(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2015 and September 30, 2014

Unaudited

NOTICE TO READER

"In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not audited or reviewed the interim consolidated financial statements as at and for the three and nine months ended September 30, 2015."

Colt Resources Inc.

Condensed Interim Consolidated

Financial Statements

September 30, 2015 – Unaudited

General information

Directors

Hans H. Hertell, Corporate Governance and CRME Committee Chair [2,3,5,6]

James Ladner, Audit Committee Chair [1,3]

Joe Tai, Compensation Committee Chair [1,3,4,5,6]

Nikolas Perrault, Chief Executive Officer [4]

Paul Yeou, Nominating Committee Chair [1,2,3,4]

Sabri Karahan, Technical Committee Chair [2,5,6]

Other officers

David A. Johnson, General Counsel and Corporate Secretary

Shahab Jaffrey, Chief Financial Officer

Auditors

Ernst & Young LLP

Board Committees:
1) Audit Committee
2) Corporate Governance Committee
3) Compensation Committee
4) Nominating Committee
5) Technical Committee
6) Independent Committee of Colt Resources Middle East ("CRME")

Colt Resources Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[Canadian dollars] **Unaudited**

	September 30, 2015	December 31, 2014
	$	$
ASSETS		
Current		
Cash *[note 6]*	**203,769**	159,873
Other receivables *[note 7]*	**854,331**	521,532
Inventories	**2,522,882**	2,428,972
Loan receivable *[note 7.1]*	**1,072,865**	—
Prepaid expenses and deposits	**157,391**	367,754
	4,811,237	3,478,131
Non-current		
Property, plant and equipment *[note 8]*	**1,733,582**	1,219,405
Biological assets	**463,481**	461,806
Exploration and evaluation assets *[note 9]*	**28,239,455**	26,286,184
Goodwill	**828,186**	779,542
Investment in an associate *[note 5]*	**—**	344,647
Deposits	**559,344**	558,401
	36,635,286	33,128,116
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank overdraft *[note 6]*	**357,935**	322,874
Accounts payable and accrued liabilities *[note 10]*	**2,312,085**	2,526,234
	2,670,020	2,849,108
Non-current		
Senior secured notes *[note 11]*	**—**	1,639,399
Deferred income taxes	**396,067**	370,933
Convertible preferred shares	**3,584,125**	3,264,520
Total liabilities	**6,650,212**	8,123,960
Shareholders' equity		
Share capital *[note 11]*	**67,406,898**	61,181,617
Warrants *[note 11]*	**4,268,502**	1,793,250
Contributed surplus	**4,452,025**	4,452,025
Equity component of convertible preferred shares	**700,628**	700,628
Accumulated other comprehensive (loss) income	**1,936,616**	379,973
Accumulated deficit	**(48,779,595)**	(43,503,337)
Total shareholders' equity	**29,985,074**	25,004,156
	36,635,286	33,128,116

Going concern *[note 2]*

Related party transactions *[note 14]*

Commitments *[note 16]*

Subsequent events *[note 17]*

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

On behalf of the Board:

Director Director

Colt Resources Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

Three and nine months ended September 30, **Unaudited**
[Canadian dollars]

	Three months ended September 30		Nine months ended September 30	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
EXPENSES				
Administrative expenses *[note 13]*	**(980,424)**	(738,891)	**(3,012,592)**	(2,732,724)
Depreciation	**(135,633)**	(41,672)	**(318,568)**	(146,618)
Other (losses) /income net	**(114,038)**	573,153	**(65,559)**	3,026,538
(Loss) / income from operations	**(1,230,095)**	(207,410)	**(3,396,719)**	147,196
Interest income	**5,964**	(208)	**7,002**	2,247
Finance costs	**(281,144)**	(178,885)	**(682,188)**	(497,284)
Change in fair value of derivative financial liability - warrants	**—**	26,819	**(507,882)**	1,031,756
Foreign exchange gain / (loss)	**57,770**	(259,925)	**25,007**	(130,475)
Change in fair value of investment in associate, net *[note 5]*	**—**	(644,550)	**(744,647)**	(1,342,332)
Loss before income taxes	**(1,447,504)**	(1,264,160)	**(5,299,427)**	(788,892)
Income tax expense/ (recovery)				
Current	**—**	202	**7,350**	(5,385)
Deferred	**(568)**	574	**(30,519)**	51,749
	(568)	776	**(23,169)**	46,364
Net loss for the period	**(1,446,936)**	(1,264,936)	**(5,276,258)**	(835,256)
Other comprehensive loss				
Other comprehensive loss to be reclassified to profit or loss				
Foreign exchange loss on translation of foreign subsidiaries	**878,850**	(947,846)	**1,556,643**	(811,489)
Comprehensive loss for the period	**(568,086)**	(2,212,782)	**(3,719,615)**	(1,646,745)
Net loss per share				
Basic and fully diluted	**(0.00)**	(0.01)	**(0.02)**	(0.01)
Weighted average number of outstanding shares				
Basic and diluted	**229,160,398**	167,662,422	**209,774,983**	162,587,588

Going concern *[note 2]*

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

Colt Resources Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30
[Canadian dollars] **Unaudited**

	2015	2014
	$	$
OPERATING ACTIVITIES		
Net (loss) for the period	**(5,276,258)**	(835,256)
Items not impacting cash:		
Accretion expense	**82,228**	497,284
Change in fair value of derivate financial liability - warrants *[note 11]*	**507,882**	(1,031,756)
Depreciation	**318,568**	146,618
Change in inventories to net realizable value	**91,067**	58,859
Gain on issuance of shares by associate *[note 5]*	**78,921**	—
Share of loss of an investment in associate *[note 5]*	**744,647**	1,342,332
Gain on partial disposal of investment in associate *[note 5]*	**—**	(2,761,435)
Change in fair value of biological assets	**17,478**	(55,008)
Deferred income taxes	**(30,519)**	51,749
Unrealized foreign exchange (gain)/ loss	**(32,098)**	89,619
	(3,498,084)	(2,496,994)
Change in non-cash working capital	**269,828**	627,276
Net cash flows from operating activities	**(3,228,256)**	(1,869,719)
INVESTMENT ACTIVITIES		
Increase in bank overdraft	**35,061**	27,582
Investment in an associate	**(400,000)**	—
Addition to property, plant and equipment - Net *[note 8]*	**753,001**	(2,564)
Proceeds from partial disposal of investment in assoicate	**—**	1,716,219
(Increase)/ decrease in deposits	**(943)**	33,820
Additions to exploration and evaluation assets, net *[note 9]*	**(1,953,271)**	(2,283,148)
Net cash flows from investing activities	**(1,566,152)**	(508,091)
FINANCING ACTIVITIES		
Proceeds from Senior Secured Notes financing, net of issuance cost	**—**	221,520
Loan to associate	**(1,072,865)**	—
Proceeds from issuance of common shares and warrants, net of issuance cost *[note 11]*	**5,899,606**	—
Net cash flows from financing activities	**4,826,741**	221,520
Foreign exchange gain on cash	**11,563**	235,101
Net decrease in cash	**32,333**	(1,921,188)
Cash, beginning of period	**159,873**	2,263,613
Cash, end of period *[note 6]*	**203,769**	342,425

Going concern *[note 2]*

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

Colt Resources Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Nine months ended September 30 **Unaudited**

[Canadian dollars]

	Share capital	Warrants	Contributed surplus	component of preferred shares	other comprehensive income (loss)*	Accumulated Deficit	Total equity
	$		$	$	$	$	$
As at December 31, 2013	58,934,878	1,063,238	4,522,611	700,628	1,977,283	(34,723,760)	32,474,878
Net income for the period	—	—	—	—	—	(835,256)	(835,256)
Other comprehensive income	—	—	—	—	(811,489)	—	(811,489)
Comprehensive loss for the period	—	—	—	—	(811,489)	(835,256)	(1,646,745)
Issuance of common shares, net of		784,999					784,999
share issue costs *[note 11]*	2,246,739	—	(125,574)	—	—	—	2,121,165
As at September 30, 2014	**61,181,617**	**1,848,237**	**4,397,037**	**700,628**	**1,165,794**	**(35,559,016)**	**33,734,297**
As at December 31, 2014	**61,181,617**	**1,793,250**	**4,452,025**	**700,628**	**379,973**	**(43,503,337)**	**25,004,156**
Net loss for the year	—	—	—	—	—	**(5,276,258)**	**(5,276,258)**
Other comprehensive income	—	—	—	—	**1,556,643**	—	**1,556,643**
Comprehensive loss for the year	—	—	—	—	**1,556,643**	**(5,276,258)**	**(3,719,615)**
Issuance of common shares and warrants, net of share issue costs *[note 11]*	**6,218,081**	**2,163,033**	—	—	—	—	**8,381,114**
Exercise of warrants	**7,200**	—	—	—	—	—	**7,200**
Broker warrants issued *[note 11]*	—	**312,219**	—	—	—	—	**312,219**
As at September 30, 2015	**67,406,898**	**4,268,502**	**4,452,025**	**700,628**	**1,936,616**	**(48,779,595)**	**29,985,074**

Going concern *[note 2]*

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

* represents foreign exchange attributable to foreign subsidiaries

1. GENERAL INFORMATION

Colt Resources Inc. and its subsidiaries [the “Company”] is an exploration company engaged in the acquisition, exploration and development of mineral property interests in Portugal. Colt Resources Inc. is publicly traded on the TSX Venture Exchange [Ticker: GTP], the Open Market Segment of the Frankfurt Stock Exchange [Ticker “P01”] and the OTC Pink [Ticker: COLTF].

The Company’s main focus is the continued exploration and development of its gold and tungsten properties in Portugal.

Colt Resources Inc. is incorporated in Canada and operates from its headquarters in Montreal, Canada and also through its wholly owned subsidiary ColtInvestco SGPS S.A. and its subsidiaries, Q.S.P.A. – Sociedade Vitícola Unipessoal Lda. [“QSPA”], Eurocolt Resources Unipessoal Lda. [“Eurocolt”], Aurmont Resources Unipessoal Lda. [“Aurmont”], TungSPA Unipessoal Lda. [“TungSPA”].These subsidiaries represent the interests of Colt Resources Inc. in Portugal.

The address of the registered office of Colt Resources Inc. is 606 Rue Cathcart, Suite 330, Montreal, Quebec, Canada H3B 1K9.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate.

To date, the Company has not earned significant revenue and is considered to be in the exploration and evaluation stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Company’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Company’s investment in these assets is dependent upon the renewed legal ownership of the licenses, and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Company’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

The Company's current committed cash resources insufficient to cover expected expenditures in fiscal 2015.The Company's ability to continue as a going concern is also dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

These condensed interim consolidated financial statements do not include any adjustments to the carrying values of asset and liabilities that might be necessary, if the Company is unable to continue as a going concern. Such adjustments could be material.

3. BASIS OF PREPARATION

Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ["IFRS"].

Basis of presentation

The consolidated financial statements comprise of the financial statements of the Company and its wholly owned subsidiaries.

The policies applied in these condensed interim consolidated financial statements are consistent with the policies disclosed in Notes 5 and 6 of the consolidated financial statements for the year ended December 31, 2014.

These condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014.

The Board approved and authorised these condensed interim consolidated financial statements on for issue on November 27, 2015.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of Colt Resources Inc. The functional currency of the Company's subsidiaries in Portugal is the Euro.

Basis of consolidation

The financial statements of the subsidiaries are prepared using the same reporting period and same accounting policies as the Company.

All intra-group balances, income and expenses and unrealized gains and losses, resulting from intra-group transactions are eliminated in full.

4. NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations listed below that are issued but not yet effective up to the date of issuance of the Company's consolidated financial statements, are those that the Company reasonably expects will have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards and interpretations, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of adoption that IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IAS 1 Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") to clarify materiality, order of notes to financial statements, disclosure of accounting policies as well as aggregation and disaggregation of items presented in the statement of financial position, statement of income and statement of comprehensive income. These amendments shall be applied to fiscal years beginning on or after January 1, 2016, with earlier application permitted. The Company has not adopted the amendments to IAS 1 in its financial statements for the current period, but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements at the date of adoption.

IAS 41 Agriculture

In June 2014, the IASB published amendments that change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. IAS 41 Agriculture currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell.

The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company is currently assessing the impact of the amendments and plans to adopt the new standard on the required effective date.

5. INVESTMENT IN ASSOCIATE

Colt Resources Middle East ("CRME") is a private entity that is not listed on any public exchange and is involved in exploration activities in the Greater Middle East area. The Company's interest in Colt Middle East has been accounted for using the equity method in the condensed interim consolidated financial statements as the Company has a significant influence having one out of five directors on the CRME board.

During the quarter ended June 30, 2015, the Company subscribed $400,000 in additional share offering by CRME at $0.20 per share for 2,000,000 new shares. As a result of this transaction, the Company's share in CRME was increased to 15.37% [December 31, 2014 - 13.88%]. Further during the quarter ended September 30, 2015, CRME issued additional 5,850,001 shares at $0.30 per share. The Company did not participate in this issuance and hence resulted in dilution of its holding to 13.99% [December 31, 2014 - 13.88%].

The following table illustrates the summarized financial information of CRME and the proportionate carrying amount of the Company's investment in CRME as at September 30, 2015 and December 31, 2014

Balance Sheet	**30-Sep-15** $	31-Dec-14 $
Current assets	**487,040**	379,834
Non-current assets	**733,440**	3,017,124
Current liabilities	**(1,640,531)**	(913,124)
*** Net (liability) / assets**	**(420,050)**	2,483,834
Proportion of the Company's ownership	**13.99%**	13.88%
Investment in associate	**-**	344,647

	2015 $	2014 $
As at January 1,	**344,647**	2,500,000
Share of losses	**(991,351)**	(1,769,350)
*Share of losses reversed/derecognized	**68,177**	-
Effect of dilution of shareholding	**178,527**	295,352
	(744,647)	1,473,998
Additional investment in associate	**400,000**	-
Carrying amount of investment disposed	**-**	(681,355)
As at September 30, 2015 and December 31, 2014	**-**	344,647

Loss and Comprehensive Loss	**2015** $	2014 $
Expenses	**6,695,323**	5,788,413
Average proportion of the Company's ownership	**14.81%**	30.57%
*** Company's share of loss for the period**	**991,351**	1,769,350

* Due to negative balance in net equity, loss beyond the carrying value of investment is not recognized.

6. CASH AND BANK OVERDRAFT

	September 30, 2015	December 31, 2014
	$	$
Cash at banks	**203,769**	159,873

Cash at banks earn interest at floating rates based on daily bank deposit rates or prime rates.

The Company's QSPA operations has a bank overdraft facility in the total amount of $372,850 [€ 250,000] renewed every six months of which $357,935 [€240,000] was outstanding as at September 30, 2015 [2014: $350,950 [€ 230,000]]. The line of credit bears interest at 6 months Euribor plus a margin of 5% and is secured by QSPA's current assets and liabilities. Euribor rate at September 30, 2015 was 2.9% [2014: 1.71%].

7. OTHER RECEIVABLES

	September 30, 2015	December 31, 2014
	$	$
Trade receivables, net	**266,439**	418,466
Commodity taxes receivable	**365,223**	56,845
Other receivables	**222,669**	46,221
	854,331	521,532

Trade receivables are non-interest bearing and are generally on a term of 30 to 60 days.

7.1 Loan Receivable - Unsecured

During the three months ended September 30, 2015, the Company provided short-term unsecured loan of $1,057,360 (USD 800,000) to its associated company - Colt Resources Middle East ("CRME"). This unsecured loan is convertible into equity of CRME at the discretion of the Company within six months from the loan agreement at USD 0.30 per share if CRME does not obtain additional major mining licenses in the Chagai region in Balochistan. Further, if CRME obtains major additional mining licenses in the Chagai region in Balochistan, Pakistan, and obtains the necessary regulatory and shareholder approvals, the conversion price which the Company will be able to convert the Loan into ordinary shares of CRME will be USD $1 per share.

The balance at September 30, 2015 includes accrued interest at 5% of $5,265 and revaluation gain of $10,240. Also refer [Note 14]

8. PROPERTY, PLANT AND EQUIPMENT

	Mining Equipment	Building	Machinery & Equipment	Computer & Office Equip	Leasehold Improvemen	Automobiles	Total
	$	$	$	$	$	$	$
Cost							
As at December 31, 2013	31,054	1,214,741	72,858	538,972	88,335	631,482	2,577,442
Additions	-	-	5,876	2,564	-	-	8,440
Disposal						(528,034)	(528,034)
Foreign currency translation adjustment	(4,049)	(51,143)	(3,681)	(11,510)	-	(3,085)	(73,468)
As at December 31, 2014	27,005	1,163,598	75,053	530,026	88,335	100,363	1,984,380
Additions	767,994	-	-	3,597	-	-	771,591
Disposal	(17,038)			(1,552)		-	(18,590)
Foreign currency translation adjustment	15,290	72,611	4,686	3,189	-	1,965	97,742
As at September 30, 2015	**793,251**	**1,236,210**	**79,739**	**535,261**	**88,335**	**102,328**	**2,835,122**
Accumulated depreciation							
As at December 31, 2013	14,448	105,586	43,550	288,303	80,974	58,188	591,049
Charge for the year	276	44,522	23,532	117,887	7,361	1,208	194,786
Foreign currency translation adjustment	3,132	(5,538)	(3,102)	(27,606)		12,254	(20,860)
Disposal							-
As at December 31, 2014	17,856	144,570	63,980	378,584	88,335	71,650	764,975
Charge for the period	105,467	163,381	10,062	28,237	-	11,421	318,568
Foreign currency translation adjustment	(30,000)	47,160	(4,456)	5,294	-	(1)	17,997
Disposal	-		-	(704)	-	-	-
As at September 30, 2015	**93,323**	**355,111**	**69,586**	**411,411**	**88,335**	**83,070**	**1,101,540**
Net book value as at:							
September 30, 2015	**699,928**	**881,099**	**10,153**	**123,850**	**(0)**	**19,258**	**1,733,582**
December 31, 2014	9,149	1,019,028	11,073	151,442	(0)	28,713	1,219,405

9. EXPLORATION AND EVALUATION ASSETS

	December 31, 2014	Additions/ (Disposals) $	Foreign currency translation adjustments $	Impairment	September 30, 2015
Tabuaço	14,468,815	262,675	792,667	—	15,524,157
Santo António (formerly Penedono)	2,912,614	—	—	—	2,912,614
Boa Fé	8,904,755	205,354	490,194	—	9,600,303
Montemor-o-Novo	—	86,747	4,668	—	91,415
Cercal	—	40,600	2,185	—	42,785
Borba	—	64,700	3,481	—	68,181
	26,286,184	**660,076**	**1,293,195**	—	**28,239,455**

	December 31, 2013 $	Additions/ (Disposals) $	Foreign currency translation adjustments $	Impairment	December 31, 2014
Tabuaço	13,574,891	1,429,919	(535,995)	—	14,468,815
Santo António (formerly Penedono)	2,912,614	—	—	—	2,912,614
Boa Fé	11,682,912	1,717,158	(495,315)	(4,000,000)	8,904,755
Montemor-o-Novo	1,491,881	390,961	(62,775)	(1,820,067)	—
Cedovim	55,575	—	(30)	(55,545)	—
Cercal	180,817	43,724	(7,486)	(217,055)	—
Borba	28,661	80,663	(3,645)	(105,679)	—
	29,927,351	3,662,425	(1,105,246)	(6,198,346)	26,286,184

Intangibles

Intangible assets included in exploration for and evaluation assets amounted to $24,541,252 as at September 30, 2015 [December 31, 2014 – $22,805,201].

Tangibles

The detail of property, plant and equipment included in exploration and evaluation assets relating to Tabuaço are as follows:

	Land	**Building**	**Total**
	$	$	$
As at December 31, 2013	2,031,583	1,602,397	3,633,980
Foreign currency translation adjustment	(85,533)	(67,464)	(152,997)
As at December 31, 2014	1,946,050	1,534,933	3,480,983
Foreign currency translation adjustment	121,437	95,783	217,220
As at September 30, 2015	**2,067,487**	**1,630,716**	**3,698,203**

10. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2015	December 31, 2014
	$	$
Trade payables	**1,369,426**	968,531
Accrued liabilities	**764,002**	499,774
Employees and social institutions	**113,749**	115,820
Related parties	**58,327**	688,756
Other payables	**6,581**	253,353
	2,312,085	2,526,234

Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

11. SHAREHOLDERS' EQUITY

Authorised

An unlimited number of common or preferred shares without nominal or par value.

Issued and outstanding common shares

The common shares issued by the Company are shown in the following table during the period ended September 30, 2015:

	Number of shares	$
As at December 31, 2013	159,537,186	58,934,878
Issuance of common shares	13,395,729	1,946,165
Issuance of shares for options exercised	700,000	300,574
As at December 31, 2014	**173,632,915**	**61,181,617**
Issuance of common shares [i]&[ii]	**65,508,742**	**12,970,712**
Issuance of common shares for warrants exercised	—	**7,200**
Share issue costs	—	**(6,752,631)**
As at September 30, 2015	**239,141,657**	**67,406,898**

i. During the three months ended September 30, 2015, there was no new capital activity. During the three months ended June 30, 2015, the Company issued the following:

   a. 1,069,718 common shares at $0.12 per share and 179,550 warrants [fair value of $18,853] at an exercise price of $0.15 per share for an amount totalling $132,543 to settle the debt to certain vendors and service providers.

   b. 19,341,222 common shares at $0.175 per share and 19,341,222 warrants at $0.25 per share to settle senior note liability of USD 2,700,000 [equivalent to C$3,334,152] along with accrued interest of USD 100,000 [equivalent to C$123,400]. 5,999,998 warrants issued along with the Senior notes in 2013 and 2014 were cancelled.

   c. During June 2015, the Company closed a private placement consisting of 21,843,142 units comprising of 21,843,142 common shares and 21,843,142 warrants at $0.175 per unit and exercise price of $0.25 per warrant having expiry of 3 years for a total gross consideration of $3,822,550. The Company incurred share issuance cost of $493,838 of which $266,174 was paid in cash and remaining as 1,520,994 Broker warrants having expiry of 2 years.

      The relative fair value of common shares was calculated as $2,659,814 (net of share issuance costs) and allocation of $896,562 as relative fair value of shareholder warrants) calculated using Black Scholes option pricing model based on the following assumptions:.

Share price ($ per share)	$0.235
Expected risk free interest rate [%]	0.67%
Expected volatility [%]	114.99%

Expected life [in years]	3 years
Expected dividends [$]	Nil
Weighted average fair value per warrant ($)	$0.1584

The fair value of broker warrants was calculated as $227,664 using Black Scholes option pricing model based on the following assumptions:

Share price ($ per share)	$0.235
Expected risk free interest rate [%]	0.67%
Strike price	$0.250
Expected volatility [%]	130.873%
Expected life [in years]	2 years
Expected dividends [$]	Nil
Weighted average fair value per warrant ($)	$0.1497

d. 1,866,354 common shares at $0.245 per share issued to the former executive in payment of unpaid salary, as well as severance amounts.

ii. During the three months ended March 31, 2015, the Company issued the following:

a. 1,388,306 common shares at $0.10 per share for an amount of $138,833 to pay semi annual interest upto December 31, 2014 to the units holders of senior secured notes issued in 2014 and 2013.

b. During February - March 2015, the Company closed a private placement consisting of 20,000,000 units comprising of 20,000,000 common shares and 10,000,000 warrants at $0.10 per unit and exercise price of $0.15 per warrant having expiry of 3 years for a total gross consideration of $2,000,000. The Company incurred share issuance costs of $173,075 of which $88,520 was paid in cash and remaining as 885,200 Broker warrants having expiry of 2 years.

The relative fair value allocation of shares was calculated as $1,367,586 (net of share issuance costs) and allocation of $459,272 as relative fair value of shareholder warrants calculated using Black Scholes option pricing model based on the following assumptions:.

Share price ($ per share)	$0.15
Expected risk free interest rate [%]	0.46%
Expected volatility [%]	112.32%
Expected life [in years]	3 years
Expected dividends [$]	Nil
Weighted average fair value per warrant (US$)	$0.105

Issued warrants

A summary of the changes in the Company's share purchase warrants during nine months ended September 30, 2015 is as follows:

	Number of warrants and exercisable	Weighted average exercise prices $	Weighted average years to expiry
As at December 31, 2013	4,042,540	$0.45	3.83
Issued	10,500,000	$0.26	4.23
Expired	(360,000)	$0.45	0.00
As at December 31, 2014	**14,182,540**	$0.35	**2.31**
Issued	**51,363,914**	$0.25	2.57
Issued [broker]	**2,406,194**	$0.25	1.66
Warrants cancelled - Senior Notes	**(5,999,998)**	$0.45	2.75
Exercised	**(7,200)**	$0.15	0.67
As at September 30, 2015	**61,945,450**	**$0.33**	**2.43**

The change in fair value of $507,882 [2014: $798,294] as well as accretion on USD Derivative liability warrants of $ 280,356 [2014: $25,694] was recorded in the condensed interim consolidated statement of operations and comprehensive loss.

12. SHARE-BASED COMPENSATION

A summary of the share option transactions during the nine months ended September 30, 2015 is as follows:

	Number of options	Weighted average exercise price $	Weighted average years to expiry
Outstanding and exercisable as at December 31, 2013	8,375,000	$0.46	1.76
Granted	(2,100,000)	$0.29	0.44
Expired/Cancelled	(700,000)	$0.25	0.00
Outstanding and exercisable as at December 31, 2014	5,575,000	$0.50	1.07
Expired/Cancelled	(2,825,000)	$0.35	1.26
Exercised	-	-	-
Outstanding and exercisable as at September 30, 2015	**2,775,000**	**$0.72**	**0.69**

The following table summarizes stock options outstanding and exercisable as at September 30,2015 and December 31, 2014:

Expiry Date	**Exercise price**	**Number of Options 2015**	**2014**
	$		
September 2, 2015	$0.27	**-**	2,450,000
November 8, 2015	$0.56	**750,000**	750,000
June 4, 2016	$0.73	**1,750,000**	1,750,000
July 3, 2016	$0.75	**75,000**	450,000
September 11, 2017	$0.55	**200,000**	200,000
Total options outstanding and exercisable		**2,775,000**	5,575,000

13. ADMINISTRATIVE EXPENSES BY NATURE

	Three months ended September 30		**Nine months ended September 30**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Management fees	**246,678**	127,370	**821,863**	407,346
Professional and consulting fees	**260,520**	120,616	**647,652**	328,409
Salaries	**120,159**	55,678	**301,539**	433,997
	627,358	303,663	**1,771,053**	1,169,751
Investor relations and marketing	**44,702**	33,105	**92,760**	208,426
Property investigation	**-**	-	**-**	3,890
Legal expenses	**31,007**	83,129	**136,749**	165,399
Insurance	**20,174**	37,480	**58,705**	137,638
Listing and transfer agent fees	**37,623**	26,459	**113,163**	56,284
Rent	**53,167**	64,445	**148,311**	230,010
Office expenses	**144,563**	161,915	**614,132**	685,684
General and administrative expenses	**21,831**	28,695	**77,719**	75,640
General and administrative expenses	**980,424**	738,891	**3,012,592**	2,732,724

14. RELATED PARTY TRANSACTIONS

In addition to the related party transactions described elsewhere, following were the related party transactions for the nine months ended September 30:

Nine months ended September 30,	**2015**	**2014**
	$	$
Management fees and related costs	**643,191**	273,316
Professional and consulting fees	**76,745**	72,000
Salaries	**-**	37,500
Short-term benefits	**51,256**	114,599
Director fees	**92,083**	24,900
	863,275	522,315

Transactions with the Associate:

During the third quarter of 2015, the Company provided an unsecured convertible loan equivalent to USD 800,000 to its associate Colt Resources Middle East (“CRME”). [Refer to Note 7.1 for more details]. The conversion terms are subject to disinterested majority shareholder approval at Annual General Meeting of the Company that will be held in January 2016.

During the quarter ended June 30, 2015, the Company subscribed $400,000 in additional share offering by CRME at $0.20 per share for 2,000,000 new shares. As a result of this transaction, the Company’s share in CRME increased to 15.37% at the end of June 30, 2015 [December 31, 2014 - 13.88%].

At the end of September 30, 2015, the Company holds 13.99% of common shares in CRME.

Transactions with Key Management Personnel:

During the second quarter of 2015, the Chief Executive Officer, Chief Finance Officer and General Counsel subscribed for in aggregate 1,673,571 units comprising shares and warrants of the Company during the private placement closed in June 2015.

During the first quarter of 2015, the Chief Executive Officer and one of the Directors subscribed for in aggregate 2,181,204 units comprising shares and warrants of the Company during the private placement closed in February/March 2015.

As at September 30, 2015, $58,327 amount was owed to related parties [December 31, 2014, $688,756] and is included in accounts payable and accrued liabilities.

15. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition and exploration of mineral property interests and in two geographical areas, Canada and Portugal. The capital assets (including mineral properties) and total assets identifiable with these geographic areas are as follows:

Total Assets	**September 30, 2015**	**December 31, 2014**
	$	$
Canada	**1,622,474**	771,011
Portugal	**35,012,812**	32,357,105
	36,635,286	33,128,116
Non-current Assets		
Canada	**195,954**	545,565
Portugal	**31,628,095**	29,104,420
	31,824,049	29,649,985

16. COMMITMENTS

The Company's mining and exploration activities are subject to various federal, provincial and local laws and regulations governing the protection of the environment as well as obtaining permits necessary for the Company's operations. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes that it conducts its operations so as to protect public health and the environment, and its operations are materially in compliance with all applicable laws and regulations and therefore it will be granted the required permits. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

On 3rd September, 2015, the Company announced acquisition of Antofagasta`s 60% share in the Alvalade copper zinc project, held by Avrupa Minerals Ltd., in Portugal`s section of the Iberian Pyrite Belt.

The Company can earn in upto 80% of the project subject to fulfillment of the following scheduled payments to Antofagasta;

- USD 300,000 March 31, 2016.
- USD 300,000 March 31, 2017.
- USD 300,000 March 31, 2018.
- USD 300,000 March 31, 2019.
- A final payment of USD 1,200,000 by December 2019.
- USD 600,000 payment upon completion of an Inferred Mineral Resource (as defined in NI 43-101) of at least 500,000 tonnes of copper concentrate.

- A payment at the time of the preparation of a Feasibility Study in respect of the Mineral Rights providing for an internal rate of return of greater than 20% on a post-tax basis, a payment to Antofagasta of USD 1,000,000.
- On the Commencement of Commercial Production, payment to Antofagasta of USD 3,000,000.
- At the option of the Company, it can make a payment at an earlier date before on or before June 30, 2017 reducing the overall total of commitment to USD 6,600,000.
- In addition, the Company is also committed to grant Antofagasta a 1% net smelter return royalty on production

Should the Company fail to fulfill the above payments, the Company will still retain 60% ownership of the Alvalade project.

17. SUBSEQUENT EVENTS

No other major subsequent events have occurred since September 30, 2015.