EUROPEAN URANIUM
RESOURCES LTD.

2015
ANNUAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended September 30, 2015 and 2014

(expressed in Canadian dollars)

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of European Uranium Resources Ltd.

We have audited the accompanying consolidated financial statements of European Uranium Resources Ltd., which comprise the consolidated statements of financial position as at September 30, 2015 and September 30, 2014, the consolidated statements of loss and other comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained 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 consolidated financial position of European Uranium Resources Ltd. as at September 30, 2015 and September 30, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that European Uranium Resources Ltd. does not have sufficient cash to fund its operations over the next 12 months. These conditions, along with other matters as set forth in Note 1 in the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about European Uranium Resources Ltd.'s ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants

January 27, 2016
Vancouver, Canada

Consolidated Statements of Financial Position

(expressed in Canadian dollars)

	Note		**September 30, 2015**		September 30, 2014
ASSETS					
Current					
Cash	*6*	**$**	**3,827**	$	242,141
Accounts receivable	*7*		**4,468**		87,933
Marketable securities	*8*		**68,124**		269,931
Prepaid expenses and deposits	*9*		**2,649**		19,167
			79,068		619,172
Equipment	*10*		**4,324**		8,035
		$	**83,392**	$	627,207
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Current					
Accounts payable and accrued liabilities	*12*	**$**	**640,110**	$	504,308
Shareholders' equity (deficiency)					
Share capital	*13*		**125,818,934**		125,818,934
Share-based reserve			**14,614,877**		14,614,877
Accumulated other comprehensive income			**22,349**		13,438
Deficit			**(141,012,878)**		(140,324,350)
			(556,718)		122,899
		$	**83,392**	$	627,207

Nature of operations and going concern	*1*
Subsequent events	*11, 18*

These consolidated financial statements were approved for issue by the Board of Directors on January 27, 2016.

They are signed on the Company's behalf by:

"David Montgomery"	*"Dorian L. Nicol"*
David Montgomery, Director	Dorian L. Nicol, Director

Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	Note	For the years ended September 30, 2015	September 30, 2014
EXPENSES			
Administration		**$ 85,206**	$ 150,871
Audit, legal and other professional fees		**56,888**	240,473
Depreciation		**3,721**	2,880
Employee salaries, fees to directors and contractors		**371,924**	509,856
Exploration and evaluation expenditures	*11*	**127,992**	278,365
Exploration and evaluation and other recoveries	*11*	**(273,198)**	(71,672)
Property investigations		**-**	44,325
Public, government and investor relations		**35,942**	85,461
Regulatory fees		**32,972**	96,129
Travel		**32,395**	138,526
		473,842	1,475,214
OTHER INCOME (EXPENSE)			
Foreign exchange loss		**(40,124)**	(14,667)
Gain on disposal of equipment		**-**	8,527
Gain on sale of subsidiaries		**-**	8,859
Impairment loss on marketable securities	*8*	**(165,764)**	(391,186)
Interest income		**351**	1,037
Loss on sale of marketable securities	*8*	**(9,149)**	(260,923)
Recovery of exploration and evaluation assets	*11*	**-**	500,000
		(214,686)	(148,353)
NET LOSS FOR THE YEAR		**(688,528)**	(1,623,567)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Foreign currency translation differences for foreign operations		**8,911**	94,378
COMPREHENSIVE LOSS FOR THE YEAR		**$ (679,617)**	$ (1,529,189)
Basic and diluted loss per common share		**$ (0.01)**	$ (0.03)
Weighted average number of outstanding common shares		**65,942,653**	59,928,954

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

	Note	For the years ended September 30, 2015	September 30, 2014
CASH PROVIDED FROM (USED FOR):			
OPERATING ACTIVITIES:			
Net loss for the year		**$ (688,528)**	$ (1,623,567)
Items not affecting cash:			
Depreciation of equipment		**3,721**	7,544
Gain on disposal of equipment		**-**	(8,527)
Gain on sale of subsidiaries		**-**	(8,859)
Impairment loss on marketable securities	*8*	**165,764**	391,186
Loss on sale of marketable securities		**9,149**	260,923
Recovery of exploration and evaluation assets	*11*	**-**	(500,000)
Unrealized foreign exchange loss (gain)		**(3,028)**	82,585
Net changes in operating balances:			
Accounts receivable		**83,465**	(18,118)
Prepaid expenses and deposits		**16,518**	9,790
Accounts payable and accrued liabilities		**147,124**	213,123
		(265,815)	(1,193,920)
INVESTING ACTIVITIES:			
Purchase of equipment		**-**	(2,323)
Proceeds on sale of equipment		**-**	8,524
Proceeds on sale of marketable securities		**26,894**	150,519
Proceeds on sale of subsidiaries		**-**	8,859
Recovery of exploration and evaluation assets		**-**	500,000
		26,894	665,579
FINANCING ACTIVITIES:			
Shares issued		**-**	100,000
Share issue costs		**-**	(19,079)
		-	80,921
EFFECT OF FOREIGN EXCHANGE ON CASH		**607**	10,045
CHANGE IN CASH FOR THE YEAR		**(238,314)**	(437,375)
CASH, BEGINNING OF THE YEAR		**242,141**	679,516
CASH, END OF THE YEAR		**$ 3,827**	$ 242,141

Supplementary disclosure with respect to cash flows – Note 15

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statements of Changes in Equity (Deficiency)

(expressed in Canadian dollars)

	Number of shares	Share capital	Share-based reserve	Accumulated other comprehensive income Cumulative translation account	Deficit	Total shareholders' equity
Balance, September 30, 2013	52,331,542	$ 124,680,668	$ 14,601,131	$ (80,940)	$ (138,700,783)	$ 500,076
Share issues:						
Private placement	1,111,111	86,254	13,746	-	-	**100,000**
Shares issued pursuant to the acquisition of marketable securities	12,500,000	1,115,287	-	-	-	**1,115,287**
Share issue costs	-	(63,275)	-	-	-	**(63,275)**
Comprehensive loss for the period	-	-	-	94,378	(1,623,567)	(1,529,189)
Balance, September 30, 2014	65,942,653	$ 125,818,934	$ 14,614,877	$ 13,438	$ (140,324,350)	$ 122,899

	Number of shares	Share capital	Share-based reserve	Accumulated other comprehensive income Cumulative translation account	Deficit	**Total shareholders' equity (deficiency)**
Balance, September 30, 2014	65,942,653	$ 125,818,934	$ 14,614,877	$ 13,438	$ (140,324,350)	**$ 122,899**
Comprehensive loss for the period	-	-	-	8,911	(688,528)	**(679,617)**
Balance, September 30, 2015	**65,942,653**	**$ 125,818,934**	**$ 14,614,877**	**$ 22,349**	**$ (141,012,878)**	**$ (556,718)**

1. NATURE AND CONTINUANCE OF OPERATIONS

European Uranium Resources Ltd. (the "Company" or "EUU") is a publicly-traded company incorporated under the laws of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol "EUU". The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., V4B 1E6.

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of mineral resource projects. The consolidated financial statements of the Company as at, and for the year ended September 30, 2015, comprise the Company and its subsidiaries. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

The operations of the Company will require various licenses and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at September 30, 2015, the Company has a working capital deficit of $561,042 which management realizes will not provide the Company with sufficient financial resources to carry out operations through the next twelve months. The Company has sold its interest in Ludovika Energy s.r.o. and is negotiating to sell its interest in Ludovika Mining s.r.o. for nominal proceeds (Notes 11 and 18). The Company is now actively searching for mineral properties to acquire which could provide financing alternatives. The Company then plans to raise additional financial resources through equity financings and the further sale of marketable securities during the upcoming fiscal year. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. The ability of the Company to continue as a going concern and to discharge its liabilities in the normal course of business is dependent upon the successful completion of financing arrangements and/or the acquisition of financeable mineral properties. These factors may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to 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.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION *(continued)*

c) Functional and presentation currency

The presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of European Uranium Resources Ltd., the parent company, is the Canadian dollar and the functional currency of the Company's US subsidiary, Tournigan Energy USA Inc., is also the Canadian dollar. The functional currency of the Company's Slovakian subsidiaries, Ludovika Energy s.r.o. and Ludovika Mining s.r.o., is the Euro. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

d) Use of accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

<u>Estimated useful lives of property, plant and equipment</u>

The estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position will impact the amount and timing of the related depreciation included in operations.

<u>Share-based compensation</u>

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

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

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

d) Use of accounting estimates, judgments and assumptions *(continued)*

Determination of functional currency

In accordance with IAS 21, management determined that the functional currency of the Company is the Canadian dollar and the functional currency of the Company's US subsidiary, Tournigan Energy USA Inc., is also the Canadian dollar. The functional currency of the Company's Slovakian subsidiaries, Ludovika Energy s.r.o. and Ludovika Mining s.r.o., is the Euro. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"). Significant changes to those underlying factors could cause a change to the functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

Name of subsidiary	Place of incorporation	Ownership interest at September 30, 2015	Principal activity
Tournigan Energy USA Inc.	State of Colorado	100%	Provision of exploration support services
Ludovika Energy s.r.o. (1)(2)	Slovakia	50% (2)	Operating mineral exploration company
Ludovika Mining s.r.o. (1)(3)	Slovakia	50% (3)	Operating mineral exploration company

(1) *the Company was accounting for this as a farm-out transaction during fiscal 2015 – see Note 11.*
(2) *subsequently transferred to an unrelated party on October 19, 2015 – see Note 11.*
(3) *An agreement is being sought for the sale of Ludovika Mining s.r.o. – see Note 11 and 18*

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash consists of cash and demand deposits with an original term to maturity of 90-days or less.

Foreign currency translation

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

On consolidation, for subsidiaries with functional currencies other than the Canadian dollar, the assets and liabilities are translated into Canadian dollars using the exchange rate at the reporting date, while the operations and cash flows are translated into Canadian dollars using the average rates of exchange for the period. Exchange adjustments arising when the non-monetary assets are translated into Canadian dollars are taken into a separate component of equity and reported in accumulated OCI in the cumulative translation account.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a either a declining balance basis or straight-line basis over the estimated useful lives of each part of an item of equipment, the choice dependant on which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation rates are as follows: computer equipment 20%-30%; field equipment 12.5%-20%; software 50%; and vehicles 25%.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Exploration and evaluation assets and expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized as exploration and evaluation assets. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred.

The Company may occasionally enter into farm-out arrangements, whereby the Company transfers part of a mineral interest as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditure commitments. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a recovery of exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets and expenditures *(continued)*

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration, rehabilitation and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. As the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional asset retirement costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are changed to the profit and loss statements. The Company has no restoration, rehabilitation or environmental obligations.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment *(continued)*

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if 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 depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Financial assets

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

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred.

(ii) Financial assets available for sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost, in which case the changes in fair value are recognized in profit or loss. Assets in this category include marketable securities.

Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include cash and accounts receivable.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is used to determine the amortized cost of loans and receivables and to allocate 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(v) De-recognition of financial assets

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 group entities 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.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

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 Company has classified accounts payable and accrued liabilities as other financial liabilities.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Warrants

The Company accounts for warrants using the fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes valuation model and reclassifies the fair value as share capital if and when the warrants are exercised. When warrants are issued in conjunction with another security ("Unit"), the Company accounts for the Unit using the relative fair value method.

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and share purchase warrants on loss per share would be anti-dilutive.

Share-based compensation

The stock option plan allows Company directors, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based reserve to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based compensation *(continued)*

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and there is the intention to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are adjusted to the extent that it is probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2015, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material effect on the financial statements of the Company.

i. New standard, effective for annual periods beginning on or after January 1, 2018

New standard **IFRS 9** *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

ii. Narrow scope amendments upcoming, all effective January 1, 2016:

IFRS 11 *Accounting for Acquisitions of Interests in Joint Ventures*

This amended is to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

IAS 16 & IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*

This amended is to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets.

IFRS 10 & IAS 28 *Sale or Contribution of Assets between and Investor and Its Associate or Joint Venture (the effective date of this amendment has been postponed indefinitely)*

This amended is to provide guidance on the sale or contribution of assets between an investor and its associate or joint venture.

The Company has not early adopted any of these revised standards and their future adoption is not expected to have a material effect on the financial statements.

(expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**September 30, 2015**	September 30, 2014
Cash	Loans and receivables	**$ 3,827**	$ 242,141
Accounts receivable	Loans and receivables	**4,468**	87,933
Marketable securities	Available for sale	**68,124**	269,931
Accounts payable and accrued liabilities	Other liabilities	**640,110**	504,308

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

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

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

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

The fair value of marketable securities was determined based on Level 1 of the hierarchy. See Note 8.

The recorded amounts for cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

<u>Credit Risk</u>

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents and receivables, which includes balances receivable from governments. The Company's bank accounts are with high credit quality financial institutions. The Company limits the exposure to credit risk in its cash balances by restricting investments to highly rated major Canadian bank deposits and liquid securities or Government of Canada treasury bills. The Company does not invest in money market funds. The Company has no risk exposure to asset backed commercial paper or auction rate securities.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Risk Management *(continued)*

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due (see Note 1). The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company's cash is primarily on deposit in Canadian business accounts or guaranteed investment certificates which are available on demand.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk: The Company has identified its functional currencies as the Canadian dollar and the Euro. Transactions are transacted in Canadian dollars, US dollars, Euro, and British Pounds. The Company maintains US dollar bank accounts in the USA and maintains Euro bank accounts in Europe to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions could be significant, but does not hedge its foreign exchange risk. At September 30, 2015, one Canadian dollar was equal to 0.7493 US dollars, 0.6689 Euros, and 0.494 GBP.

Balances for fiscal 2015 are as follows:

	US dollars	Euro	GBP	Canadian dollar equivalent
Cash	1,426	-	-	1,903
Accounts receivable	-	-	-	-
Advances and deposits	-	-	-	-
	1,426	-	-	1,903
Accounts payable and accrued liabilities	(253,071)	(45,140)	(4,678)	(408,892)
Net monetary assets (liabilities)	(251,645)	(45,140)	(4,678)	(406,989)

Based upon the above net exposures and assuming that all other variables remain constant, a 10% increase or decrease in the Canadian dollar against the US dollar, and the GBP would result in a decrease or increase in the reported loss of approximately $41,000 in the 2015 fiscal year.

(expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Risk Management *(continued)*

Market Risk *(continued)*

(b) Foreign Currency Risk *(continued)*:

Balances for fiscal 2014 were as follows:

	US dollars	Euro	Canadian dollar equivalent
Cash	3,967	2,289	7,683
Accounts receivable	-	5,143	7,279
Advances and deposits	-	365	517
	3,967	7,797	15,479
Accounts payable and accrued liabilities	(148,410)	(40,622)	(223,711)
Net monetary assets (liabilities)	(144,443)	(32,825)	(208,232)

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets is related to the price of uranium and other precious metals and the outlook for these commodities, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of uranium and precious metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to uranium, and to precious metals generally.

(d) Other Price Risk: Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments.

The equity risk associated with the Company's current marketable securities primarily relates to the change in the market prices of the investments in the portfolio. As at September 30, 2015, the Company owns 395,894 GRIT shares with each share valued at £0.085 (or approx. $0.172). Each £0.01 change in the value of one GRIT share would result in a gain or loss of approximately $8,015. Management believes the price risk related to this investment could be significant.

(expressed in Canadian dollars)

5. MANAGEMENT OF CAPITAL

The Company considers its common shares, stock options and warrants as capital (see Note 13). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk. The Company is not subject to any externally imposed capital restrictions.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration expenditures, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in interest bearing Canadian chartered bank account and short-term guaranteed investment certificates.

The Company does not expect that its current capital resources will be sufficient to carry out its plans and operations through the next twelve months (see Note 1).

6. CASH

	As at September 30, 2015	As at September 30, 2014
Canadian dollar denominated deposits	**$ 1,924**	$ 234,458
US dollar denominated deposits	**1,903**	4,443
Euro denominated deposits	**-**	3,240
Total	**$ 3,827**	$ 242,141

7. ACCOUNTS RECEIVABLE

	As at September 30, 2015	As at September 30, 2014
Amounts due from Governments pursuant to tax credits:		
• Canada – GST input tax credits	**$ 4,468**	$ 8,465
• Slovakia – VAT credits	**-**	7,279
Amounts due from Forte	**-**	71,672
Other amounts receivable	**-**	517
Total	**$ 4,468**	$ 87,933

(expressed in Canadian dollars)

8. MARKETABLE SECURITIES

At September 30, 2015, the Company had the following marketable securities recognized at fair value:

Available-for-sale Securities:	Number of Shares	Cost	Fair Value September 30, 2014	**September 30, 2015** Unrealized losses accumulated	**Fair Value**
Publicly traded companies:					
Global Resources Investment Trust Plc ("GRIT")	395,894	$ 587,348	$ 269,931	$ (519,224)	**$ 68,124**

During the year ended September 30, 2015, the Company sold 61,009 of the GRIT shares for gross proceeds of $26,894 and recorded a realized loss on the sale of marketable securities of $9,149. Finder's fees were $1,614, calculated as 6% of the proceeds of the sale.

During the year ended September 30, 2015, an impairment loss was also recorded of $165,764 due to the continued significant and prolonged decline in the value of the GRIT shares.

9. PREPAID EXPENSES and DEPOSITS

	As at September 30, 2015	As at September 30, 2014
Prepaid expenses in Canada	**$ -**	$ 13,928
Prepaid expenses in the USA	**2,649**	4,408
Prepaid expenses in Slovakia	**-**	831
Total	**$ 2,649**	$ 19,167

10. EQUIPMENT

	Canada	United States	Slovakia			**TOTAL**
	Computers & Software	Computers & Software	Computers & Software	Office & Field Equipment	Vehicles	
Cost						
At September 30, 2014	$ 220,265	$ 8,136	$ 38,851	$ 109,631	$ 36,214	$ 413,097
Asset dispositions	-	-	(38,851)	(106,474)	(36,214)	(181,539)
Assets writrten off fully amortized	(216,338)	-	-	-	-	(216,338)
Foreign exchange adjustment	-	-	-	(3,157)	-	(3,157)
At September 30, 2015	$ 3,927	$ 8,136	$ -	$ -	$ -	$ 12,063
Accumulated depreciation						
At September 30, 2014	$ 216,509	$ 5,899	$ 37,645	$ 108,952	$ 36,057	$ 405,062
Depreciation for the period	1,006	663	513	1,539	-	3,721
Asset dispositions	-	-	(38,851)	(106,474)	(36,214)	(181,539)
Assets writrten off fully amortized	(216,338)	-	-	-	-	(216,338)
Foreign exchange adjustment	-	-	693	(4,017)	157	(3,167)
At September 30, 2015	$ 1,177	$ 6,562	$ -	$ -	$ -	$ 7,739
Carrying amounts						
At September 30, 2014	$ 3,756	$ 2,237	$ 1,206	$ 679	$ 157	$ 8,035
At September 30, 2015	**$ 2,750**	**$ 1,574**	**$ -**	**$ -**	**$ -**	**$ 4,324**

11. EXPLORATION and EVALUATION ASSETS and EXPENDITURES

Kuriskova and Novoveska Huta Uranium projects:

On July 31, 2014, the Company signed a Participation Interest Purchase Agreement (the "Agreement") with ASX and AIM listed Forte Energy NL ("Forte") whereby Forte conditionally purchased 50% of the limited liability interest of each of the Company's Slovak subsidiaries for $500,000. The Forte interest was held through beneficial ownership of 50% of the limited liability interest of each of the Company's Slovak subsidiaries; Ludovika Energy s.r.o. and Ludovika Mining s.r.o., (jointly, the "Slovak Subsidiaries") which hold the mineral licenses and license applications comprising the Kuriskova and Novoveska Huta projects, respectively.

On October 2, 2015, Forte voluntarily withdrew from the Agreement and forfeited their 50% beneficial interest in the Slovak Subsidiaries (Note 18).

With Forte no longer funding ongoing operations and the Company not being in a financial position to fund the maintenance of Ludovika Energy s.r.o., the Company came to an agreement with an unrelated third party resident in Slovakia to acquire the Company's interests in Ludovika Energy s.r.o. in exchange for the Company retaining a 25% share of any future compensation paid to Ludovika Energy s.r.o. by the Slovak Government pursuant to the Court proceedings in respect of the non-renewal of the Kuriskova license by the Slovak Government (Note 18).

An agreement is being sought for the sale of the Novoveska Huta project, which is held by Ludovika Mining s.r.o. The Novoveska Huta mining license remains valid, but will be allowed to expire.

Kremnica Gold project:

The Company has a 2% net smelter return royalty ("NSR") on the first one million ounces gold and silver produced and a 1% NSR on the second one million ounces gold and silver produced from the Kremnica Gold project in Slovakia, part of the Šturec Project, owned by Ortac Resources Limited ("Ortac").

In addition, under the terms of a sale agreement with Ortac, the Company would be paid US$15 per ounce in either shares of Ortac or cash on the first 250,000 ounces of gold equivalent resource defined as proven and probable reserve in a bankable feasibility study which would be payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property.

Ortac may buy-down the 2% NSR royalty granted to the Company, to 1%, at any time by paying the Company US$1 million cash.

(expressed in Canadian dollars)

11. EXPLORATION and EVALUATION ASSETS and EXPENDITURES *(continued)*

Exploration and evaluation expenditures:

Exploration and evaluation expenditures of $127,992 were incurred for the year ended September 30, 2015, and were recovered from Forte in full. Exploration and evaluation expenditures for the year ended September 30, 2015 and 2014 comprise the following:

	Year ended September 30, 2015			Year ended September 30, 2014			
	Slovakia Kuriskova	Slovakia Other	**Total**	Slovakia Kuriskova	Slovakia Other	Sweden and Finland	Total
Depreciation	$ -	$ -	**$ -**	$ 4,664	$ -	$ -	$ 4,664
Drilling and assays	15,981	3,168	**19,149**	18,052	4,582	-	22,634
Geological consulting	-	-	**-**	-	-	27,862	27,862
Licenses and permits	505	929	**1,434**	16,141	4,339	-	20,480
Personnel, administration, and travel	50,655	56,416	**107,071**	132,177	79,501	-	211,678
Stock-based compensation	-	-	**-**	-	-	-	-
Socio-environmental studies	-	-	**-**	-	1,434	-	1,434
Studies and evaluations	338	-	**338**	(10,387)	-	-	(10,387)
	67,479	60,513	**127,992**	160,647	89,856	27,862	278,365
Recoveries from Forte Energy NL	(67,479)	(60,513)	**(127,992)**	(71,672)	-	-	(71,672)
	$ -	$ -	$ -	$ 88,975	$ 89,856	$ 27,862	$ 206,693

12. ACCOUNTS PAYABLE and ACCRUED LIABILITIES

	As at September 30, 2015	As at September 30, 2014
Trade and other payables in Canada	**$ 128,588**	$ 184,638
Trade and other payables in Slovakia	**27,912**	48,435
Amounts payable to related parties (Note 14)	**483,610**	271,235
Total	**$ 640,110**	$ 504,308

13. SHARE CAPITAL

Authorized:

The Company has an unlimited number of common shares without par value authorized for issuance.

Share issuance: There are 65,942,653 shares issued and outstanding as at September 30, 2015.

Fiscal 2015

There were no shares issued in the year ended September 30, 2015.

Fiscal 2014

The Company issued 12,500,000 common shares to GRIT in exchange for 751,744 shares of GRIT, which trade on the London Stock Exchange under the symbol "GRIT". The shares issued to GRIT were valued at $0.0892 per share, for a total value of $1,115,287, which was the equivalent fair value of the GRIT shares received on the closing date of the transaction, being March 7, 2014. The Company owes a finder's fee on the above transaction, payable as to 36,269 shares of GRIT, valued on March 7, 2014 at $53,808, but subsequently revalued at September 30, 2014 to $31,791. There were cash share issue costs of $9,467 during the year.

On April 16, 2014, the Company completed an exclusive non-brokered private placement with Forte of 1,111,111 units ("Unit") at a price of $0.09 per Unit to raise gross proceeds of $100,000. Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant, with one whole warrant entitling Forte to purchase one additional common share in the capital of the Company at a price of $0.15 until April 16, 2016. The proceeds of the financing of $100,000 were allocated on a relative fair value basis as $86,254 to shares and $13,746 as to warrants. The assumptions used in the Black-Scholes option pricing model for the relative fair value allocation were: a risk free interest rate of 1.04%; an expected volatility of 101.75%; an expected life of two years; and an expected dividend of zero.

(expressed in Canadian dollars)

13. SHARE CAPITAL *(continued)*

Warrants:

The continuity of share purchase warrants for the year ended September 30, 2015, is as follows:

Expiry date	*Exercise price*	Balance, September 30, 2014	Issued	Expired	**Balance September 30, 2015**
January 3, 2015	*$ 1.00*	2,857,143	-	(2,857,143)	**-**
April 16, 2016	*$ 0.15*	555,555	-	-	**555,555**
		3,412,698	-	(2,857,143)	**555,555**
Weighted average exercise price		$ 0.86	$ -	$ 1.00	**$ 0.15**

The continuity of share purchase warrants for the year ended September 30, 2014, is as follows:

Expiry date	*Exercise price*	Balance, September 30, 2013	Issued	Expired	**Balance September 30, 2014**
January 3, 2015	*$ 1.00*	2,857,143	-	-	**2,857,143**
April 16, 2016	*$ 0.15*	-	555,555	-	**555,555**
		2,857,143	555,555	-	**3,412,698**
Weighted average exercise price		$ 1.00	$ 0.15	$ -	**$ 0.86**

Options:

On June 13, 2014, the Company's shareholders approved the amendment and renewal of a rolling stock option plan applicable to directors, employees and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX Venture Exchange. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

The continuity of stock options for the year ended September 30, 2015, is as follows:

Expiry date	*Exercise price*	Balance, September 30, 2014	Granted	Expired / Cancelled	**Balance September 30, 2015**
July 15, 2016	*$ 0.55*	415,000	-	-	**415,000**
November 19, 2017	*$ 0.22*	460,000	-	-	**460,000**
		875,000	-	-	**875,000**
Weighted average exercise price		$ 0.38	$ -	$ -	**$ 0.38**

As at September 30, 2015, the weighted average remaining contractual life of the options outstanding was 1.5 years.

As at September 30, 2015, all of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.38. The intrinsic value of the vested stock options was $nil. The intrinsic value of the vested stock options outstanding at September 30, 2015, is calculated on the difference between the exercise prices of the underlying vested options and the quoted price of our common stock as of the reporting date of September 30, 2015, being $0.005.

(expressed in Canadian dollars)

13. SHARE CAPITAL *(continued)*

Options (continued)**:**

The continuity of stock options for the year ended September 30, 2014, is as follows:

Expiry date	*Exercise price*	Balance, September 30, 2013	Granted	Expired / Cancelled	**Balance September 30, 2014**
July 15, 2016	*$ 0.55*	655,000	-	(240,000)	**415,000**
November 19, 2017	*$ 0.22*	810,000	-	(350,000)	**460,000**
		1,465,000	-	(590,000)	**875,000**
Weighted average exercise price		$ 0.37	$ -	$ 0.35	**$ 0.38**

As at September 30, 2014, the weighted average remaining contractual life of the options outstanding was 2.5 years.

Share-Based Compensation:

<u>Fiscal 2015</u>

During the year ended September 30, 2015, the Company did not record any share-based compensation, as there were no options granted or vested in the year.

<u>Fiscal 2014</u>

During the year ended September 30, 2014, the Company did not record any share-based compensation, as there were no options granted or vested in the year.

(expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS and BALANCES

a) The Company's related parties consist of a company owned by an officer of the Company and individuals as identified below:

Name	Nature of transactions
Golden Oak Corporate Services Limited "Golden Oak"	Consulting as Chief Financial Officer, corporate compliance services and financial reporting
A. Kuestermeyer	Consulting as Director, Technical Services

The Company incurred the following fees in connection with individuals and companies owned, or partially owned, by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

	For the year ended	
	September 30, 2015	September 30, 2014
Consulting fees – Golden Oak	**$ 100,000**	$ 104,167
Consulting fees – A. Kuestermeyer	**-**	47,233
Total	**$ 100,000**	$ 151,400

Amounts owing to related parties, including director's fees, are disclosed in Note 12.

b) Compensation of key management personnel:

The remuneration of directors and members of key management personnel, including accrued amounts and amounts disclosed in Note 14(a), where applicable, during the year ended September 30, 2015, and 2014 were as follows:

	For the year ended	
	September 30, 2015	September 30, 2014
Consulting fees	**$ 100,000**	$ 151,400
Salaries and benefits (1)	**347,268**	402,555
Directors fees	**-**	64,042
Total	**$ 447,268**	$ 617,997

(1) includes amounts funded by Forte for key management personnel of the Slovak Subsidiaries, and certain amounts accrued and unpaid to key management personnel

(expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS and BALANCES *(continued)*

b) Compensation of key management personnel (continued):

Amounts owing to related parties (Note 12), totalling $483,610 are comprised of:

Amounts owing		**September 30, 2015**		September 30, 2014
Salaries	**$**	**316,859**	$	123,858
Consulting fees		**72,568**		58,754
Directors fees		**64,040**		64,040
Reimbursement of expenses		**30,143**		24,583
Total	**$**	**483,610**	$	271,235

15. SUPPLEMENTARY DISCLOSURE WITH RESPECT TO CASH FLOWS

		September 30, 2015		September 30, 2014
Non-cash investing and financing activities:				
Issue of shares for marketable securities	**$**	**-**	$	1,115,287

(expressed in Canadian dollars)

16. INCOME TAXES

Reconciliation of effective tax rate:

		2015		2014
Loss before income taxes	**$**	**(688,528)**	$	(1,623,567)
Statutory tax rate		**26.00%**		26.00%
Expected income tax expense (recovery)		**(179,017)**		(422,127)
Non-deductible (taxable) items and other		**59,748**		746,220
Change in statutory and foreign rates		**121,589**		377,113
Change in unrecognized deferred tax assets		**(2,319)**		(701,205)
Deferred income tax expense (recovery)	**$**	**-**	$	-

Unrecognized deferred tax liabilities
At September 30, 2015, the Company has no material deferred tax liabilities that have not been recognized in relation to an investment in a subsidiary.

Unrecognized deferred tax assets
Deferred tax assets have not been recognized in respect of the following items:

		2015		2014
Losses	**$**	**56,922,949**	$	55,755,076
Deductible temporary timing differences		**37,622,686**		38,971,668
Total	**$**	**94,545,635**	$	94,726,744

Subsequent to September 30, 2015 the Company has sold one of its Slovak subsidiaries and is in negotiations to sell the other (Note 18). These subsidiaries had losses and deductible temporary differences aggregating $35,000,000 as at September 30, 2015, which amount is included in the figures in the above table.

The Company has Canadian non-capital loss carry-forwards for income tax purposes that are available for offset against future taxable income. These losses expire as follows:

Year of expiry		**Amount**
2025	$	4,001,091
2026		3,842,546
2027		471,983
2028		4,690,256
2029		3,434,555
2030		2,056,905
2031		2,374,960
2032		2,507,506
2033		2,193,822
2034		1,312,490
2035		803,279
Total	**$**	**27,689,393**

16. INCOME TAXES *(continued)*

The Company has also reported US tax loss carry-forwards of $1,975,042 (2014: $1,751,904) and $861,998 (2014: $1,034,862) and Canadian capital loss carry-forwards of $27,689,393 (2014: $26,082,196).

Deductible temporary differences for which no deferred tax assets have been recognized relate to Canadian resource pools of $35,679,728 (2014: $42,344,168), Canadian share issuance costs of $42,266 (2014: $332,593, and other items of $(7,193,115) (2014: $(3,313,907)) available to offset future taxable income.

17. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties, and has three geographical segments: Canada, the USA and Europe. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and equipment and have been disclosed in Notes 10 and 11.

18. SUBSEQUENT EVENTS

a) On October 2, 2015, Forte voluntarily withdrew from the Agreement and forfeited their 50% beneficial interest in the Slovak Subsidiaries;

b) On October 19, 2015, the Company transferred its 100% interest in Ludovika Energy s.r.o. to an unrelated third party in exchange for the Company retaining a 25% share of any future compensation paid to Ludovika Energy s.r.o. by the Slovak Government pursuant to the Court proceedings in respect of the non-renewal of the Kuriskova license by the Slovak Government;

c) On January 6, 2016, the Company sold its remaining 395,894 GRIT shares for proceeds of $19,050 (£9,335.18); and

d) An agreement is being sought for the sale of the Novoveska Huta project, which is held by Ludovika Mining s.r.o. The Novoveska Huta mining license remains valid, but will be allowed to expire. Negotiations are ongoing.