional warrants attached, the proceeds are allocated first to the debt component, based on its discounted cash flows using a discount rate appropriate for similar debts without conversion features or attached warrants. The residual value is allocated to all equity components, and is included in share-based payments reserve. The debt component is accreted over its contractual life using the effective interest method, which includes other costs, such as finders' fees. The accretion expense is included in profit or loss as interest expense. On settlement of the debt, the equity components are transferred to deficit.

(g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods using the graded vesting method. 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. Non-vesting conditions are considered in making the assumption about the number of awards that are expected to vest. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the recorded value in share-based payments reserve is transferred to share capital. Upon expiry, forfeiture or cancellation, the recorded value is transferred to deficit.

(h) Equity units

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(i) 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 to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on per share amounts is calculated presuming the exercise or conversion of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise or conversion would be used to repurchase 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.

(j) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under this method of tax allocation, deferred tax assets and liabilities are determined based on differences between the consolidated financial statement carrying values and their respective income tax basis (temporary differences). Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is included in profit or loss in the period in which the change is enacted or substantively enacted. Deferred tax assets are recognized to the extent that it is probable that the benefits associated with them will be recognized in the future.

(k) Financial instruments

(i) Financial assets

Financial assets are classified into one of four categories: Fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), available-for-sale ("AFS"), and loans and receivables. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

FVTPL financial assets

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Financial assets classified as FVTPL are stated at fair value with any resultant change in fair value recognized in profit or loss. The net income or loss recognized incorporates any dividend or interest earned on the financial asset. Transaction costs associated with financial assets at FVTPL are expensed as incurred.

HTM financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. HTM financial assets are initially measured on a trade-date basis at fair value, including transaction costs, and are subsequently adjusted using the effective interest rate method. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired.

AFS financial assets

Short-term investments and other assets not otherwise designated are classified as AFS and stated at fair value on the date of acquisition and each subsequent balance sheet date. Any change in fair value is recognized as other comprehensive income (loss); unless or until cumulative losses are determined to constitute an other-than-temporary-impairment, at which time the cumulative losses are recycled and recognized in profit or loss.

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 transaction 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 period-end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest rate method.

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when the obligation specified in the relevant contract is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(l) Exploration and evaluation assets

Once a permit or license to explore an area has been secured, acquisition costs are capitalized on a property-by-property basis. Exploration expenditures related to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential are expensed as incurred. Any incidental pre-production revenue is net against exploration and evaluation expenditures until the property is in commercial production.

Management reviews the carrying value of capitalized costs at least annually. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mine development assets, which is a component of property, plant and equipment.

The Company considers a project to be in commercial production following a reasonable period of testing of the production processes, and when the mine and processing plant are in the location and condition necessary to operate at their anticipated full capacity.

Subsequent recovery of the carrying value of exploration and evaluation assets depends on successful development or sale of the undeveloped project. If a project does not prove viable, all capitalized costs associated with the project, net of any impairment provisions, are written off.

(m) Provision for reclamation liability

The Company records a liability based on the best estimate of costs for site reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for reclamation liabilities is estimated using expected cash flows, discounted at a pre-tax rate specific to the liability.

The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future reclamation cash flows.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost.

Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred.

(n) Employee benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, contributions to Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund and thirteenth month pay and other benefits.

The Company has an unfunded, non-contributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit asset/liability. Remeasurements that include cumulative actuarial gains and losses, and changes in the effects of asset ceiling are recognized and presented under equity.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity.

Past-service costs are recognized immediately in profit or loss.

The liability recognized in the consolidated balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

(Expressed in Canadian dollars, unless otherwise stated)

4. FINANCIAL INSTRUMENTS

Categories of financial instruments

		December 31, 2015		December 31, 2014
Financial assets				
FVTPL, at fair value				
Cash and cash equivalents	$	185,581	$	67,645
Loans and receivables				
Amounts and advances receivable		836,752		225,670
Available-for-sale, at fair value				
Loan to Agusan		-		-
Total financial assets	$	1,022,333	$	293,315
Financial liabilities				
Other liabilities, at amortized cost				
Accounts payable	$	6,264,740	$	5,903,386
Due to related parties		5,605,196		5,268,371
Loans payable		705,365		325,360
Convertible debentures		2,571,607		3,946,363
Total financial liabilities	$	15,146,908	$	15,443,480

Fair value

The carrying values of cash, amounts and advances receivable (excluding GST receivable), accounts payable and accrued liabilities, and loans payable, approximate their fair values due to the short terms to maturity of these financial instruments. The carrying values of amounts payable to related parties, excluding convertible notes and due to related parties described below, approximate their fair value, as they are non-interest-bearing and due on demand.

The carrying values of convertible notes were determined, in accordance with Level 2 of the fair value hierarchy, by discounting the face value of the notes over the terms of each note by a discount rate of 60%, and accreting the discount over the respective term to the anticipated conversion date of the notes.

During the year ended December 31, 2015, the uncertainty around the collection schedule for the Agusan loan continued as Metallum continues to report the project as being on care and maintenance status. As a result, the carrying value of the loan to Agusan continues to be impaired, in accordance with Level 3 of the fair value hierarchy, and has a carrying value of $nil.

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

(Expressed in Canadian dollars, unless otherwise stated)

		December 31, 2015		December 31, 2014
Level 1				
FVTPL				
Cash and cash equivalents	$	185,581	$	67,645
Level 2				
Other financial liabilities				
Convertible notes*		2,571,607		-
Level 3				
Available for Sale				
Loan to Agusan		-		-

*For the year ended December 31, 2014, the Convertible notes of the Company were in default and due on demand at their face value plus accrued interest. For the year ended December 31, 2014, the fair value of the convertible notes approximated their carrying value, and therefore, the convertible notes were not valued based on the fair value hierarchy.

(a) Credit risk

The Company is exposed to credit risk with respect to its cash. Cash has been placed on deposit with major Canadian, Philippine and Australian financial institutions. The risk arises from the non-performance of counterparties of contractual financial obligations.

The Company manages credit risk, in respect of cash, by maintaining deposits at major financial institutions with strong investment-grade ratings.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with only a few Canadian and Philippine financial institutions. The Company's concentration of credit risk and maximum exposure thereto, is as follows:

		December 31, 2015		December 31, 2014
Canadian dollar equivalent				
Canadian dollar	$	133,178	$	21,359
Philippine peso		52,403		46,286
Total cash	$	185,581	$	67,645

The Company is also exposed to credit risk with respect to its amounts and advances receivable and loan to Agusan (notes 6 and 7). The Company maintains an equity investment in Agusan and receives periodic financial information from Metallum and Agusan with respect to that investment. The Company actively monitors the financial status of Agusan and Metallum to minimize the credit risk related to this loan. Other amounts receivable relate to input tax credits and advances to suppliers.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) 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.

(b) 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's cash is held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on their estimated fair values as of December 31, 2015 and 2014. Future cash flows from interest income on cash will not be material. The Company manages interest rate risk by investing in highly liquid investments with maturities of one year or less.

The Company's convertible notes and credit facility are at fixed rates of interest.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company is exposed to foreign currency risk with respect to cash, accounts payable and accrued liabilities, and amounts due to related parties, as a portion of these amounts are denominated in Philippine pesos, Australian dollars and US dollars as follows:

	December 31, 2015	December 31, 2014
Canadian dollar equivalent		
Philippine Pesos		
Cash	$ 52,403	$ 46,286
Accounts payable and accrued liabilities	(3,522,077)	(3,305,231)
AUD$		
Accounts payable and accrued liabilities	(1,224,919)	(1,233,883)
US$		
Accounts payable and accrued liabilities	(299,137)	(153,072)
Loans	(315,378)	-
Due to related parties (note 11)	(5,605,196)	(5,268,371)
Net exposure		
Canadian dollar equivalent	$ (10,914,304)	$ (9,914,271)

The Company manages foreign currency risk by only holding funds in foreign currencies for short-term requirements. The Company has not entered into any foreign currency contracts and does not utilize derivatives to mitigate this risk.

A 1% fluctuation in the value of the Philippine peso, Australian dollar and US dollar at December 31, 2015, would result in a change to net income (loss) by approximately $109,000 (2014 - $99,000).

(ii) 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. All the Company's assets and liabilities are current and not subject to other price rick.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Accounts payable are all due within 30 days and amounts due to related parties, excluding convertible notes (notes 10 and 13) due to related parties and excluding amounts due under the credit facility (notes 11 and 13), are without specific terms of repayment; however, they are expected to be repaid within one year.

The Company will require significant cash funding to conduct its exploration programs, meet its administrative overhead costs, meet its repayment obligations, maintain its resource interests and bring its T'Boli gold processing plant to full production capacity. This will require the Company to obtain additional financing.

5. EXPLORATION AND EVALUATION ASSETS

(a) Permits and licenses

Through its subsidiaries and the Philippine companies, the Company has interests in certain permits and licenses to explore and develop exploration and evaluation assets located in the Philippines, as described below.

At December 31, 2015, the Company had capitalized acquisition costs on its T'Boli project of $1,094,881 (2014 - $1,094,881).

(i) Panag, Suriganon, Tagpura and Camanlangan, Municipalities of New Bataan and Nabunturan, Compostela Valley Province, Philippines.

The Company completed the sale of 80% of the Company's interests in Agusan (notes 6 and 7) January 17, 2012, and has retained a carried interest of 20% in Agusan (notes 6 and 7).

(ii) Batoto, Barangay Camanlangan, Municipality of New Bataan, Compostela Valley Province, Philippines.

There are no royalties payable to the government of the Philippines because the properties are located in an indigenous area. The indigenous peoples will, upon commercial production, be given a royalty equivalent to 1% of the operating cost of any operation. There are no annual work commitments.

Under IFRS 6 *Exploration for and Evaluation of Mineral Resources*, an indicator of impairment was identified for the Batoto property, due to a lack of currently available funding or plans for future exploration activities. Management was unable to determine a value in use or fair value less costs of disposal for the Batoto property, which would satisfy the IFRS accounting requirements for measurement of recoverable amount. Therefore, the Batoto property has been impaired to $nil during the year ended December 31, 2014, such impairment determined in accordance with Level 3 of the fair value hierarchy.

(iii) T'Boli, Barangay Kematu, Municipality of T'Boli, South Cotabato Province, Philippines.

The Company has received the Mines and Geosciences Bureau's Declaration of Mining Project Feasibility enabling the Company to process ore at the T'Boli gold-silver mine within the Mineral Processing and Sharing Agreement. However, to date the Company has used this ability only to process incidental ore stockpiles available from exploration activities, and remains in the exploration and evaluation phase.

There is a 2% mineral royalty payable to the government of the Philippines in respect of mineral production.

On May 2, 2013, the Company entered into an agreement with Mighty River International Ltd. ("Mighty River") of Singapore, whereby Mighty River is providing the Company with a US$5 million credit facility (note 11). In connection with the credit facility agreement, Cadan, Mighty River and Cadan's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US$1 million advanced to the Company. As of December 31, 2015, the Company had principal and interest outstanding of US$4,142,706 ($5,605,196) (2014 - US$4,541,307; $5,268,371) on the credit facility (notes 11 and 20).

(c) 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 resource 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 a 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 resource properties, the potential for production on the property may be diminished or negated.

(d) Title to exploration and evaluation asset interests

Although the Company has taken steps to verify the title to exploration and evaluation asset interests for which it has a permit and/or license, in accordance with industry standards for the current stage of exploration of such properties, 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.

(e) Exploration and evaluation expenses include all material and supplies, wages, professional fees and contract labor costs associated with the development of the mine and are summarized for years ended December 31, 2015 and 2014 below:

(Expressed in Canadian dollars, unless otherwise stated)

	Batoto	TMC	2015 Total	2014 Total
Cumulative exploration and evaluation expenses				
Incurred during year				
Community development	$ -	$ -	$ -	$ 36,969
Exploration and mine development	24,758	1,204,723	1,229,481	840,187
Field supplies, administrative	-	-	-	132,094
Mill site	-	282,094	282,094	594,245
Exploration and evaluation expenses	**$ 24,758**	**$ 1,486,817**	**$ 1,511,575**	**$ 1,603,495**
Recoveries from metal sales	-	(102,170)	(102,170)	(287,459)
Net exploration and evaluation expenses	**$ 24,758**	**$ 1,384,647**	**$ 1,409,405**	**$ 1,316,036**

6. SALE OF AGUSAN METALS CORPORATION

On January 17, 2012, the Company completed the sale of 80% of the Company's interest in Agusan retaining a 20% investment in Agusan (note 7). Pursuant to a shareholders' agreement, Metallum has an obligation to fund AU $48,000,000 in exploration activity in Agusan as follows:

Exploration Expenditures	Annual amount (AU $)	Cumulative amount (AU $)
Year 1	5,000,000	nil
Year 2	5,000,000	nil
Year 3	5,000,000	15,000,000
Year 4	15,000,000	30,000,000
Year 5	18,000,000	48,000,000

The annual amounts in the table above were the expected schedule of expenditures; the cumulative amount is the funding requirement schedule. Should Metallum not meet the funding requirements, the agreement contains dilution provisions. Upon Metallum funding the project to AU $48,000,000, both the Company and Metallum will fund further development pro rata, based on their ownership interests. Metallum reported AU $7.4 million in exploration expenditures to December 31, 2015 (2014 – AU $7.4 million) an AU $22.6 million shortfall of the minimum exploration amount of AU $30 million required by the end of the fourth year (January 17, 2016). During the year ended December 31, 2014, Metallum put the project on care and maintenance and has kept the project on care and maintenance since. The Company is evaluating its options on the Agusan project.

7. INVESTMENT IN AND LOAN TO AGUSAN METALS CORPORATION

Pursuant to the January 17, 2012, sale of an 80% interest in Agusan (note 6), the Company retained a 20% investment in Agusan. The investment is accounted for as an investment in associate using the equity method. The 20% retained investment was revalued on the date of sale at $1,231,360. The carrying amounts as at December 31, 2015 and 2014 were $nil; calculated as follows:

(Expressed in Canadian dollars, unless otherwise stated)

	2015	2014
Investment amount	$ 1,231,360	$ 1,231,360
Pro rata share of increase in Agusan paid-up capital	112,635	112,635
Share of net loss	(1,164,240)	(1,343,995)
Impairment of investment in Agusan	(179,755)	-
Carrying amount	$ -	$ -
Loan to Agusan	$ -	$ -

The Company's investment in Agusan was written down to $nil at December 31, 2014. For the year ended December 31, 2015, the Company recorded its equity share of Agusan’s net income resulting from favourable foreign exchange rates of $323,609 (2014 - $124,962). During the year ended December 31, 2015, the equity share of Agusan’s net income (loss) was applied first to the loan to Agusan to reduce a previously recognized write-down of that loan related to equity shares of net loss recorded by the Company in the amount of $143,854 (2014 - $124,962), and second to the investment in Agusan in the amount of $179,755 (2014 - $nil). In both cases, the increases in value from the equity share of Agusan’s net income were immediately impaired to reflect the ongoing uncertainty with respect to Agusan’s mineral properties.

The allocations of the Company’s share of equity income of Agusan in the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Investment in Agusan	$ 179,755	$ -
Loan receivable from Agusan	143,854	124,962
	$ 323,609	$ 124,962

The Company’s loan to Agusan is unsecured, non-interest-bearing and has no specified terms of repayment. Pursuant to a shareholders’ agreement, the Company’s loan to Agusan will rank equally with amounts advanced by Metallum for exploration expenditures on the Agusan copper-gold project. The advances will be repaid first from distribution of profits on a proportional basis until each advance is repaid.

During the year ended December 31, 2014, uncertainty around the collection schedule for the Agusan loan was created as a result of Metallum putting that project on care and maintenance. Metallum has kept the project on care and maintenance into 2015. As the Agusan gain resulted from favourable foreign exchange rates and as the carrying value of the loan to Agusan continues to be impaired in accordance with Level 3 of the fair value hierarchy and is valued at $nil, the Company’s share of the gain has been written down to $nil. The carrying value of the loan to Agusan had the following changes for the years ended December 31, 2015 and 2014:

	2015	2014
Opening balance of loan to Agusan	$ -	$ 1,470,112
Impairment	(143,854)	(1,595,074)
Share of net income	143,854	124,962
	$ -	$ -

(Expressed in Canadian dollars, unless otherwise stated)

8. INVESTMENT IN METALLUM LIMITED

Pursuant to the January 17, 2012 sale of an interest in Agusan (note 6), the Company acquired 3,100,000 common shares of Metallum and 2,000,000 share purchase options. Each option was exercisable to acquire one Metallum common share for AU $0.20 until January 17, 2014. On March 14, 2013, the Company accepted 5,952,381 common shares of Metallum valued at $316,500 as partial settlement of a debt. During the year ended December 31, 2014, the Company liquidated its investment in Metallum for proceeds of $233,834 and recognized a gain on sale of the investment in Metallum of $61,911. The options expired unexercised January 17, 2014.

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Vehicles and exploration equipment	Construction in progress	Office furniture and equipment	Total
Cost						
Balance, December 31, 2013	$182,548	$408,336	$ 2,696,664	$ 17,403	$ 68,429	$3,373,380
Disposals	-	-	(479,663)	-	(17,068)	(496,731)
Additions	-	-	280,011	-	737	280,748
Balance, December 31, 2014	182,548	408,336	2,497,012	17,403	52,098	3,157,397
Disposals	-	-	(216,699)	-	-	(216,699)
Additions	-	105,350	462,166	176,444	2,241	746,201
Balance, December 31, 2015	$182,548	$513,686	$ 2,742,479	$ 193,847	$ 54,339	$3,686,899
Accumulated amortization and impairment losses						
Balance, December 31, 2013	$ -	$ 84,323	$ 864,193	$ -	$ 45,178	$ 993,694
Amortization on disposals	-	-	(406,361)	-	-	(406,361)
Amortization	-	16,783	427,538	-	4,373	448,694
Balance, December 31, 2014	-	101,106	885,370	-	49,551	1,036,027
Amortization on disposals	-	-	(171,082)	-	-	(171,082)
Amortization	-	19,543	334,640	-	4,788	358,971
Balance, December 31, 2015	$ -	$120,649	$ 1,048,928	$ -	$ 54,339	$1,223,916
Net book value						
Balance, December 31, 2014	$182,548	$307,230	$ 1,611,642	$ 17,403	$ 2,547	$2,121,370
Balance, December 31, 2015	**$182,548**	**$393,037**	**$ 1,693,551**	**$ 193,847**	**$ -**	**$2,462,983**

(Expressed in Canadian dollars, unless otherwise stated)

Amortization of $358,971 for the year ended December 31, 2015 (2014 - $448,694) is included as a component of the exploration and evaluation expenses.

10. CONVERTIBLE NOTES

(a) The Company had convertible notes at December 31, 2014 with principal and interest totalling $3,946,363, which had matured in June 2014. The convertible notes continued to accrue interest at 12% per annum, compounded monthly, up to June 30, 2015, at which time they were refinanced. The principal and interest totalled $4,187,100 at June 30, 2015.

(b) The Company refinanced the convertible notes as follows:

(i) $1,505,588 of principal and accrued interest was converted into 30,111,760 units of the Company. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10; and

(ii) $2,681,512 of principal and accrued interest was issued as new convertible notes. The notes continued to accrue interest at 12% per annum, compounded monthly. The maturity dates of the new notes are $867,360 on December 1, 2015 and $1,814,152 on July 1, 2016. In addition the Company issued the note holders 6,745,884 common share and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10 and 18,141,520 common share and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

(c) The Company is in discussions with the holders of the notes that matured December 1, 2015, on repayment terms and March 24, 2016, paid $41,972 being the accrued interest owing at December 1, 2015 (note 20).

(d) The carrying values of the convertible notes at December 31, 2015 and 2014 were:

		December 31, 2015		December 31, 2014
Face value on issue	$	2,681,512	$	3,407,407
Accrued interest		162,216		538,956
Unamortized conversion discount		(272,121)		-
	$	**2,571,607**	**$**	**3,946,363**

11. CREDIT FACILITY

On May 2, 2013, the Company entered into an agreement with Mighty River (note 5(a)(iii)), who at the time the agreement was entered into was a related party, being a company that had a director in common with Cadan and who owned over 10% of the issued and outstanding shares of Cadan. Mighty River agreed to provide the Company with up to a US$5 million loan facility. Amounts drawn bear interest at a rate of 8% per annum and were repayable in 12 months from the draw date. In connection with the loan agreement, Cadan provided Mighty River with security over all its assets and Cadan, Mighty River and Cadan's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US$1 million advanced to Cadan.

On May 27, 2014, the Company and Mighty River amended the agreement extending the Final Maturity Date and Repayment Date to December 31, 2015.

On November 27, 2015, the Company reached an agreement with Mighty River to extend the maturity date of the note to June 30, 2016 and refinance $904,000 (US$800,000), being a portion of the amounts owed on the Credit Facility for interest and royalties and issued 18,080,000 units at $0.05 each with each unit consisting of a common share and a warrant to purchase a common share for 12 months at $0.10.

At December 31, 2015, the Company had total principal, interest and royalties owing to Mighty River of $5,605,196 (US$4,142,706) (2014 - $5,268,371; US$4,541,307).

12. SHARE CAPITAL

On December 1, 2014, the Company completed a consolidation of the issued and outstanding common shares in the capital of the Company on an 8 old for 1 new basis. All shares issued, and per share amounts in these consolidated financial statements, have been changed to reflect the share consolidation (note 1).

(a) Authorized

Unlimited common shares without par value

(b) Issued

At December 31, 2015, 146,443,212 (2014 - 19,811,182) common shares were issued and outstanding.

On November 30, 2015 the Company reached agreement with creditors to convert $1,299,778 in debt and issued 25,995,560 units. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On November 30, 2015 the Company reached agreement with creditors to convert $52,000 in debt and issued 1,040,000 shares.

On October 23, 2015 the Company closed the final tranche of a non-brokered private placement and issued 43,920,000 units at a price of $0.05 per unit to a single investor for gross proceeds of $2,196,000. On closing the investor owned 30.9% of Cadan. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On October 7, 2015 the Company closed the second tranche of a non-brokered private placement and issued 13,200,000 units at a price of $0.05 per unit for gross proceeds of $660,000. In addition the Company issued 1,267,000 units valued at $63,350 for finder’s fees. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 24, 2015 the Company reached an agreement with convertible noteholders (note 10(c)) who converted $1,139,810 being a portion of the balance owed including accrued interest being into 22,796,200 units. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 24, 2015, the Company reached agreement with creditors to convert $100,000 in debt for 2,000,000 units. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 17, 2015, the Company closed the first tranche of a non-brokered private placement and issued 15,325,020 units at a price of $0.05 per unit for gross proceeds of $766,251. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On August 14, 2014, the Company issued 1,098,063 common shares to retire outstanding debts of $439,226.

On February 11, 2014, the Company issued 500,000 shares for total proceeds of $200,000 pursuant to a private placement of shares offered at $0.40 per share.

(c) Stock options

The Company has a stock option plan whereby the Board of Directors is authorized to grant options to a rolling ceiling of 10% of the issued and outstanding common shares of the Company.

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The terms of the option and the option price are fixed by the directors at the time of grant subject to restrictions imposed by the TSX Venture Exchange. Stock options awarded have a maximum term of ten years. The vesting terms of the options are determined by the directors; however, options granted to investor relations consultants are subject to a minimum twelve-month vesting schedule whereby no more than 25% vest in any three-month period. Stock options held by officers, directors, employees or consultants of the Company expire one year following their departure from the Company.

During the year ended December 31, 2015, the Company issued 12,000,000 five-year options to purchase common shares of the Company at $0.05 per share (2014 - nil). During the year ended December 31, 2015, 616,000 options expired unexercised (2014 - 284,375). Included in the expired options were options held by former officers, directors or consultants of the Company, which expired one year following their departure from the Company. The expired options had exercise prices from $1.20 to $7.60. As at December 31, 2015 and 2014, the following incentive stock options were outstanding and exercisable:

(Expressed in Canadian dollars, unless otherwise stated)

Expiry Date	Exercise Price	**December 31, 2015**	**December 31, 2014**
01-Mar-15	$7.60	-	18,750
17-Aug-15	$4.00	-	6,250
12-Jul-16	$4.00	1,750	3,500
21-Sep-16	$3.60	68,750	68,750
06-Dec-16	$1.60	102,500	273,750
24-Jul-17	$4.00	18,738	23,738
25-Oct-17	$1.20	175,000	475,000
06-Nov-17	$4.00	20,000	133,000
23-Dec-20	$0.05	12,000,000	-
		12,386,738	1,002,738

The options outstanding and exercisable at December 31, 2015 and 2014, have weighted average remaining contractual lives of 4.87 and 2.43 years, respectively.

Stock option activity is as follows:

	December 31, 2015		**December 31, 2014**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	1,002,738	$2.06	1,287,113	$2.32
Granted	12,000,000	0.05	-	-
Expired	(616,000)	$2.08	(284,375)	2.62
Outstanding and exercisable, end of year	12,386,738	$0.11	1,002,738	$2.06

The fair value of options that expired in the year ended December 31, 2015 was $898,651 (2014 - $712,035).

Share-based payments

The fair value of the 12,000,000 options granted during the year ended December 31, 2015 was $583,680 (2014 - $nil).

(d) Warrants

During the year ended December 31, 2015 the Company granted 149,391,184 warrants that expire between July 17, 2016 and November 30, 2016 with exercise prices between $0.10 and $0.12. 119,279,424 of the warrants were granted in units issued in non-brokered private placements and various debt settlements of the Company (note 12(b)) with the remaining 30,111,760 granted as part of the renewal agreement with convertible note holders (notes 10 and 12(b)).

As at December 31, 2015 and 2014, the following share purchase warrants were outstanding:

(Expressed in Canadian dollars, unless otherwise stated)

Expiry Date	Exercise Price	December 31, 2015	December 31, 2014
June 1, 2015	$ 0.64	-	6,278,054
September 15, 2015	$ 10.00	-	259,981
October 18, 2015	$ 10.00	-	372,524
December 8, 2015	$ 8.80	-	1,375,000
July 17, 2016	$ 0.10	15,325,020	-
July 24, 2016	$ 0.10	24,796,200	-
October 13, 2016	$ 0.10	14,467,000	-
December 1, 2016	$ 0.12	6,745,884	-
July 1, 2017	$ 0.10	18,141,520	-
October 24, 2016	$ 0.10	43,920,000	-
November 30, 2016	$ 0.10	25,995,560	-
		149,391,184	8,285,559

Share purchase warrant transactions and the number of share purchase warrants outstanding are summarized as follows:

	December 31, 2015		**December 31, 2014**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	8,285,559	$2.71	12,621,163	$2.40
Issued	149,391,184	$0.10	-	-
Expired	(8,285,559)	$0.32	(4,335,604)	$1.75
Outstanding, end of year	149,391,184	$0.10	8,285,559	$2.71

The fair value of warrants that expired during the year ended December 31, 2015 was $227,246 (2014 - $382,352)

13. RELATED PARTY TRANSACTIONS AND BALANCES

At December 31, 2015, the Company owed $6,400,092 (2014 - $6,650,435) to related parties, of which amounts to officers and directors are included in accounts payable, as follows:

	December 31, 2015	December 31, 2014
Officers and directors for:		
Consulting and directors' fees	$ 681,352	$ 370,752
Reimburse expenses	14,372	14,075
Convertible notes (note 10)	99,172	997,237
Due to related parties	5,605,196	5,268,371
	$ 6,400,092	$ 6,650,435

(Expressed in Canadian dollars, unless otherwise stated)

During the years ended December 31, 2015 and 2014, the Company incurred key management compensation as follows:

		December 31, 2015		December 31, 2014
Short-term benefits paid to personal service corporations	$	484,000	$	288,000
Short-term benefits		24,000		281,096
Termination fees		-		495,000
Share-based payments		346,560		-
	$	854,560	$	1,064,096

Included in short-term benefits was $508,000 (2014 - $569,096) expensed to consulting fees.

At December 31, 2015, the Company was committed to pay termination payments to officers of the Company, in the event of termination without cause, of between two and three years of annual salary. If all termination payments are triggered the Company would be required to pay $1,020,000 (2014 - $1,020,000).

14. CONTINGENT LIABILITY

Three former officers and directors of the Company agreed to resign during the year ended December 31, 2014, and the Company agreed to pay them in total a one-time fee of $585,000 in lieu of any termination payment obligations of the Company under their consulting contracts, with such fees to be paid once certain conditions are met. During the year ended December 31, 2014, $90,000 was paid in cash, and the three former officers and directors agreed to convert the remaining $495,000 owed to shares of the Company at $0.40 per share for a total of 1,462,500 shares. The Company issued 374,250 shares during the year ended December 31, 2014, but was required to have shareholder approval to issue the remaining 1,088,250 shares. The Company received approval at the December 21, 2015 Annual General Meeting of shareholders and issued the shares (note 12).

15. RETIREMENT BENEFIT OBLIGATION

The Company has a legislated obligation to provide a retirement payment to employees in the Philippines equal to 22.5 days pay for every year of credited service at attainment of a retirement age of 60. The Company completes an actuarial valuation of the present value of the obligation annually. The last actuarial valuation of the present value of the obligation was carried out at March 11, 2016 based on obligations at December 31, 2015. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The current and past service costs for year ended December 31, 2015 totaled $119,655 (2014 - $209,198), are included as part of the exploration and evaluation expenses. The principal assumptions used for the purposes of the actuarial valuation were as follows:

	December 31, 2015	December 31, 2014
Discount rate	4.89	4.89
Expected rate of salary increase	5%	5%
Normal retirement age	60	60
Projected retirement benefit	22.5 days per year of service	22.5 days per year of service
Actuarial cost method	Projected Unit Credit Method	Projected Unit Credit Method
Manner of benefit payment	Lump sum	Lump sum

16. LOANS PAYABLE

(a) On December 3, 2012 the Company entered into a loan agreement for US$280,000. The loan bears interest of 8% per annum, and was payable at maturity, which was three months after the loan was granted. As at December 31, 2015 the loan remains in default and continues to accrue interest. The interest and principal of the loan totaled CDN$389,987 as at December 31, 2015 (2014 - CDN$325,360).

(b) On November 4, 2015, the Company entered into a demand loan agreement for US$100,000. The loan bears interest of 15% per annum, matures May 4, 2016 and is unsecured. The interest and principal of the loan totaled CDN$140,994 as at December 31, 2015 (2014 - CDN$nil).

(c) On December 31, 2015, the Company received a US$126,000 advance against a three-year US$6.4 million debt facility announced January 11, 2016 (note 20). The interest and principal of the loan totaled CDN$174,384 as at December 31, 2015 (2014 – CDN$nil).

17. CAPITAL MANAGEMENT

In October 2012, the Company's Philippines affiliate, TMC, received the MGB Declaration of Mining Project Feasibility enabling the Company to commence commercial mining production at the T'Boli gold-silver mine and the Carbon-in-leach (“CIL”) plant. The Company is processing "incidental ore", which it stockpiled during exploration and development of the mine at T’Boli. The Company continues to expand the T’Boli mine by building a decline to the ore bodies identified by its exploration.

The Company is continuing exploration of its properties (note 5), but is not generating sufficient cash flow from operations to cover its operating costs or fund exploration and continues to rely on debt and issuance of shares to generate capital. The Company considers capital to consist of shareholders’ equity, due to related parties, loans payable and convertible debt.

The Company’s objectives of capital management are intended to safeguard its ability to meet normal operating requirements on an ongoing basis and continue the development and exploration of its resource properties. To effectively manage the Company’s capital requirements, the Company has in place a planning process to determine the funds required to ensure appropriate liquidity to meet its operating and growth objectives. The Company monitors actual expenses on all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company’s policy for managing capital has not changed from prior years. As at December 31, 2015, the Company’s available capital resources, consisting of cash, totaled $185,581 (2014 - $67,645). The Company believes that sufficient capital resources are available to support planned business operations (note 20).

(Expressed in Canadian dollars, unless otherwise stated)

18. INCOME TAX

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2014 -26.00%) to loss before taxes. The reasons for the differences are as follows:

	2015	2014
Loss for the year before tax	$(6,116,709)	$(7,914,704)
Statutory income tax rate	26.00%	26.00%
Income tax recovery computed at statutory rates	(1,590,344)	(2,057,823)
Tax effect of expenses that are not deductible (taxable) for income tax purposes	173,123	31,647
Change in timing differences	6,230	765,696
Increase in future income taxes resulting from enacted tax rates	-	6,070
Change in benefit of tax losses not recognized	251,767	719,107
Income tax expense	$ (1,159,224)	$ (535,303)

Income tax rates in the Philippines remained at 30% (2014 - 30%).

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 assets		
Non-capital losses carried forward	$ 874,664	$ 766,790
Deferred income tax liabilities		
Foreign exchange on intercompany loans	(2,502,002)	(989,444)
Total	$ (1,627,338)	$ (222,654)

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets have been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2015	2014
Deferred income tax assets:		
Non-capital losses carried forward	$30,654,560	$26,799,408
Share issue costs	106,235	123,538
Resource properties	1,029,469	1,029,477
Long-term investments	671,996	671,996
Provisions and other	42,173	42,173
Total	$ 32,504,433	$ 28,666,592

The Company has accumulated non-capital losses for tax purposes of $27,878,220 that expire in various years as follows:

(Expressed in Canadian dollars, unless otherwise stated)

	Philippines	Canada	Total
2016	$ 1,859,515	$ -	$ 1,859,515
2017	792,006	-	792,006
2018	740,157	-	740,157
2027	-	545,447	545,447
2028	-	628,784	628,784
2029	-	820,431	820,431
2030	-	2,008,087	2,008,087
2031	-	2,666,965	2,666,965
2032	-	5,459,912	5,459,912
2033	-	10,184,205	10,184,205
2034	-	3,230,370	3,230,370
2035	-	3,043,964	3,043,964
	$ 3,391,678	$ 28,588,165	$ 31,979,843

19. SEGMENTED INFORMATION

The Company has one operating segment: resource property exploration. The Company's corporate assets are located in Canada. The Company's resource property investments are made through corporations located in the Philippines.

December 31, 2015	Canada	Philippines	Consolidated
Current assets	$ 178,588	$ 1,403,395	$ 1,581,983
Exploration and evaluation assets	-	1,094,881	1,094,881
Property, plant and equipment	-	2,462,983	2,462,983
Total Assets	$ 178,588	$ 4,961,259	$ 5,139,847
Total Liabilities	$ 11,585,841	$ 5,308,060	$ 16,893,901

December 31, 2014	Canada	Philippines	Consolidated
Current assets	$ 53,533	$ 746,008	$ 799,541
Exploration and evaluation assets	-	1,094,881	1,094,881
Property, plant and equipment	-	2,121,370	2,121,370
Total Assets	$ 53,533	$ 3,962,259	$ 4,015,792
Total Liabilities	$ 12,138,249	$ 3,737,083	$ 15,875,332

20. EVENTS AFTER THE REPORTING DATE

On March 24, 2016, the Company paid $41,972 to convertible note holders whose notes matured December 1, 2015, being the accrued interest owing at December 1, 2015 (note 10(c)).

On January 11, 2016, the Company announced a US$6.4 million, three- year debt facility. The facility annual interest rate is 12% and the funds are to be made available in four stages over 12 months (note 16). On February 20, 2016, the agreement was finalized and as of April 28, 2016, the Company had received US$1.2 million.

21. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2015, the Company settled $3,026,888 of debt by issuance of shares (2014 - $439,226).