(An Exploration Stage Company)

Audited Consolidated Financial Statements

December 31, 2015 and 2014

Consolidated Financial Statements

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General information

Directors

John Gravelle, Audit Committee Chair [1,3] *(joined with effect from January 15, 2016)*

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

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, Legal Counsel and Corporate Secretary

Shahab Jaffrey, Chief Financial Officer

Auditors

Raymond Chabot Grant Thornton 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")

Raymond Chabot Grant Thornton

Independent Auditor's Report

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National Bank Tower
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Montréal, Quebec H3B 4L8

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To the Shareholders of
Colt Resources Inc.

We have audited the accompanying consolidated financial statements of Colt Resources Inc., which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of operations and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) 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.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Colt Resources Inc. as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other matter

The consolidated financial statements of Colt Resources Inc. for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2015.

Raymond Chabot Grant Thornton LLP [1]

Montréal,
April 28, 2016

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[1] CPA auditor, CA public accountancy permit no. A115879

Colt Resources Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[Canadian dollars]

	December 31, 2015	**December 31, 2014**
	$	**$**
ASSETS		
Current		
Cash *[note 9]*	**25,606**	159,873
Other receivables *[note 10]*	**1,159,838**	521,532
Inventories *[note11]*	**2,279,740**	2,428,972
Prepaid expenses and deposits	**158,339**	367,754
	3,623,523	3,478,131
Non-current		
Property, plant and equipment *[note 12]*	**1,834,813**	1,219,405
Biological assets *[note13]*	**676,863**	461,806
Exploration and evaluation assets *[note 14]*	**31,285,442**	26,286,184
Goodwill *[note 15]*	**834,572**	779,542
Investment in an associate *[note 8]*	**—**	344,647
Loan receivable *[note 10.1]*	**1,126,462**	—
Deposits - Long term	**463,160**	558,401
	39,844,835	33,128,116
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank overdraft *[note 9]*	**222,258**	322,874
Accounts payable and accrued liabilities *[note 16]*	**3,911,915**	2,526,234
Convertible preferred shares *[note 17]*	**3,651,990**	—
	7,786,163	2,849,108
Non-current		
Senior secured notes *[note 17]*	**—**	1,639,399
Convertible preferred shares *[note 17]*	**—**	3,264,520
Accrued liability *[note 28]*	**1,636,567**	—
Deferred income taxes *[note 18]*	**520,286**	370,933
Total liabilities	**9,943,016**	8,123,960
Shareholders' equity		
Share capital *[note 19]*	**70,681,391**	61,181,617
Warrants *[note 19]*	**7,200,064**	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	**2,167,686**	379,973
Accumulated deficit	**(55,299,975)**	(43,503,337)
Total shareholders' equity	**29,901,819**	25,004,156
	39,844,835	33,128,116

Going concern *[note 2]*

Related party transactions *[note 26]*

Commitments *[note 28]*

Subsequent events *[note 29]*

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

On behalf of the Board:

Director Director

Colt Resources Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

Year ended December 31
[Canadian dollars]

	2015	2014
	$	$
EXPENSES		
Administrative expenses *[note 21]*	**(4,061,699)**	(2,375,584)
Impairment of exploration and evaluation assets *[note 14]*	**(291,976)**	(6,198,346)
Depreciation *[note 12]*	**(223,154)**	(194,786)
Other income/ (loss), net *[note 11]*	**544,460**	(399,757)
Loss from operations	**(4,032,369)**	(9,168,473)
Interest income	**22,631**	2,818
Finance costs *[note 23]*	**(623,064)**	(539,215)
Change in fair value of derivative financial liability - warrants *[note 17]*	**(157,915)**	994,499
Loss on settlement of Senior notes debt into equity *[note 17]*	**(6,067,341)**	—
Foreign exchange gain	**160,471**	247,468
Share of loss on an investment in associate, net *[note 22]*	**(912,055)**	(502,916)
Loss before income taxes	**(11,609,642)**	(8,965,819)
Income tax expense/ (recovery)		
Current	**37,643**	44,073
Deferred	**149,353**	(230,315)
	186,996	(186,242)
Net loss for the year	**(11,796,638)**	(8,779,576)
Other comprehensive loss		
Other comprehensive income (loss) to be reclassified to profit or loss		
Foreign exchange gain/(loss) on translation of foreign subsidiaries	**1,620,305**	(1,597,310)
Items that will not be reclassified to profit or loss		
Share of other comprehensive income of associate accounted for using the equity method	**167,408**	—
Other comprehensive income for the year, net of tax	**1,787,713**	(1,597,310)
Total Comprehensive loss for the year	**(10,008,925)**	(10,376,887)
Net loss per share		
Basic and fully diluted	**(0.05)**	(0.05)
Weighted average number of outstanding shares		
Basic and diluted	**217,600,212**	165,406,588

Going concern *[note 2]*

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

Colt Resources Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31, 2015
[Canadian dollars]

	2015	2014
	$	$
OPERATING ACTIVITIES		
Net loss for the year	**(11,796,638)**	(8,779,576)
Items not impacting cash:		
Impairment of exploration and evaluation assets *[note 14]*	**291,976**	6,198,346
Accretion expense *[note 23]*	**543,797**	523,838
Change in fair value of derivate financial liability - warrants *[note 19]*	**157,915**	(994,499)
Depreciation *[note 12]*	**223,154**	194,786
Change in inventories to net realizable value *[note 11]*	**(8,045)**	(3,716)
Loss on settlement of Senior note debt into equity	**6,067,341**	—
Gain on partial disposal of investment in associate *[notes 8 and 22]*	**—**	(971,082)
Non-cash recovery of expenses	**—**	(236,966)
Gain on dilution of investment [*note 8 and 22]*	**(817,320)**	(295,352)
Share of loss of an investment in associate recognised *[note 8 and 22]*	**1,729,375**	1,769,350
Change in fair value of biological assets *[note 13]*	**(172,169)**	881,356
Deferred income taxes *[note 18]*	**149,353**	(230,315)
Unrealized foreign exchange gain	**(169,676)**	(289,376)
	(3,800,937)	(2,233,206)
Change in non-cash working capital	**3,427,893**	1,097,470
Net cash flows from operating activities	**(373,044)**	(1,135,737)
INVESTMENT ACTIVITIES		
(Decrease)/ increase in bank overdraft *[note 9]*	**(100,616)**	139,686
Cash transferred to associate *[note 8]*	**—**	(1,735,000)
Investment in an associate *[note 8]*	**(400,000)**	—
Loan to associate *[note 10.1]*	**(1,126,462)**	—
Decrease in deposits - long term	**95,241**	39,622
Addition to property, plant and equipment - Net *[note 12]*	**(43,279)**	(8,440)
Additions to exploration and evaluation assets, net *[note 14]*	**(4,059,391)**	(1,457,425)
Net cash flows from investing activities	**(5,634,507)**	(3,021,557)
FINANCING ACTIVITIES		
Proceeds from Senior Secured Notes financing, net of issuance cost	**—**	221,000
Net Proceeds from partial disposal of investment in associate *[note 8]*	**—**	1,647,615
Proceeds from issuance of common shares and warrants, net of issuance cost *[note 19]*	**5,860,203**	175,000
Net cash flows from financing activities	**5,860,203**	2,043,615
Foreign exchange gain on cash	**13,081**	9,939
Net decrease in cash	**(147,348)**	(2,103,740)
Cash, beginning of year	**159,873**	2,263,613
Cash, end of year *[note 9]*	**25,606**	159,873

Going concern *[note 2]*

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

Colt Resources Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31
[Canadian dollars]

	Share capital $	Warrants	Contributed surplus $	Equity component of preferred shares $	Accumulated 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 loss for the year	—	—	—	—	—	(8,779,577)	(8,779,577)
Other comprehensive loss	—	—	—	—	(1,597,310)		(1,597,310)
Comprehensive loss for the year	—	—	—	—	(1,597,310)	(8,779,577)	(10,376,887)
Issuance of shares for warrants and options exercised *[note 19]*	300,574	—	(125,574)	—	—	—	— 175,000
Issuance of common shares, net of share issue costs *[note 19]*	1,946,165	—	—	—	—	—	1,946,165
Warrants issued *[note 19]*	—	785,000	—	—	—	—	785,000
Warrants expired *[note 19]*	—	(54,988)	54,988	—	—	—	—
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	—	—	—	—	—	**(11,796,638)**	**(11,796,638)**
Total Other comprehensive income	—	—	—	—	**1,787,713**	—	**1,787,713**
Comprehensive loss for the year	—	—	—	—	**1,787,713**	**(11,796,638)**	**(10,008,925)**
Issuance of common shares and warrants, net of share issue costs *[note 19]*	**9,492,574**	**5,414,014**	—	—	—	—	**14,906,588**
Exercise of warrants *[note 19]*	**7,200**	**(7,200)**	—	—	—	—	—
As at December 31, 2015	**70,681,391**	**7,200,064**	**4,452,025**	**700,628**	**2,167,686**	**(55,299,975)**	**29,901,819**

Going concern *[note 2]*

The accompanying notes are an integral part of these 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. The Company is also earning in a copper-zinc project in the Iberian Pyrite Belt in Portugal through an earn-in agreement with another Canadian TSXV listed corporation Avrupa Minerals Ltd.

Colt Resources Inc. is incorporated in Canada and it has an administrative office in Montreal, Canada and an operating office in Lisbon, Portugal where it conducts operations 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 500 Place D'Armes, Suite 1800, Montreal, Quebec, Canada H2Y 2W2.

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 resource is insufficient to cover expected expenditures in fiscal 2016. 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.

The Company reported net losses in 2015 and 2014 of $ 11,796,638 and 8,779,576 respectively. These recurring losses and the need for continued financing to further successful exploration raise significant doubt as to the Company's ability to continue as a going concern.

These 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 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.

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention with the exception of certain financial instruments which are measured at fair value.

The Board approved these consolidated financial statements on April 28, 2016.

Functional and presentation currency

These 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. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Key areas requiring critical judgments and significant estimates include:

Going concern – Judgment

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

Control over Structured Entities and Investments – Judgment

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Company has less than majority of the voting, or similar, rights of an investee, it considers relevant facts and circumstances in assessing whether it has power over the investee, as applicable, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year included in the consolidated statements operations and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

In 2013, the Company consolidated results Colt Resources Middle East Cayman (“CRME”), a wholly owned subsidiary, as well as Colt Nimroz Afghanistan Mining Company, Colt Resources Kanz DMCC and Colt Nimruz Resources DMCC, three structured entities. During 2014, the Company concluded that it has no control over the Structured Entities. This conclusion was based on the fact that Company transferred all of the assets beneficially owned in the Structured Entities to CRME and the Company was no longer exposed to the variability of returns from its involvement with the Structured Entities and had no ability to direct the Structured Entities through the approval of relevant activities such as the annual budgeted and unbudgeted expenditures and cash disbursements by the board of Colt or of the board of CRME as disclosed below which affected the Company’s returns.

Further in 2014, the Company also had a dilution in its ownership of CRME and it partially divested its ownership interest in CRME (see Note 8). The Company concluded it had no control over CRME and had no ability to direct CRME through the approval of relevant activities starting in the first quarter of 2014. This was based on the fact that Colt had no majority over CRME’s board (Colt being represented by only 1 board member), the majority of the CRME board members had no management or board positions at Colt or controlled Colt, and the absence of substantial rights, potential voting rights or side agreements

The investment in CRME was accounted for as an investment in associate for the period from April 1, 2014 to December 31, 2015 as the Company believes it continues to have significant influence on CRME due to the Chief Executive Officer of the Company being on the board of CRME, as representative of the Company.

Exploration and evaluation assets – Judgment and estimate

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the existence of specific rights to explore in a specific area, actual and planned expenditures, results of exploration, and whether an economically-viable operation can be established. Management also considers any decline in resource prices as well as the decline in the Company’s market capitalization as an indicator of impairment. An impairment loss is recognized for the amount by which any exploration and evaluation asset exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset’s fair value less costs of disposal and value in use.

Management judgment is applied in determining whether to test exploration and evaluation assets for impairment and in determining the lowest levels of exploration and evaluation assets grouping or cash generating units [‘’CGU’s’’], for which there are separately identifiable cash flows, generally on the basis of a property.

With respect to its Montemor, Borba and Cercal, the Company determined, as at December 31, 2015 and December 31, 2014, that indicators of impairment existed on each property based on current exploration results and it is unlikely that the Company will be able to recover the carrying value. As a result, an impairment loss of $291,976 [2014:$ 2,142,801] was recorded.

For Tabuaco and Boa Fe, there was no indicator of impairment in 2015 [2014: Nil for Tabuaco, $4,000,000].

For Santo Antonio, management concluded there were no indicators of impairment as at December 31, 2015 and December 31, 2014.

Any changes in the economic assumptions used or the geological information produced during the development and operation of a mine, could materially affect the estimated recoverable amount of the exploration and evaluation assets, which could result in an impairment in the future and such could be material.

Functional currency – Judgment

The functional currency of Colt Resources Inc. is the Canadian dollar and the functional currency of the Company's subsidiaries is the Euro. Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to the primary indicators before considering the other indicators, which are designed to provide additional supporting evidence to determine the entity's functional currency. Since the Company doesn't generate revenues, the currency in which the expenditures are made is considered by management in determining the functional currency.

Fair value of derivative financial liability and warrants– Estimate

Estimating fair value for warrant requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the warrants. The fair value of warrants is evaluated using the Black-Scholes pricing model at the date of grant. The Company has made estimates as to the expected volatility, and expected life of warrants. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the warrants. The expected life of the warrant is based on historical data. These estimates may not necessarily be indicative of future actual patterns *[note 19]*.

Inventories – Estimate

Inventories are stated at the lower of cost and net realizable value. The ageing of Port wine bottled or in bulk varies and it can take a significant length of time before the wine inventories are ready to be sold. Net realizable value of grape inventory is determined using forecasted demand and expected market prices at the time the wine is expected to be ready for sale. Forecasted demand and market prices can vary significantly over the holding period and involves estimating the most likely conditions that will be in existence at the time of sale.

The Company's best estimate of net realizable value is based on the average prices published by the "Instituto dos Vinhos do Douro e Porto" which is widely recognized in the region as being a reliable estimate of similar wines sold by the Company. The Company uses this published information as a starting point for estimating the expected sales price of similar wine with similar ageing information and then adjusts for any differences for similar wine.

Biological assets – Estimate

The grape vines are measured at fair value less cost to sell. Since market-determined prices or values are not available for grape vines, the Company uses a discounted cash flow method to determine fair value. In arriving at fair values, the key assumptions are estimated sales prices less cost of delivery, discount rate, productive life of grape vines, estimated volume and growth estimations. All changes in fair value are recognised in the period in which they arise *[note 13]*.

Refer to note 7 regarding effects of IAS 41 Agriculture that is effective for annual periods beginning on or after January 1, 2016.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Cash

Cash consist of cash on hand and deposits with banks for obtaining exploration licenses from the date of acquisition which can be converted to a known amount of cash at any time.

Other receivables

Other receivables are initially measured at fair value and are subsequently carried at amortized cost using the effective interest method less impairment. Losses are recognized in net loss in the consolidated statements of operations and comprehensive loss when the receivables are derecognized or impaired. Where the time value of money is material, receivables are discounted and are carried at their present value. A provision is made where the estimated recoverable amount is lower than the carrying amount.

Inventories

Inventories include raw material, bottled wine and bulk wine, and are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes the cost of grapes, and direct labor costs and an applicable portion of related production overheads.

Property, plant and equipment

On initial acquisition, property, plant and equipment are valued at cost, being the purchase price and the directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

Where an item of plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment. The depreciable amount of property, plant and equipment comprises the acquisition cost of their components less residual value, which corresponds to the estimated disposal price of the asset at the end of its useful life. Estimates of remaining useful lives, residual values and methods of depreciation are reviewed at each reporting date and adjusted prospectively, if appropriate.

Depreciation is recorded over the estimated useful economic life as follows:

	Method	Rate
Mining equipment	Declining balance	20%
Buildings	Straight line	10-50 years
Machinery and equipment	Declining balance	30%
Computer and office equipment	Declining balance	30%
Leasehold improvements	Straight-line	Lease term
Automobiles	Declining balance	30%

Repair and maintenance costs are recognized in net loss in the consolidated statements of operations and comprehensive loss as incurred.

When an item of property, plant and equipment is disposed of or when no future economic benefits are expected from its use, it is derecognized and the gain or loss on the difference between its carrying value and proceeds from sale is included in net loss in the consolidated statements of operations and comprehensive loss.

Biological assets

Biological assets consist of grape vines and are measured at the end of each reporting period at its fair value less cost to sell. Gains and losses arising from changes in fair value less costs to sell are included in other expense, net in the period in which they arise.

Grapes harvested from the Company's biological assets are measured at their fair value less cost to sell at the point of harvest. Such measurement is the cost at that date when transferring the harvest produce to inventory.

Exploration and evaluation assets

Exploration costs related to mining properties and exploration expenditures, including tangible assets and intangible assets, acquisition costs as well as costs relating to research and analyzing exploration data, conducting geological studies, exploratory drilling and sampling, examining and testing extraction and treatment methods, compiling pre-feasibility and feasibility studies, are capitalized on the basis of areas of geological interest until the mining properties to which they relate are placed into production, or impaired. These costs will be amortized over the estimated useful life of mining properties following commencement of production or written off if impaired. General exploration costs not related to specific mining properties or those incurred before the Company has obtained legal rights to explore an area are expensed as incurred.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, option payments are recorded when the payments are made or received.

The Company does not record any expenditures made by the farmee on its account. It also does not recognize any gain or losses on its exploration and evaluation farming arrangements but redesignates any cost previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration received from the farmee is credited to exploration and evaluation assets and any excess recorded as gain on disposal.

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are reviewed for potential reversals at each reporting date.

Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Company’s investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost unless it is upon loss of control in which case the retained investment is recognized at fair value. The carrying amount of the investment is adjusted to recognize changes in the Company’s share of net assets of the associate since the acquisition date.

The consolidated statement of operations reflects the Company’s share of the results of operations of the associate. Any change in Other Comprehensive Income/Loss (“OCI”) of those investees is presented as part of the Company’s OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Company’s share of loss of an associate is recorded on the consolidated statements of operations outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Impairment

Investment in associates

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as the share of loss in the consolidated statements of operations.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal and its value-in-use. An impairment loss is recognized immediately in the consolidated statements of operations and comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill

The Company recognizes goodwill as of the acquisition date as the excess of the cost of the acquisition over the net identifiable assets acquired and liabilities assumed at their acquisition-date fair values. The Company's goodwill balance relates to the Tabuaço property.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU [or group of CGUs] to which the goodwill relates to. For the purpose of testing this goodwill for impairment, any of the related deferred tax liabilities recognised on acquisition that remain at balance date reduce the goodwill amount and any residual goodwill is treated as part of the relevant CGU or group of CGUs. Where the recoverable amount of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Deposits – Long term

Deposits are classified as held-to-maturity and measured initially at fair value and subsequently at amortized cost. Gains and losses are recognized in net loss in the consolidated statements of operations and comprehensive loss when the deposits are derecognized or impaired.

Convertible preferred shares

The liability component of the convertible preferred shares is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the convertible preferred shares at maturity.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the convertible preferred shares and is presented in shareholders' equity as equity component of convertible preferred shares. The equity component is not re-measured subsequent to initial recognition. On conversion or expiry, the equity is reclassified to share capital.

Transaction costs are allocated between liability and equity on a pro-rata basis of their carrying amounts.

Senior Secured Notes and Derivative Financial Liability – Warrants

The Senior Secured Notes and Loan Payable are classified as other financial liabilities and are initially measured at fair value, net of transaction costs.

The Senior Secured Notes consist of notes payable ("Notes") and warrants to purchase common shares of the Company which are recorded at their pro rata relative fair value. The fair value of the Notes are determined by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do have an associated warrant. The fair value of the warrants is estimated using the Black-Scholes option pricing model. Since these warrants have an exercise price denominated in US$, they are recorded as a derivative financial liability.

Subsequently, the Notes are measured at amortized cost using the effective interest method and are increased by accretion to reach the nominal value of the Notes at maturity. The warrants are fair valued at each reporting date and the change in fair value compared to the initial pro-rata relative fair value is recorded in the consolidated statements of operations and comprehensive loss along with accretion of the initial difference in fair value with the pro- rated relative fair value using the effective interest rate method.

Costs incurred are allocated to each component of the Senior Secured Notes on a pro-rata basis. Costs allocated to the Notes are netted against the carrying value whereas costs allocated to the warrants are recorded in net loss in the consolidated statements of operations and comprehensive loss.

Foreign currency translation

Foreign operations

The assets and liabilities of subsidiaries that have a functional currency different from that of the Company are translated into Canadian dollars at the closing rate at the date of the Consolidated statements of financial position, and revenue and expenses are translated at the average rate for the period and the difference is recorded in accumulated other comprehensive loss. Gains and losses from intercompany foreign currency transactions of a long-term investment nature are included in accumulated other comprehensive loss.

Foreign currency transactions

Transactions in foreign currencies are initially recorded at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. All differences are recorded in the consolidated statements of operations and comprehensive loss.

Share capital

Common shares issued by the Company are recorded in share capital net of issuance costs. Proceeds from share unit financings are allocated between common shares and common share purchase warrants by recording the common shares and warrants at their proportional fair value. The warrants are fair valued using the Black-Scholes option pricing model and the fair value of common shares is the market price on the date of issuance approved for private placement of units. On the exercise of the warrants, the Black-Scholes related amounts are transferred from warrants to share capital whereas on expiry of the warrants, the Black-Scholes related amounts are transferred from warrants to contributed surplus.

Costs incurred in connection with the issuance of units are allocated to each component of the units on a pro-rata basis of their carrying amounts and netted against each such component.

Other Elements of Equity

Warrants include costs in relation to outstanding warrants, net of issuance costs.
Contribution surplus includes costs related to options and expired warrants.
Deficit includes all current and prior period losses.
Accumulated other comprehensive income includes all current and prior period foreign exchange gain and losses of foreign subsidiaries.

Share-based compensation

The Company has an equity-settled compensation plan under which it receives services from employees, directors and consultants as consideration for equity instruments of the Company.

The Company uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards issued to employees and Directors at the grant date. The expense is recognized immediately since such awards vest immediately.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

All share-based remuneration is recognized as an expense with a corresponding increase to contributed surplus. Upon exercise of share options, the proceeds received are allocated to share capital.

Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital.

Taxes

Income tax expense comprises current and deferred tax and is recognized in net loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current income taxes

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible and is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date.

Current income tax expense relating to items recognized directly in other comprehensive loss or equity are recognized in other comprehensive loss or equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are income taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statements of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income taxes are not recognized for temporary differences which arise for initial recognition of an asset or liability that affects neither the accounting nor taxable profit or loss at the time of the transaction. Deferred income tax liabilities are always provided in full.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are presented as non-current.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally-enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entities.

Exploration and evaluation assets are recognized net of the amount of commodity taxes except where the commodity taxes incurred are not recoverable from the taxation authority, in which case, the commodity taxes are recognized as part of the cost of exploration and evaluation assets or as part of the expense item as applicable.

Earnings per share [“EPS”]

Net loss per share computations are based upon the weighted average number of common shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. When the Company reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the antidilutive effect of the outstanding warrants, preferred shares, share options and similar instruments.

Segment reporting

The Company operates in one business segment that conducts acquisition and exploration of mineral property interests and in two geographical areas, primarily in Canada and Portugal. Segment information is provided on the basis of geographical areas in note 27. The information provided is consistent with the internal reporting provided to the chief operating decision maker.

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED

The nature and the impact of each new standard/amendment are described below:

New standards issued and effective

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and applied retrospectively. The adoption did not have any impact on the Company’s consolidated financial statements.

Amendments to IAS 36 Impairment of assets

IAS 36, Impairment of Assets (IAS 36) was amended by the IASB in May 2014. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. This amendment to IAS 36 was effective on January 1, 2014 and must be applied retrospectively. The adoption did not have any impact on the Company's consolidated financial statements.

7. 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 (IFRS 9)

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

IFRS 15 – Revenues from contracts with Customers (IFRS 15)

In May 2014, the IASB published IFRS 15 which replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

IFRS 16 – Leases (IFRS 16)

In January 2016, the IASB published IFRS 16 which will replace IAS 17 Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all lease with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16: changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

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. As of January 1, 2016, the carrying value of Biological assets will become the deemed costs and these assets will be classified as Property Plant and Equipment under IAS 16 and the deemed cost of $676,863 will be depreciated over the remaining life of the Biological assets which is estimated to be 31 years as at December 31, 2015. Refer Note.13.

8. INVESTMENT IN ASSOCIATE

During 2013, the Company incurred approximately $4,000,000 for its Middle Eastern initiatives. During March 2014, CRME, previously a wholly owned subsidiary of the Company completed a private placement whereby it issued a total of 27,500,000 shares for gross proceeds of $4,125,000. Of this amount, CRME reimbursed $1,500,000 to the Company. Additionally, the Company received 16,665,001 common shares of CRME valued at $0.15 per share for an amount of $2,500,000. These transactions reduced the Company's equity interest in CRME to 37.73% of the outstanding common shares. As part of the dilution and the loss of control, the Company de-recognized assets which included transfer of cash of $1,735,000 and certain automobiles for $528,034 to CRME. The balance of $1,736,966 of the initial $4,000,000 investment was accounted for as recovery of expenses in the consolidated statements of operations and comprehensive loss. The remaining interest in CRME was recorded at its fair value upon that date and subsequently at the equity method.

In June 2014, the Company disposed 4,444,444 common shares in CRME to its former executive chairman for a total amount of approximately $1,000,000. During September and October 2014, the Company disposed 5,056,352 common shares of CRME for total proceeds of $647,615, including disposing 2,631,980 CRME shares to its former executive chairman. As a result of these transactions, the Company's participation in CRME was reduced to 13.88% as at December 31, 2014.

During 2015, CRME issued 19,967,501 new shares for gross proceeds of $6,282,636 of which 2,000,000 shares were subscribed by the Company for $400,000. As a result of these transactions, as at December 31, 2015, the Company holds 12.81% of the issued and paid up capital of CRME.

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 consolidated financial statements as the Company has a significant influence having one representative amount the five directors on the CRME board.

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

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Balance Sheet	December 31, 2015 $	December 31, 2014 $
Current assets	**269,660**	379,834
Non-current assets	**838,587**	3,017,124
Current liabilities	**(2,449,856)**	(913,124)
Net assets	**(1,341,609)**	2,483,834
Proportion of the Company's ownership	**12.81%**	13.88%
Investment at December 31	**-**	344,647
As at Jan 1, 2015 and April 1, 2014	**344,647**	2,500,000
Share of losses (Note 22) *	**(1,910,247)**	(1,769,350)
Share of losses not recognised *	**180,872**	-
Effect of dilution of shareholding	**817,320**	295,352
	912,055	1,522,322
Share of OCI	**167,408**	-
Carrying amount of investment disposed	**-**	(681,355)
Additional investment during the year	**400,000**	-
As at December 31	**-**	344,647

* Share of losses restricted to value of investment. Hence share of losses amounting to $180,872 could not be recognized as investment value was reduced to Nil.

Loss and Comprehensive Loss	2015 $	2014 $
Expenses	**13,869,013**	5,788,413
Average proportion of the Company's ownership	**13.77%**	30.57%
Company's share of loss for the year	**1,910,247**	1,769,350

9. CASH AND BANK OVERDRAFT

Cash at banks	**25,606**	159,873

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

The Company's QSPA operations have a bank overdraft facility in the total amount of $375,725 [€ 250,000] [2014: $350,950 [€ 250,000]] renewed every six months of which €115.000 [$172,832] [2014: $322,874 [€ 230,000]] was outstanding as at December 31, 2015. 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 December 31, 2015 is -0.04% (2014: 1.71%). The Company's EuroColt operations has bank overdraft of €14,039 [$21,100] [2014: Nil] and the Company has bank overdraft of €18,847 ($28,326) [2014: Nil].

[All amounts disclosed are in Canadian dollars unless otherwise stated]

10. OTHER RECEIVABLES

	2015	2014
	$	$
Trade receivables	**470,396**	418,466
Taxes receivable	**452,539**	56,845
Advances and other receivables	**236,903**	46,221
	1,159,838	521,532

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

10.1 Loan Receivable - Unsecured

During the year, the Company provided short-term unsecured loan of $1,107,200 (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 at USD 0.30 per share for the first six months of the agreement. Further, if CRME obtains additional mining licenses in the Chagai region in Balochistan, Pakistan, the conversion price which the Company will be able to convert the Loan into ordinary shares of CRME will be USD $1 per share for the last twelve months of the agreement.

The balance at December 31, 2015 includes accrued interest at 5% of $19,262. The loan receivable together with its embedded derivative are recorded at its estimated fair value. Also refer to subsequent event note 29.

11. INVENTORIES

	2015	2014
	$	$
Raw material	**71,847**	68,869
Bottled wine	**610,142**	488,721
Bulk wine	**1,597,751**	1,871,382
	2,279,740	2,428,972

Revenue from sale of wine	**692,101**	694,939
Cost of goods sold	**(505,059)**	(536,324)
	187,042	158,615
Grants	**46,919**	294,703
Change in inventories to net realizable value	**8,045**	3,716
Change in value of biological assets *[note 13]*	**172,169**	(881,356)
Other	**130,285**	24,565
	544,460	(399,757)

[All amounts disclosed are in Canadian dollars unless otherwise stated]

During 2014, the Company received the remainder of a previously approved grant for the Company's winery operations as a result of past expenditures incurred. There are no associated future related costs, conditions or contingencies attached to this grant.

12. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Building	Machinery & Equipment	Computer & Office Equip	Leasehold Improvement	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	773,916	-	-	3,597	-	-	777,513
Disposal	(17,169)			(1,552)		-	(18,721)
Foreign currency translation adjustment	18,489	82,144	5,299	5,232	-	(40,561)	70,603
As at December 31, 2015	**802,241**	**1,245,742**	**80,353**	**537,303**	**88,335**	**59,802**	**2,813,775**
Accumulated depreciation							
As at December 31, 2013	14,448	105,586	43,550	288,303	80,974	58,188	591,049
Change 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)
As at December 31, 2014	17,856	144,570	63,980	378,584	88,335	71,650	764,975
Charge for the year	108,550	43,874	6,135	50,114	-	14,481	223,154
Disposal	(10,471)		-	(1,552)	-	(33,561)	(45,584)
Foreign currency translation adjustment	7,486	12,826	4,883	7,827	-	3,395	36,417
As at December 31, 2015	**123,421**	**201,270**	**74,998**	**434,973**	**88,335**	**55,964**	**978,962**
Net book value							
As at December 31, 2015	**678,820**	**1,044,472**	**5,355**	**102,331**	**-**	**3,838**	**1,834,813**
December 31, 2014	9,149	1,019,028	11,073	151,442	-	28,713	1,219,405

Non Cash additions amounted to $669,929 for the year ended December 31, 2015 [2014: Nil]

[All amounts disclosed are in Canadian dollars unless otherwise stated]

13. BIOLOGICAL ASSETS

	$
As at December 31, 2013	1,362,499
Change in fair value	(881,356)
Change due to harvest	(11,855)
Foreign currency translation adjustment	(7,482)
As at December 31, 2014	**461,806**
Change in fair value	**172,169**
Change due to harvest	-
Foreign currency translation adjustment	**42,888**
As at December 31, 2015	**676,863**

Biological assets consist of grape vines and are all in production. The grapes harvested are used in the wine making process. As at December 31, 2015, the Company held grape vines planted on 27.2 hectares of land [2014 – 27.25 hectares].

During the year, the Company harvested 103 tonnes of grapes [2014 – 104 tonnes].

The significant assumptions used to determine the fair value of vines planted are as follows:

	2015	**2014**
Yield	**3 802Kg/ha**	3 807kg/ha
Discount rate	**4.5%**	4.5%
Annual vineyard operating costs	**80,000€/ha**	70,000€/ha
Selling price less delivery costs	**0.4€ - 1.3€ / Kg**	0.3€ - 1.3€ / kg
Remaining life	**31 years**	32 years

[All amounts disclosed are in Canadian dollars unless otherwise stated]

14. EXPLORATION AND EVALUATION ASSETS

	December 31, 2014 $	Additions/ (Disposals) $	Foreign currency translation adjustments $	Impairment	December 31, 2015
Tabuaço	14,468,815	345,373	867,793	—	15,681,981
Santo António (formerly Penedono)	2,912,614	—	—	—	2,912,614
Boa Fé	8,904,755	237,500	535,540	—	9,677,795
Montemor-o-Novo	—	102,098	—	(102,098)	—
Cercal	—	77,863	—	(77,863)	—
Borba	—	112,015	—	(112,015)	—
Alvalade	—	3,013,052	—	—	3,013,052
	26,286,184	**3,887,901**	**1,403,333**	**(291,976)**	**31,285,442**

	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**

Non-cash additions amounted to 2,015,591 for the year ended December 31, 2015. [2014: $2,205,000]

Intangibles

Intangible assets included in exploration for and evaluation assets amounted to $27,558,722 as at December 31, 2015 [2014 – $22,805,201].

[All amounts disclosed are in Canadian dollars unless otherwise stated]

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	**137,380**	**108,357**	**245,737**
As at December 31, 2015	**2,083,430**	**1,643,290**	**3,726,720**

PORTUGUESE MINING INTERESTS

Tabuaço [Tungsten]

The Company holds a 100% interest in the Tabuaço property, which has an area of 45.128 km^2 located in north central Portugal. The Tabuaço Experimental Mining License, which replaces the Company's Armamar-Meda concession was granted to the Company on February 20, 2013.

Contractual Obligations

The initial term of the Tabuaço Experimental Mining License is for a period of four years from February 20, 2013 to February 20, 2017. The term may be extended for an additional period of one year.

During the initial term, the Company is obligated to incur prospecting and exploration expenditures of not less than €4,500,000 [$6,763,050].

The Company lodged a bank guarantee in favor of the Government of Portugal for the amount of €225,000 [$338,153] in respect of the Tabuaço Experimental Mining License. The related bank deposit amounts to €112,500 [$169,076] and has been recorded as deposits in the consolidated statements of financial position as at December 31, 2015 [2014: €112,500 [$157,500]].

Upon expiry of the term, the Company will not be required to relinquish any portion of the area covered by the Tabuaço Experimental Mining License if it is successful in receiving an extension of one year.

The Company is obligated to pay to the Government of Portugal an annual license fee of €12,000 [$18,035] for the ground covered by its Tabuaço Experimental Mining license.

At any time during the initial term and the one year extension, the Company may apply for an exploitation license, which if granted, will have a term of 30 years and which may be extended with the approval of the Portuguese Government, for a period not exceeding 20 years.

Upon the granting of an exploitation license, and in the event that mining activities are to take place, then the Company will be obligated, at the Portuguese Government's sole discretion, either to pay 10% of the net profit derived from its mining activities, as defined, or, alternatively, pay a Net Smelter Return (NSR) up to 4% depending on the price of the metric ton unit (mtu). Direção Geral de Energia e Geologia "DGEG", Portugal, may request a payment in kind up till 5% of the total payment due.

On granting of an exploitation license the Company will be obligated to pay €50,000 [$75,145] as a commercial discovery bonus to the municipalities of Tabuaço and S João da Pesqueira, on a *pro rata* basis, depending on the surface area of the mining license included on each municipality.

Santo António (Penedono) Property [Gold]

On June 29, 2012, the Company and Contecnica Consultoria Técnica, Lda. ["Contécnica"], an unrelated entity applied jointly for the Santo António Experimental Mining License. On February 20, 2013, the Company Contécnica was granted the Santo António Experimental Mining License covering a total area of 35.34km^2 in which the latter will be the operator. As of December 31, 2015, the Company (based on the directly attributable exploration expenditure) held 65.4% and Contécnica held 34.6% of the San Antonio Experimental Mining License (December 31, 2014: the Company held 82.5% and Contécnica held 17.5% of the San Antonio Experimental Mining License)

Contractual Obligations

The initial term of the new Santo António Experimental Mining License is for a period of four years from February 20, 2013 to February 20, 2017. The term may be extended for an additional period of two years from February 20, 2017 to February 20, 2019.

During the initial term of the Santo António Experimental Mining License the Company is obliged to incur prospecting and exploration expenditures of not less than €3,000,000 [$4,508,700].

The Company lodged a bank guarantee in favor of the Government of Portugal for the amount of €150,000 [$225,435] in respect of the Santo António Experimental Mining License. The related bank deposit amounts to €75,000 [$112,718] [2014: $109,913] although in the name of the Company, has been deposited by Contecnica.

The property area held by the Company is 35.34km^2. Upon expiry of the initial term, the Company will not be required to relinquish any portion of the area covered by the Experimental Mining License if it is successful in receiving an extension of two years. The Company will be obligated to pay to the Government of Portugal an annual license fee of €12,000 [$18,034] for the ground covered by its Experimental Mining license is also paid by Contecnica, as the operator of the concession.

At any time during the initial term of the Experimental Mining License and the two year extension, the Company may apply for an exploitation license, which if granted, shall have a term of 30 years and which may be extended two times with the approval of the Portuguese Government, for a period not exceeding 10 years each.

Under certain terms and conditions, the Company is obligated to pay Rio Narcea Portugal [the seller of the Penedono concession] a 1% NSR for a maximum amount of US$1,000,000 [$1,384,000] as defined.

Upon the granting of an exploitation license, and in the event that mining activities are to take place, the Company will be obligated to pay a 2% to 4% NSR on production depending on the price of gold, as defined.

Boa Fé Project [Gold]

The Company, through its subsidiary Aurmont, holds a 100% interest of the Boa Fé project, which has an area of 46.78km^2 and is located in south central Portugal.

Contractual Obligations

The initial term of the Boa Fé Experimental Mining License was for period of three years, from November 2, 2011 to November 1, 2014. The term was extended for an additional six months to May 1, 2015 and application for exploitation Mining License was submitted. The application of license had received preliminary approval by the mining authority but is currently undergoing a process of approval by other government authorities.

The 2014 balance of deposits includes a bank guarantee in favor of the Government of Portugal in respect to the Boa-Fé Experimental Mining License which was recorded as deposits on the consolidated statements of financial position for €300,000 [$420,000]. This guarantee was returned back to the Company, during 2015 on expiry of exploration license.

During the initial term of the Boa Fé Experimental Mining License the Company was obliged to incur prospecting and exploration expenditures of not less than €3,000,000 [$4,508,700]. During the extended term, the Company was required to incur prospecting and exploration expenditures of approximately €500,000 [$700,000]. The mining authority has confirmed in writing that as at December 31, 2015, the Company had fulfilled all its contractual obligations regarding the Boa Fe' experimental mining license.

The six-month extension had no impact on the acreage that the Company holds and the Company still held an area of 46.78km^2. Upon termination of the experimental mining license, the Company produced and submitted to DGEG application for a definitive mining license, along with a complete technical report on the concession and the proposed mining work program. Application is undergoing legal proceedings prior to granting.

An exploitation license, which if granted, shall have a term of 10 years and which may be extended with the approval of the Portuguese Government, for two periods not exceeding 5 years each.

Upon the granting of an exploitation license, and in the event that mining activities are to take place, the Company shall be obligated, at the Portuguese Government's sole discretion, either to pay 10% to 20% of net profits based on a sliding scale, as defined, depending on the price of gold or, alternatively, pay a 4% net smelter return ["NSR"] royalty on production, as defined. The Company will only be required to pay 10% to 20% of net profits based on a sliding scale once all capital and exploration expenditures incurred on the project have been fully recovered.

Based on its analysis of the estimated recoverable amount as of December 31, 2015, the Company recorded no impairment [2014: $4,000,000] in respect of the Boa Fé property.

Montemor-o-Novo Property [Gold]

The Company, through its subsidiary Aurmont, holds a 100% interest in the Montemor-o-Novo property which has an area of 363.62 km^2 which completely surrounds the Boa Fé property. The property is located in south central Portugal.

Contractual Obligations

The initial term of the Montemor-o-Novo Concession and Exploration License was for a period of three years, from November 2, 2011 to November 1, 2014. This initial term may be extended twice on an annual basis. Before the end of the initial term, the Company required a one-year extension and the correspondent surface area reduction to 363.62 km^2, which was granted. The Company has produced and submitted to the authorities' application for new exploration concession covering approximately the last reduced Montemor concession (including all prospective geology), along with proposed work and investment program, which is currently in process by the mining authority.

The Company lodged a bank guarantee in favor of the Government of Portugal, for the amount of €25,000 [$37,573] in respect to this Montemor-o-Novo Property which has been recorded as deposits in the consolidated statements of financial position as at December 31, 2015 [2014: €50,000 [$70,000]].

During the first extended term till November 2, 2015, the Company was required to incur prospecting and exploration expenditures of not less than €300,000 [$450,870] and will be required to incur prospecting and exploration expenditures of not less than €300,000 [$420,000] during the second extended term.

The original property area was 728.22 km^2. Upon expiry of the initial term, the Company was required to relinquish 50% of the area covered by the Montemor-o-Novo Exploration License to 363.62 km^2. The Company decided not to apply for the second extended term and instead applied for a new exploration license covering approximately the last reduced Montemor concession (including all prospective geology), along with proposed work and investment program. Application is undergoing legal proceedings prior to granting.

Upon the granting of an exploitation license, and in the event that mining activities are to take place, the Company shall be obligated, at the Portuguese Government's sole discretion, either to pay a 10% to 20% of the net profit derived from its mining activities as defined, or, alternatively, pay a 3% NSR on production, depending on the price of gold, as defined. Also refer Note 4 for significant judgment regarding impairment.

Based on its analysis of the results of expenditures as of December 31, 2015, the Company recorded an impairment on the entire carrying value of $102,098 [2014: $1,820,067] for the Montemor property.

Cedovim Property [Gold]

The Company, through Eurocolt, helds 100% interest in the Cedovim property, which had an area of 218.13 km^2 located in north central Portugal which is partially contiguous to the Penedono, Moimenta Almendra property and Armamar-Meda Exploration concessions.

Contractual Obligations

The initial term of the Cedovim Exploration License was for a period three years from November 2, 2011 to November 1, 2014. The Company relinquished the license in 2014 and recorded an impairment on the entire carrying value of $55,545 during 2014.

Cercal Property [Gold]

The Company holds a 100% interest in the Cercal property, which has an area of 455.19 km^2. The property is located in southern Portugal.

Contractual obligations

The initial term of the new Cercal Exploration License is for a period of three years from February 20, 2013 to February 20, 2016. The term may be extended twice, for an additional period of one year each to February 20, 2018.

The Company lodged a bank guarantee in favor of the Government of Portugal, for the amount of €20,000 [$30,058] in respect to this Cercal Property. The related bank deposit amounts to €10,000 [$15,029] and has been recorded as deposit in the consolidated statements of financial position as at December 31, 2015 [2014: €10,000 [$14,000]].

During the initial term, the Company is obligated to incur prospecting and exploration expenditures of not less than €50,000 [$73,275] by February 19, 2014, €75,000 [$105,000] by February 19, 2015 and €75,000 [$105,000] by February 19, 2016. During the first extended term, the Company is required to incur prospecting and exploration expenditures of not less than €100,000 [$140,380] and will be required to incur prospecting and exploration expenditures of not less than €100,000 [$140,380] during the second extended term.

The original property area is 455.19 km^2. Upon expiry of the Initial Term, the Company will be required to relinquish 50% of the area covered by the Cercal Exploration License [+/- 227.54 km^2]. At the end of the first extended term, the Company will be required to relinquish a further 50% of the area covered by the Cercal Exploration License [+/- 113.77 km^2].

On December 17, 2015 the Company submitted to the mining authority an application for the first extended term of one year, starting on February 20, 2016.

The Company will be obligated to pay to the government of Portugal an annual license fee in the amount of €20 per sq. km for the area covered by its license.

At any time during the Initial and extended terms, the Company may apply for an exploitation license, which if granted, shall have a term of 30 years and which may be extended two times with the approval of the Portuguese Government, for a period not exceeding 20 years each.

Based on its analysis of the results of estimated recoverable amounts as of December 31, 2015, the Company recorded an impairment on the entire carrying value of $77,863 [2014: $217,055] for the Cercal property.

Borba Property [Gold]

The Company holds a 100% interest in the Borba property which has an approximate area of 633.935 km^2 located in central Portugal.

Contractual obligations

The initial term of the new Borba Exploration License is for a period of three years from February 20, 2013 to February 20, 2016. The term may be extended twice, for an additional period of one year each to February 20, 2018.

The Company lodged a bank guarantee in favor of the Government of Portugal, for the amount of €19,000 [$28,555] with respect to the Borba Property. The related bank deposit amounts to €9,500 [$14,278] and has been recorded in the annual consolidated statements of financial position as at December 31, 2015 [2014: €9,500 [$13,300]].

During the initial term, the Company is obligated to incur prospecting and exploration expenditures of not less than €60,000 [$90,174] by February 19, 2014, €60,000 [$90,174] by February 19, 2015 and €70,000 [$105,203] by February 19, 2016. During the first extended term, the Company is required to incur prospecting and exploration expenditures of not less than €80,000 [$120,232] and will be required to incur prospecting and exploration expenditures of not less than €80,000 [$120,232] during the second extended term.

Upon expiry of the initial term, the Company will be required to relinquish 50% of the area covered by the Borba Exploration License [316.96 km^2]. At the end of the first extended term, the Company will be required to relinquish a further 50% of the area covered by the Borba Exploration License [158.48 km^2].The Company will be obligated to pay to the Government of Portugal an annual license fee in the amount of €10 per sq. km of ground covered by its license.

On December 17, 2015, the Company submitted to the mining authority, an application for the first extended term of one year, starting on February 20, 2016.

At any time during the initial and extended terms, the Company may apply for an exploitation license, which if granted, shall have a term of 30 years and which may be extended two times with the approval of the Portuguese Government, for a period not exceeding 20 years each.

During 2013, the Company entered into an agreement with privately owned Star Mining Limited ("Star Mining"), an unrelated entity, establishing the key terms for the definitive agreement on the Borba License. No further progress was made and the agreement was terminated during 2014.

Based on its analysis of the results of expenditures on December 31, 2015, the Company recorded an impairment on the entire carrying value of $112,015 [2014: $105,679] for the Borba property.

As at December 31, 2015, the Company is in compliance with all its contractual obligations for all the properties.

Alvalade VMS [Copper – Zinc]

During September 2015, the Company signed an assignment agreement with Avrupa Minerals Ltd. (“Avrupa”), a TSXV listed to acquire Antofagasta Minerals SA’s (“Antofagasta”) 60% interest in Alvalade VMS copper-zinc property in the Iberian Pyrite Belt in southern Portugal.

To earn-in the assigned 60% interest, the Company is committed to the following scheduled payments to Antofagasta;

- USD 300,000 March 31, 2016 (extended till June 30, 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.
- Colt, if it so chooses can make a payment at an earlier date reducing the total to USD 6,600,000.
- The Company grants to Antofagasta a 1% net smelter returns royalty on all products.

As of December 31, 2015, the Company has accrued US$ 2.4 million (based on the committed amounts from (2016-2019) as current and non-current liability and recorded the related right under Exploration and Evaluation Assets (EEA). The obligation and right has been discounted over the maturity of the obligation from the balance sheet date of December 31, 2015, i.e. 4 years using a discount rate of 20%. As a result, Net Present Value of the right acquired amounted to USD 1,456,352 ($ 2,015,591) which has been recorded under EEA and in related current and non-current liability as of December 31, 2015.

Further, as per the Assignment agreement, the Company has the following rights:

- to obtain an additional 2.5% interest in the project, for an aggregate 62.5% undivided interest, by funding USD $1.75 million by December 31, 2015 (“Option 3 Year 1”). As of the date of these consolidated financial statements, the Company has not achieved this interest.
- To earn a further 2.5% interest in the project, for an aggregate 65% undivided interest, by funding USD $1.75 million by December 31, 2016 (“Option 3 Year 2”).
- To earn a further 2.5% interest in the project, for an aggregate 67.5% undivided interest, by funding USD $1.75 million by December 31, 2017 (“Option 4 Year 1”).
- To earn a further 2.5% interest in the project, for an aggregate 70% undivided interest, by funding USD $1.75 million by December 31, 2018 (“Option 4 Year 2”).
- To earn a further 5% interest in the project, for an aggregate 75% undivided interest, by funding USD $25 million for exploration by December 31, 2022 with an option to partially earn in 1% for every USD $5 million spent (“Option 5”).
- If Option 5 expenditures are not sufficient to fund a Feasibility Study, the Company will fund 100% of additional exploration but will be reimbursed for the Avrupa’s proportionate share (being 25% of Work Programs and Budgets) following the commencement of commercial production (Feasibility Study Phase).
- To earn a further 5% interest in the project, for an aggregate 80% undivided interest, the Company must have completed a Feasibility Study, funded 100% of all work programs during this phase and make a Development Decision within one year of the date of delivery of the Feasibility Study (“Option 6”)

The Company will carry Avrupa through to production, and Avrupa will repay Colt from proceeds, dividends, and sales generated by the actual production from any mine within the project area.

During the fiscal year ended December 31, 2015, the Company has incurred the following expenditures in relation to this interest:

- Directly attributable project expenditure of approximately €633,000 ($951,336) is classified under EEA as acquisition related costs in the consolidated statement of financial position as of December 31, 2015.
- Government bond deposit of €75,000 ($112,718) is classified under Non-Current Deposits in the consolidated statement of financial position as of December 31, 2015.
- Annual license rental fee of €30,000 ($45,087) is classified under EEA in the consolidated statement of financial position as of December 31, 2015.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

15. GOODWILL

	Net $
As at December 31, 2013	813,804
Foreign currency translation adjustment	(34,262)
As at December 31, 2014	**779,542**
Foreign currency translation adjustment	55,030
As at December 31, 2015	**834,572**

16. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2015 $	**2014** $
Trade payables	**2,622,271**	968,531
Accrued liabilities	**472,370**	499,774
Employees and social institutions	**74,970**	115,820
Related parties	**409,391**	688,756
Other payables	**332,913**	253,353
	3,911,915	2,526,234

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

Other payable includes current portion of accrued liability. Refer Note 28.

17. SENIOR SECURED NOTES AND PREFERRED SHARES

During the second quarter of 2015, the Company and all its Senior Secured Note holders agreed to convert the Senior Secured Notes along with the outstanding warrants into 19,341,222 units (the “Units”) at a price of $0.175 per Unit in settlement of US$2,700,000 [$3,334,152] in senior secured notes and all accrued interest thereon at the date of the Agreement in the amount of US$98,385 [$123,400]. Each Unit comprised of one common share and one common share purchase warrant. Each Warrant entitled the holder thereof to acquire for a period of three years one common share of Colt at an exercise price of CA$0.25 per common share. Refer Note 19 [i (f)] for valuation of new units issued on conversion.

During the year, the change in fair value of these liability warrants of $(157,915) [2014: $994,499], accretion on warrants of $52,571 [2014: $113,326], accretion on senior notes $103,757 [2014: 407,472] was recorded in the consolidated statement of operations and comprehensive loss. As a result of settlement of these senior notes and warrants and accrued interest, the Company recorded a net loss on settlement of $6,067,341 in the consolidated statement of operations and comprehensive loss.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Senior Secured Notes 2014

i) On September 8, 2014, the Company issued one unit at US$200,000 per unit for gross proceeds of US$200,000 ($276,800). This Unit consists of US$200,000 in principal amount of 10% Senior Secured Notes and common share purchase warrants to purchase up to 444,444 common shares of the Company. The notes matures on September 7, 2019. Interest is payable on June 30 and December 31 in by way of issuance of the Company's common shares or cash at the holder's option.

The initial fair value of the Note was estimated using a present value of future cash flows method, applying a discount rate of 20%.

The Warrants entitle their holders to purchase an aggregate of 444,444 common shares at an exercise price of US$0.45 per Common Share on or before September 7, 2019. The fair value of the warrants recorded as derivative financial liability on the consolidated statements of financial position was estimated using the Black-Scholes option pricing model using the assumptions presented in the table below.

Share price ($ per share)	$0.11
Expected risk free interest rate [%]	1.35
Expected volatility [%]	81.3%
Expected life [in years]	5 years
Expected dividends [$]	Nil
Weighted average fair value per warrant (US$)	0.04

At the date of issuance, the pro-rata relative fair value for the Notes and warrants amounted to $197,000 and $24,000 respectively.

These warrants were accounted for as derivative financial liability. The fair value of the warrants as at December 31, 2014 was Nil calculated using Black Scholes option pricing model using the following assumptions:

Share price ($ per share)	$0.20
Expected risk free interest rate [%]	1.09%
Expected volatility [%]	82.5%
Expected life [in years]	2 years
Expected dividends [$]	Nil
Weighted average fair value per warrant (US$)	0.075

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Senior Secured Notes 2013

ii) On November 1, 2013, the Company had issued 10 units at US$250,000 per unit for gross proceeds of US$2,500,000 ($2,603,750). Each Unit consists of US$250,000 in principal amount of 10% Senior Secured Notes and common share purchase warrants to purchase up to 555,555 common shares of the Company. The Units mature on November 1, 2018, or earlier if the Company closes a financing equal to or greater than US$25,000,000. Interest is payable on June 30 and December 31 in by way of issuance of the Company's common shares or cash at the holder's option [note 18].

The fair value of the Notes was estimated using a present value of future cash flows method, applying a discount rate of 20%.

The Warrants entitle their holders to purchase an aggregate of 5,555,550 common shares at an exercise price of US$0.45 per Common Share on or before November 1, 2018. The fair value of the warrants recorded as derivative financial liability on the consolidated statements of financial position was estimated using the Black-Scholes option pricing model using the assumptions presented in the table below.

Share price ($ per share)	$0.42
Expected risk free interest rate [%]	1.53
Expected volatility [%]	139%
Expected life [in years]	5 years
Expected dividends [$]	Nil
Weighted average fair value per warrant (US$)	0.365

The expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

The share issue cost included $73,250 in commissions and 111,111 broker warrants entitling the holder to purchase common shares at the price of US$0.45 per Common Share until November 1, 2016. The fair value of these broker warrants amounted to $22,713 at issuance.

At the date of issuance, the pro-rata relative fair value for the Notes and warrants amounted to $1,163,747, net of transaction costs of $40,814 and $1,399,189 respectively. Transaction cost on the warrants amounted to $55,149 and was recorded in the consolidated statements of operations.

Convertible Preferred Shares

In connection with the acquisition of QSPA in 2011, the Company issued 5,000,000 convertible preference shares. The 5,000,000 preferred shares are convertible at any time by the holder into 4,385,965 common shares until August 23, 2016, at which time the holder can require the Company to redeem the preferred shares for cash consideration of €2,500,000. This instrument has been accounted for as a compound financial instrument. The fair value of the liability portion was estimated using a present value of future cash flows method, applying a discount rate within a range of 4% – 5%, with the difference between the fair value of the instrument and its redemption amount being allocated to the equity component. The redemption amount of €2,500,000 of the preferred shares was secured by a mortgage on QSPA's land and buildings *[note 12]*.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

18. INCOME TAXES

A reconciliation of income tax charge applicable to accounting loss before income tax at the weighted average statutory income tax rate to income tax charge at the Company's effective income tax rate is as follows:

	2015 $	2014 $
Loss before income taxes	**(11,609,642)**	(8,965,819)
Income tax recovery at the combined federal and provincial tax rate 26.9% [2014 – 26.9%]	**(3,122,994)**	(2,411,805)
Other non-deductible non-taxable expenses or non-taxable revenues	**1,142,622**	(352,664)
Minimum taxes paid in Portugal	**37,643**	47,497
Expired losses in Portugal	**449,452**	-
Loss on settlement of debt	**1,632,115**	-
Other	**34,162**	107,902
Unrecognized tax assets	**13,996**	2,422,828
Income taxes recovery at an effective income tax rate	**186,996**	(186,242)

Income taxes are composed of the following on the consolidated statements of operations and comprehensive loss:

	2015 $	2014 $
Current	**37,643**	44,073
Deferred	**149,353**	(230,315)
	186,996	(186,242)

[All amounts disclosed are in Canadian dollars unless otherwise stated]

The deferred tax assets and liabilities of the Company consist of the following:

	2015 $	2014 $
Deferred income tax assets		
Non-capital loss carried forward	**9,988,919**	8,442,741
Share issue costs charged to equity	**285,758**	—
Tax basis amount greater than carrying amount of mineral property rights	**-**	1,366,037
Others	**80,077**	86,148
	10,354,754	9,894,926
Unrecognized tax assets	**(10,071,918)**	(9,828,357)
	282,836	66,569
Deferred income tax liabilities		
Carrying amount greater than tax basis of property, plant and equipment	**(641,306)**	(370,933)
Others (net of Unrealized foreign exchange)	**(161,816)**	(66,569)
	(803,122)	(437,502)
Net deferred income tax liabilities	**(520,286)**	(370,933)

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Tax loss carry-forwards

As at December 31, 2015, the Company had non-capital carry-forwards in the amount of $26,210,000 [2014: $22,738,000] which are available to reduce future years' income for Canadian and provincial tax purposes. These non-capital loss carry-forwards expire as follows:

	2015 $
2025	43,000
2026	66,000
2027	916,000
2028	925,000
2029	837,000
2030	3,536,000
2031	4,472,000
2032	5,288,000
2033	5,201,000
2034	3,091,000
2035 (estimate)	1,835,000
	26,210,000

	2014 $
2025	43,000
2026	66,000
2027	916,000
2028	925,000
2029	837,000
2030	3,536,000
2031	4,472,000
2032	5,288,000
2033	5,201,000
2034 (estimate)	1,454,000
	22,738,000

In addition, the Company has investment tax credits as at December 31, 2015 in the amount of $42,000 [2014: $42,000] which are available to reduce future taxable income and expire between 2027 and 2030.

The Company has capital losses for income tax purposes as at December 31, 2015 of approximately $73,200 [2014: $78,000], which can be carried forward indefinitely.

The Company also has losses from operation of approximately $ 10,305,000 [2014: $9,614,000] that may be carried forward to apply against future income for Portuguese tax purposes.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

19. 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 year ended December 31, 2015 and 2014:

	Number of shares	$
As at December 31, 2013	159,537,186	58,934,878
Issuance of common shares [ii]	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]	**68,139,447**	**10,194,340**
Share issue costs	**-**	**(701,766)**
Issuance of shares for options exercised [i]	**48,000**	**7,200**
As at December 31, 2015	**241,820,362**	**70,681,391**

i. During the year ended December 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 up to 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 2 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 and broker warrants calculated using Black Scholes option pricing model based on the following assumptions:

Share price ($ per share)	$0.15
Expected risk free interest rate [%]	0.46%
Expected volatility [%]	112.32%
Expected life [in years]	2 years
Expected dividends [$]	Nil
Weighted average fair value per warrant	$0.105

[All amounts disclosed are in Canadian dollars unless otherwise stated]

The expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

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 $1,990,434 (net of share issuance costs) and allocation of $1,319,409 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 expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

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 totalling $457,257.

e. 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.

f. 19,341,222 common shares at $0.175 per share and 19,341,222 warrants at strike price of $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. The issuance of share capital and warrants was recorded at the Fair value of $5,105,230 and $3,173,842 respectively. This settlement resulted in a loss on settlement of $ 6,067,341. [Refer note 17]. The fair value of Senior note warrants was calculated using Black Scholes option pricing model based on the following assumptions:

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Share price ($ per share)	$0.26
Expected risk free interest rate [%]	0.67%
Strike price	$0.250
Expected volatility [%]	104.48%
Expected life [in years]	3 years
Expected dividends [$]	Nil
Weighted average fair value per warrant ($)	$0.16

The expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

g. During November 2015, the Company closed a private placement consisting of 2,400,000 units comprising of 2,400,000 common shares and 2,400,000 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 $420,000. The relative fair value of common shares was calculated as $266,868 and allocation of $153,132 as relative fair value of shareholder warrants calculated using Black Scholes option pricing model based on the following assumptions:

Share price ($ per share)	$0.115
Expected risk free interest rate [%]	0.54%
Strike price	$0.250
Expected volatility [%]	191.259%
Expected life [in years]	3 years
Expected dividends [$]	Nil
Weighted average fair value per warrant ($)	$0.066

The expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

ii. During the year ended December 31, 2014, the Company issued the following:

a. 130,660 common shares at $0.2988 per share for an amount of $39,041 to pay interest upto December 31, 2014 to the units holders of senior secured notes issued in 2013.

b. 368,193 common shares at $0.3011 per share for an amount of $110,863 to settle part of the outstanding accrued liability owed to the Company’s former Chief Financial Officer.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

c. 700,000 options were exercised by the Chief Executive Officer of the Company. The options were exercised in two tranches, on May 13 and May 29, 2015 and share price on the date of exercise was $0.29 and $0.26 respectively.

d. 10,500,000 units at $0.21 per unit were issued to Spektra Drilling Canada Inc. ("Spektra") in respect of services. Each unit consisted of one common share and share purchase warrant exercisable at a price of $0.26 during a period of 24 months from the date of August 6, 2014. The fair value of the warrants amounted to $785,000 using the Black-Scholes option pricing model with the following assumptions: volatility – 82.48%, risk free interest rate – 1.09%, expected life of 2 years and expected dividend yield of nil%. The residual amount of $1,417,647 was recorded as common shares.

e. 660,837 common shares at $0.21 per share in respect of payment for semi-annual interest to Senior Secured Notes for December 31, 2013 and June 30, 2014.

f. 1,736,039 common shares at $0.14 per share in respect of shares for debt transaction with certain suppliers and to settle the balance of debt owed to the Company's previous Chief Financial Officer.

These amounts have been excluded from the statements of cash flows.

Issued warrants

A summary of the changes in the Company's share purchase warrants during 2015 and 2014 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	4.16
Issued	10,500,000	$0.26	4.56
Expired	(360,000)	$0.45	0.00
As at December 31, 2014	**14,182,540**	$0.35	**2.64**
Issued	53,763,914	$0.23	2.23
Issued [broker]	2,406,194	$0.21	1.37
Exercised	(48,000)	-	-
As at December 31, 2015	**70,304,648**	$0.25	**1.98**

[All amounts disclosed are in Canadian dollars unless otherwise stated]

20. SHARE-BASED COMPENSATION

A summary of the share option transactions during the year ended December 31, 2015 and 2014 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
Expired / Cancelled	(2,100,000)	$0.29	0.44
Exercised	(700,000)	$0.25	0.00
Outstanding and exercisable as at December 31, 2014	**5,575,000**	**$0.50**	**1.07**
Expired	(3,175,000)	$0.38	0.56
Cancelled *	(400,000)	$0.36	0.50
Outstanding and exercisable as at December 31, 2015	**2,000,000**	**$0.71**	**0.56**

* relates to cancellation of fully vested options before expiration of J W Murton who stepped down as a director during the current year.

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

		Number of Options	
Expiry Date	**Exercise price** $	**2015**	**2014**
September 2, 2015	$0.27	**-**	2,425,000
November 8, 2015	$0.56	**-**	750,000
June 4, 2016	$0.73	**1,750,000**	1,750,000
July 3, 2016	$0.75	**50,000**	450,000
September 11, 2017	$0.55	**200,000**	200,000
Total options outstanding and exercisable	**$0.71**	**2,000,000**	5,575,000

21. ADMINISTRATIVE EXPENSES BY NATURE

[All amounts disclosed are in Canadian dollars unless otherwise stated]

	2015 $	**2014** $
Management fees and related costs *[note 26]*	**977,978**	767,574
Professional and consulting fees *[note 26]*	**846,223**	768,259
Salaries *[note 26]*	**385,675**	606,370
	2,209,876	2,142,203
Investor relations and marketing	**222,413**	244,049
Property investigation	**26,106**	-
Legal expenses	**182,624**	207,495
Insurance	**90,983**	174,032
Office expenses	**867,176**	871,938
Listing and transfer agent fees	**87,960**	84,882
Rent	**192,523**	303,316
Recovery of expenses [note 8]	**-**	(1,736,966)
Other	**182,038**	84,635
Administrative expenses	**4,061,699**	2,375,584

22. SHARE OF LOSS OF AN INVESTMENT IN ASSOCIATE, NET

	2015 $	2014 $
Share of losses of an investment in associate *[note 8]*	**(1,910,247)**	(1,769,350)
Dilution gain on issuance of shares by CRME *[note 8]*	**817,320**	295,352
Unabsorbed losses – not recognised *[note 8]*	**180,872**	-
Gain on partial disposal of investment in associate *[note 8]*	**-**	971,082
	(912,055)	(502,916)

23. FINANCE COSTS

	2015 $	2014 $
Accretion expense on derivative financial liability – warrants *[note 17 & 19]*	**52,571**	113,326
Interest expense on Senior Secured Notes *[note 17 & 19]*	**79,267**	15,377
Accretion expense on Senior Secured Notes *[note 17 & 19]*	**103,757**	407,472
Accretion expense on convertible preferred shares *[note 17]*	**387,469**	3,040
Finance costs	**623,064**	539,215

24. CAPITAL MANAGEMENT

The Company's objectives when managing capital are as follows:

[i] to safeguard the Company's ability to continue as a going concern such that it can continue in its exploration activities to provide returns to shareholders and benefits to other stakeholders.

[ii] to secure sufficient cash and cash equivalents to fund the Company's business plans, including the exploration activities required for the development of its mineral property interests.

The Company considers the items included in shareholders' equity in the definition of capital.

The Company's primary uses of capital are to finance the exploration and property development activities required on its mineral properties, market and investor development, capital expenditures and operating losses.

The Company has relied primarily on the equity markets to fund its activities. In order to carry out planned exploration and to pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company has not used term debt financing and has not paid any dividends.

Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirements.

The prices of minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of minerals and future expectation of such prices may have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact on the Company's ability to raise equity financing for its capital requirements.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations [Level 1], without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques [Level 2]. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Other techniques [Level 3] use inputs not based on observable market data. There was no transfer between Level 1, Level 2 and Level 3 during the year.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

The Company's financial instruments consist of Cash, advances, receivables (except commodity taxes receivable), loan receivable, deposits, bank overdraft, accounts payables and accrued liabilities, derivative financial liabilities – warrants, and convertible preferred shares.

The fair values of the convertible preferred shares and Senior Secured Notes are determined using the discounted cash flow method using discount rate that reflects rates currently available for debt on similar terms, considering the Company's credit risk and remaining maturity (Level 2).

The fair value of warrants is evaluated using the Black-Scholes pricing model at year end (Level 2).

The fair value of Loan receivable from CRME was determined using a combination of discounted cash flow method using a discount rate of 30% that reflects rates for loan on similar terms and the Black-Scholes Pricing model (Level 3). Black-Scholes assumptions for the valuation of the conversion option are: share price of USD 0.30 per share; exercise price of USD 0.30 per share; expected volatility-125%; expected life-0.17 years; expected dividend rate: NIL; expected risk-free rate-0.36%; estimated fair value – USD 0.06

Below is a comparison of the carrying amount of the financial instruments recorded at amortized cost and their respective fair values as at December 31:

	2015		2014	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	$	$	$	$
Convertible Preferred Shares	**3,651,990**	**3,757,250**	3,264,520	3,253,000
Senior Secured Notes	Nil	Nil	1,639,399	2,264,722
Derivative financial liabilities -Warrants	Nil	Nil	Nil	222,222

Financial risks

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk [currency fluctuations, interest rates and other price risk]. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk

The Company is exposed to credit risk with respect to cash, deposits and trade, other receivables and loan receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by maintaining cash and cash equivalents and deposits in highly liquid investments with major financial institutions in Canada and Portugal.

The maximum exposure to credit risk as at:

	2015 $	2014 $
Cash	**25,606**	159,873
Accounts receivable	**470,396**	418,466
Advances and other receivables	**236,903**	46,221
Loan Receivable	**1,126,462**	-
Deposits [held in Portugal]	**463,160**	558,401
	2,322,527	1,212,961

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows used in operations and exploration activities, anticipated from investing and financing activities, and taking into account the Company's holdings of cash and cash equivalents.

As at December 31, 2015, the Company has cash of $25,606 [2014: $159,873]. Trade and other payables have contractual maturities of 30 – 60 days or less and are subject to normal trade terms, amounts due to related parties are due on demand. The Convertible preferred shares are due in 240 days. The Company also has commitments for payments relating to Alvalade property with maturities of 180 – 1,095 days – for details refer note 14.

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. While the Company has been successful in raising debt and equity funds in the past, there is always a degree of risk on whether or not it will be able to raise sufficient funds in the future.

Currency risk

The Company raises its capital in Canadian dollars and holds its cash mainly in Canadian dollars and Euros. The Company and its subsidiaries minimize their exposure to foreign currency risk by minimizing the amount of funds in currencies other than the functional currencies. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

As at December 31, 2015 and 2014, the Company was exposed to currency risk on the Loan receivable of US$ 800,000 [2014: Nil] and the convertible preferred shares of Euros 2,420,000 [2014: Euros 2,305,000]. Other net financial assets exposure to currency risk are not significant.

A 10% variation of Euros would have an effect of Euros 242,000 on net loss.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

Financial risk associated to agriculture

The Company is exposed to financial risks arising from its vineyard activities. The Company takes reasonable measures to ensure that the current year's harvest is not affected by disease or other climate effects that may have a negative effect upon yield and quality. These measures include involvement of viticulture technicians and continuous focus on development of every plantation.

26. RELATED PARTY TRANSACTIONS

In addition to the related party transactions described elsewhere, following were the related party transactions for the years ended 2015 and 2014:

Related party transactions include transactions with the Company's associate, CRME and transactions with the Company's Key Management Personnel which includes the Chairman of the Board of Directors, the Chief Executive Officer, the General Legal Counsel and Corporate Secretary, the Chief Financial Officer, the Board of Directors, Advisory Board Members, close family members and entities controlled by these individuals as well as certain consultants performing similar functions. These are the key management personnel of the Company.

All of the following related party transactions were in the normal course of operations and were measured at the amount established and agreed to by the related parties.

Year ended December 31	**2015** $	2014 $
Management fees and related costs	**860,690**	729,512
Professional and consulting fees	**216,238**	351,533
Salaries	**-**	28,846
Short-term benefits	**40,700**	90,130
Director fees	**130,333**	80,272
	1,202,961	1,280,093

As at December 31, 2015, the Company's loan and advance along with accrued interest to its associated company - CRME amounted $1,216,322. Further, during 2015, the Company also invested in additional shares in CRME by $400,000 [refer note 8].

As at December 31, 2015, $409,391 owed to related parties [2014 – $688,756] is included in accounts payable and accrued liabilities and $123,203 [2014: Nil] is owed from the chief executive officer.

[All amounts disclosed are in Canadian dollars unless otherwise stated]

27. 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	**2015**	2014
	$	$
Canada	**1,810,369**	771,011
Portugal	**38,034,466**	32,357,105
	39,844,835	33,128,116

Non-current Assets	**2015**	2014
	$	$
Canada	**1,334,271**	545,565
Portugal	**34,887,041**	29,104,420
	36,221,312	29,649,985

28. 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.

During 2015, the Company entered into a facility agreement for an aggregate value of up to $30 million ("aggregate subscription price") with CITIC –GEMS fund a natural resources fund created by Global Emerging Markets ("GEM") and CITIC, whereby the Company can raise funds by committing CITIC-GEM Fund to purchase common shares of the Company.

As part of this facility agreement, the Company signed a promissory note to pay CITIC-GEM fund a commitment fee of 2% of this facility (CA$600,000) if and when it withdraws any amount on activating this facility. This fee is payable pro-rata in the same proportion as proceeds withdrawn on each subscription divided by the aggregate subscription price.

As of December 31, 2015, the Company has not activated this facility and therefore the commitment has no accounting impact on the consolidated financial statements as of December 31, 2015.

29. SUBSEQUENT EVENTS

On January 13, 2016, at the Company's Annual General Meeting, a majority of disinterested shareholders formally approved the conversion of CRME loan into CRME common shares at USD 0.30 per share. As a result of this conversion, the Company received 2,837,982 shares of CRME which increased its shareholding in CRME to 14.22% [December 31, 2015: 12.81%].