CAMINO MINERALS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2015
(Expressed in Canadian Dollars)

#2300- 1055 Dunsmuir Street, Vancouver, B.C., CANADA, V7X 1L4
Phone: (604) 558-1784

November 27, 2015

Independent Auditor's Report

To the Shareholders of Camino Minerals Corporation

We have audited the accompanying consolidated financial statements of Camino Minerals Corp, which comprise the consolidated statement of financial position as at July 31, 2015 and July 31, 2014 and the consolidated statements of income (loss), comprehensive income (loss), cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 Camino Minerals Corp as at July 31, 2015 and July 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

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CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars

	Notes	July 31, 2015 $	July 31, 2014 $
ASSETS			
Current assets			
Cash and cash equivalents		943,310	249,837
Receivables	5	329,053	10,585
Deposits and prepaid expenses		56,428	55,196
Total current assets		1,328,791	315,618
Non-current assets			
Fixed assets	7	79,919	34,161
Mineral interests	8	1,224,385	1
		1,304,304	34,162
Total Assets		2,633,095	349,780
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		165,598	56,990
Total liabilities		165,598	56,990
EQUITY			
Share capital	9	17,872,736	16,388,981
Subscription receivable	9	(24,100)	-
Reserves	9	12,220,615	12,220,615
Share based payment reserves	9	1,840,101	1,662,116
Warrant reserves	9	787,370	458,836
Accumulated other comprehensive income		59,964	238,551
Deficit		(30,289,189)	(30,676,309)
Total equity		2,467,497	292,790
Total Equity and Liabilities		2,633,095	349,780

These consolidated financial statements are authorized for issuance by the Board of Directors on November 25, 2015

On behalf of the Board:

Peter DeVisser	*Ken McNaughton*
Peter DeVisser	Ken McNaughton
(Chairman of Audit Committee)	(Director)

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

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
Expressed in Canadian dollars

	Notes	Year ended July 31, 2015 $	Year ended July 31, 2014 $
EXPENSES			
Amortization	7	1,861	14,322
Consulting		4,436	-
General and administrative		21,486	56,563
General exploration		75,121	115,012
Insurance		35,650	33,029
Investor relations		3,631	51,914
Listing and filing fees		11,900	44,998
Professional fees		43,998	79,511
Rent		38,018	132,245
Salaries and wages		43,182	308,287
Share based compensation	9	144,083	29,070
Shareholder relations		10,200	6,676
Transfer agents		23,615	10,380
Travel		-	120
Loss before other items		(457,181)	(882,127)
Gain on disposal of assets	7	8,438	-
Gain on disposal of subsidiaries	6	592,014	-
Foreign exchange gain		243,523	4,650
Interest income		326	6,542
Mineral interests write-down	8	-	(7,886,651)
Write down of capital assets	7	-	(25,941)
VAT write-down		-	(110,661)
Net income (loss) for the year		387,120	(8,894,188)
Basic and diluted income (loss) per common share	9	0.03	(0.92)

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

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Expressed in Canadian dollars

	Year ended July 31, 2015 $	Year ended July 31, 2014 $
Net income (loss) for the year	387,120	(8,894,188)
Other comprehensive loss for the year – items that may be reclassified to the statement of loss:		
Currency translation adjustment	43,607	321,810
Reclassification to profit and loss on disposal of subsidiaries	(222,194)	-
Net comprehensive income (loss) for the year	208,533	(8,572,378)

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

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian dollars

	Notes	Year ended July 31, 2015 $	Year ended July 31, 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) for the year		$ 387,120	$ (8,894,188)
Items not affecting cash:			
Amortization	7	1,861	14,322
Gain on disposal of subsidiaries	6	(592,014)	-
Foreign exchange		(17,429)	-
Foreign exchange on disposal of subsidiaries	6	(222,194)	-
Share based compensation	9	144,083	29,070
Write-off of fixed assets	7	-	25,941
Gain on disposition of fixed assets	7	(8,438)	-
Write-off of mineral interests	8	-	7,886,651
VAT write-off recovery		-	110,661
Change in non-cash working capital items:			
Receivables		(8,809)	15,889
Prepaid expenses		(1,232)	6,393
Accounts payable and accrued liabilities		(111,303)	(4,186)
Net cash used in operating activities		(428,355)	(809,447)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received on acquisition of Minquest	4	6,603	-
Change in value added tax recoverable		-	(39,899)
Expenditures on mineral interests	8	(488,320)	(464,963)
Proceeds on sale of subsidiaries	6	291,253	-
Proceeds on sale of property, plant and equipment	7	41,516	-
Purchase of property, plant and equipment	7	(30,611)	-
Net cash used in investing activities		(179,559)	(504,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued	9	1,341,400	-
Share issue costs	9	(53,211)	-
Net cash provided by investing activities		1,288,189	-
Foreign exchange rate changes on cash and cash equivalents		13,198	25,180
Change in cash and cash equivalents for the year		693,473	(1,289,129)
Cash and cash equivalents, beginning of year		249,837	1,538,966
Cash and cash equivalents, end of year		$ 943,310	$ 249,837

During the year ended July 31, 2015, $95,420 (2014 - $nil) of mineral property expenditures are included in accounts payable.

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

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian dollars

	Common shares								
	Number of shares	Amount $	Subscription receivable $	Reserves $	Share-based payments reserve $	Warrant reserves $	Accumulated currency translation difference $	Deficit $	Total $
Balance – August 1, 2014	9,626,509	16,388,981	-	12,220,615	1,662,116	458,836	238,551	(30,676,309)	292,790
Value assigned to options granted	-	-	-	-	177,985	-	-	-	177,985
Private placements	9,652,500	1,029,806	(24,100)	-	-	335,694	-	-	1,341,400
Issuance costs	-	(46,051)	-	-	-	(7,160)	-	-	(53,211)
Acquisition of Minquest (Note 4)	5,000,000	500,000	-	-	-	-	-	-	500,000
Allocation to AOCI on disposal of subsidiaries	-	-	-	-	-	-	(222,194)	-	(222,194)
Other comprehensive gain	-	-	-	-	-	-	43,607	-	43,607
Income for the year	-	-	-	-	-	-	-	387,120	387,120
Balance – July 31, 2015	24,279,009	$ 17,872,736	$ (24,100)	$ 12,220,615	$ 1,840,101	$ 787,370	$59,964	$(30,289,189)	$2,467,497

	Common shares								
	Number of shares	Amount $	Subscription receivable $	Reserves $	Share-based payments reserve $	Warrant reserves $	Accumulated currency translation difference $	Deficit $	Total $
Balance – August 1, 2013	9,626,509	16,388,981	-	12,220,615	1,620,256	458,836	(83,259)	(21,782,121)	8,823,308
Value assigned to options granted	-	-	-	-	41,860	-	-	-	41,860
Other comprehensive gain	-	-	-	-	-	-	321,810	-	321,810
Loss for the year	-	-	-	-	-	-	-	(8,894,188)	(8,894,188)
Balance – July 31, 2014	**9,626,509**	**$16,388,981**	-	**$12,220,615**	**$1,662,116**	**$458,836**	**$238,551**	**$(30,676,309)**	**$292,790**

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

1. NATURE OF OPERATIONS

Camino Minerals Corporation ("Camino" or "the Company") is an exploration stage company that is engaged in the exploration and development of mineral properties. The Company is incorporated and domiciled in British Columbia, Canada. The address of its registered and head office is 2300 – 1055 Dunsmuir Street, Vancouver, B.C., V7X 1L4.

These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. At July 31, 2015, the Company has a working capital of $1,163,193 (2014 - $258,628), an accumulated deficit of $30,289,189 (2014 - $30,676,309) and has incurred losses since inception. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of mineral interest, secure and maintain title to properties and upon future profitable production. There can be no assurance that the Company will be able to raise additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and evaluation activities.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

These consolidated annual financial statements have been prepared on a historical cost basis and includes the accounts of the Company and the entities it controls.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries Minquest Peru SAC ("Minquest") and Recursos Mineros Rojo S.A. de C.V. ("RMR"). All intercompany transactions and balances have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) Basis of Consolidation (Cont'd)

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Minquest Peru SAC	Peru	100%	Holds mineral interests in Peru
Recursos Mineros Rojo S.A. de C.V.	Mexico	100%	Holds Rodeo claim in Mexico

d) Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period relate to, but are not limited to, the following:

i. *Impairment of Mineral Interests* - The assessment of impairment indicators involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties and the results of exploration to date. In the year-ended July 30, 2014, the Company ceased exploration activities in Mexico and wrote down the carrying value of its mineral interests to $1.

e) Segment Reporting

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral interests.

f) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct expenditures associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Amortization is calculated over the useful life of the asset at rates ranging from 15% to 30% per annum once the asset is available for use. Amortization charges on assets that are directly related to mineral properties are allocated to that mineral property.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Foreign currencies

The Company's functional and reporting currency is the Canadian dollar. The functional currency of Minquest is the Peruvian Sol and the functional currency of RMR and is the Mexican Peso.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of Minquest and RMR are translated into the Canadian dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and accumulated in equity.

h) Mineral interests

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred, to general exploration. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets

Mineral property acquisition costs are included in exploration and evaluation and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest, as described in note 2(i). Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i) Impairment of non-current assets

At each reporting period, management reviews mineral interests and property, plant and equipment for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

j) Share-based payment transactions

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and recorded as an expense over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share based payment is recognized as an expense or capitalized to mineral interests with a corresponding increase in share-based payment reserves. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserves amount is transferred to share capital.

k) Provision for closure and reclamation

A liability for site reclamation is recognized on a discounted cash flow basis when it is probable that the Company will have a future obligation for remediation and a reasonable estimate of the obligation can be made. The provision is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time, adjustments for changes in the current market-based discount rate and from revisions to either expected payment dates or the amounts comprising the original estimate of the obligation.

The Company has no material restoration, rehabilitation and environmental costs as disturbances to date are minimal.

l) Loss per share

Loss per common share is calculated using the weighted average number of common shares outstanding. Diluted loss per share is not presented as it is anti-dilutive. For the year ended July 31, 2015, 2,021,000 outstanding stock options (2014 – 558,500) and 4,002,500 (2014 – 1,561,500) outstanding warrants were not included in the calculation of diluted earnings (loss) per share as their inclusion would be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

m) Value added tax ("VAT")

Valued added tax ("VAT") credit refundable is from the Government of Peru. VAT receivables from Peru are capitalized to mineral interests given the uncertainty in collection.

n) Share Capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to their relative fair value. The Fair value of the warrant is determined using the Black-Scholes option pricing model, while fair value of the share is based on the market value at the time of issuance. The relative value of the share component is credited to share capital and the relative value of the warrant component is credited to warrant reserves. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve is recorded as an increase to share capital. For those warrants that expire, the recorded value is transferred from reserve for warrant reserves to contributed surplus.

o) Income taxes

Any income tax on profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates at the end of the reporting year applicable to the year of expected realization.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

p) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost using the effective interest method less any impairment. Loans and receivables are comprised of cash and cash equivalents and trade and other receivables.

iii. Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivative assets that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized in other comprehensive income and classified as a component of equity. AFS assets include marketable securities and other investments consisting of shares of other entities.

Management assesses the carrying value of AFS financial assets at each reporting period and any impairment charges are also recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

iv. Financial liabilities

The Company's financial liabilities are classified as borrowings and other financial liabilities.

Borrowings and other financial liabilities are non-derivative liabilities and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

Expressed in Canadian dollars

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

New standards, amendments and interpretations to existing standards not adopted by the Company

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after July 1, 2015 or later periods.

(i) Effective for annual periods beginning on or after January 1, 2018
- New standard IFRS 9, *Financial Instruments, Classification and Measurement*, addresses classification and measurement of financial assets and will replace IAS 39, *"Financial Instruments: Recognition and Measurement."* IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, it is at fair value through profit and loss.

The Company plans to adopt these standards as soon as they become effective for the Company's. Adoption of this standard is expected to have minimal impact on the Company's financial statements.

4. ACQUISITION OF MINQUEST

On November 18, 2014, the Company announced that it has entered into an agreement (the "Agreement") to acquire all of the issued and outstanding shares of Minquest Peru SAC ("Minquest"). Minquest is a Peruvian corporation that owns the Plata Dorada copper, gold, silver property in the Department of Cuzco, Peru.
Under the terms of the Agreement, the Company acquired all the shares of Minquest for consideration of 5,000,000 common shares of Camino. The transaction closed on January 22, 2015 and was accounted for as an asset acquisition.

The purchase consideration consisted of 5,000,000 shares of Camino valued at $500,000 and transaction costs of $126,479 for total purchase consideration of $626,479. The total purchase consideration has been allocated as follows:

Cash and cash equivalents	$	6,603
Accounts receivable and prepaids		7,497
VAT receivable		59,723
Equipment		62,834
Plata Dorada property		563,488
Accounts payable		(73,666)
Purchase price	$	626,479

Expressed in Canadian dollars

5 RECEIVABLES

The Company's receivables, prepaids and advances are as follows:

	July 31, 2015	July 31, 2014
GST receivable	$ 20,336	$ 10,585
Other receivables	7,956	-
Receivable on disposal of subsidiary (Note 6)	300,761	-
Total	$ 329,053	$ 10,585

6. DISPOSITION OF SUBSIDIARIES

During the year ended July 31, 2015, the Company sold Rojo Resources, a wholly owned Mexican subsidiary to a private mining syndicate for total consideration of $473,974 to be received in monthly installments through December 22, 2015. As at July 31, 2015, $300,761 of the consideration remained outstanding.

In a separate transaction, the Company sold certain assets related to its interest in Compania Minera El Secreto S.A. de C.V. ("CMES") to a private Mexican Company for approximately $118,040. As a result of this transaction, CMES was disposed.

Total proceeds on disposal of subsidiaries are $592,014, which is recognized as a gain on disposal of subsidiaries. As a result of this disposal, $222,194 of cumulative translation adjustment was released from accumulated other comprehensive income and recognized as foreign exchange gain on the statement of profit and loss.

7. FIXED ASSETS

	Computer Equipment	Furniture and office	Leasehold improvements	Machinery and equipment	Total
Balance, July 31, 2013	**$ 8,649**	**$ 19,537**	**$ 12,290**	**$ 52,878**	**$ 93,354**
Additions	-	-	-	-	-
Depreciation	(2,733)	(2,802)	(5,078)	(20,128)	(30,741)
Write-off/disposal	(4,095)	(15,173)	(6,674)	-	(25,942)
Foreign exchange	(307)	(821)	(538)	(844)	(2,510)
Balance, July 31, 2014	**$ 1,514**	**$ 741**	**-**	**$ 31,906**	**$ 34,161**
Additions	4,224	5,729	-	83,492	93,445
Depreciation	(740)	(312)	-	(16,192)	(17,244)
Disposal	(1,445)	(707)	-	(28,750)	(30,902)
Foreign exchange	472	224	-	(238)	458
Balance, July 31, 2015	**$ 4,025**	**$ 5,676**	**$ -**	**$ 70,218**	**$ 79,919**

During the year ended July 31, 2015, the Company received proceeds of $41,516 (2014 - $nil) primarily from the sale of assets in Mexico.

During the year ended July 31, 2015, depreciation of $1,861 (2014 - $14,322) was recognized in profit and loss and $15,383 (2014 - $nil) was capitalized to mineral interests.

Expressed in Canadian dollars

8. MINERAL INTERESTS

Plata Dorada, Peru

On January 22, 2015, the Company completed the acquisition of Minquest which owns the Plata Dorada copper, gold, silver property in the Department of Cuzco, Peru (Note 4).

Red Beds, Peru

On January 26, 2015, the Company entered into an option agreement pursuant to which the Company may acquire a 100% interest in the Red Beds copper and silver project ("Red Beds") located in the Department of Cuzco, Peru.

Under the terms of the option agreement, the Company has agreed to pay a total of US $280,000 in staged cash payments as follows:

Date for option payment		Amount USD
On execution of the option agreement (paid)	$	40,000
Upon final registration of the claims (paid)		40,000
12 months after the date of the final registration of the claims		100,000
24 months after the date of the final registration of the claims		100,000
TOTAL:	$	280,000

Saddleback and Lost Cabin, U.S.A

On February 3, 2015, the Company signed option agreements with La Cuesta International Inc., pursuant to which the Company may acquire a 100% interest in the Saddleback Project ("Saddleback") located in the states of Arizona and New Mexico, and the Lost Cabin Project, ("Lost Cabin") located in the state of Oregon. The terms of the individual property option agreements are the same for both Saddleback and Lost Cabins. Under the terms of the agreements, the Company has the right to earn 100% interest in the Properties, subject to a 1.5% Net Smelter Royalty ("NSR"), by issuing 200,000 common shares of the Company, and by making staged advanced NSR payments as follows:

Date for option payment	Amount USD
On execution of the option agreement ("effective date") (paid)	$ 1,500
12 months after effective date	$ 5,000
18 months after effective date	$ 5,000
24 months after effective date	$ 10,000
30 months after effective date	$ 10,000
36 months after effective date	$ 15,000
40 months after effective date	$ 20,000
48 months after effective date and every 6 months after	$ 20,000

When the aggregate NSR payments, including advance and productions payments exceed US$5,000,000, the payable NSR will reduce from 1.5% to 0.75%.

During the year ended July 31, 2015, the Company decided not to pursue the Saddleback project and has consequently expensed all Saddleback related costs as general exploration expenditures.

Subsequent to the year ended July 31, 2015, the Company issued 200,000 common shares for the Los Cabins project.

Expressed in Canadian dollars

8. MINERAL INTERESTS (Cont'd)

Rodeo gold project, Durango State, Mexico

In fiscal 2003, the Company entered into a lease with an option to purchase a 100% interest in the Rodeo property located north of Durango, Mexico. Under the terms of the agreement with La Cuesta International Inc., owner of the Rodeo property, the Company may make staged payments of US$5,000 (paid on acquisition); the greater of US$5,000 or 2% of all direct exploration expenditures payable every six months (paid to date) thereafter and a 0.25% net smelter royalty. The maximum amount payable in respect of this agreement is US$500,000. At July 31, 2014, a total of US$139,783 was paid in respect to this agreement. During the fiscal year ended July 31, 2014, the Company determined that it would discontinue exploration activities in Mexico. All land claims, except for parts of the Rodeo claim were dropped. As a consequence of this decision, the Company wrote off its Mexican properties to a nominal value of $1.

Expenditures on the Company's mineral interests are summarized as follows:

	Plata Dorado $	Red Beds $	Los Cabins $	Rodeo $	Total $
Balance, July 31, 2014	-	-	-	1	1
Acquisition	563,488	46,633	1,630	-	611,751
Amortization	737	14,646	-	-	15,383
Assaying	-	17,528	-	-	17,528
Community relations	2,694	68,185	-	-	70,879
Consulting	32,400	18,290	-	-	50,690
Drilling	10,747	-	-	-	10,747
Field and office supplies	-	48,062	-	-	48,062
Field work	-	42,386	-	-	42,386
Geology and prospecting	28,708	3,048	-	-	31,756
Mining rights and fees	14,798	88,743	-	-	103,541
Salaries	37	73	-	-	110
Share-based compensation	1,624	32,278	-	-	33,902
Subsidiary overhead allocation	3,508	87,438	-	-	90,946
Travel	299	26,054	-	-	26,353
Exploration costs for the year	95,552	446,731	-	-	542,283
Valued-added tax	16,255	75,997	-	-	92,252
Currency translation adjustment	(20,507)	(1,395)	-	-	(21,902)
Balance, July 31, 2015	654,788	567,966	1,630	1	1,224,385

Expressed in Canadian dollars

8. MINERAL INTERESTS (Cont'd)

	Rodeo $	**Mecatona** $	**Maijoma** $	**El Secreto** $	**Total** $
Balance, July 31, 2014	3,427,342	786,550	990,252	2,011,996	7,216,140
Acquisition	-	-	-	-	-
Assaying	-	-	15,880	14,350	30,230
Amortization	2,022	1,310	12,699	1,970	18,001
Claim taxes	27,307	17,691	24,055	653	69,706
Consulting	-	-	21,485	4,330	25,815
Drilling	-	-	86,639	-	86,639
Engineering and drafting	-	-	210	-	210
Field and office supplies	-	-	17,601	6,524	24,125
Finder fees	5,300	5,300	5,426	-	16,026
Geology and prospecting	-	-	799	-	799
Salaries	-	-	31,837	677	32,514
Share-based compensation	1,478	958	9,284	1,440	13,160
Subsidiary overhead allocation	4,447	2,881	27,929	8,690	43,947
Travel	-	-	10,116	5,105	15,221
Exploration costs for the period	40,554	28,140	263,960	43,739	376,393
Currency translation difference	123,655	29,362	77,836	63,266	294,119
Write-off of mineral properties	(3,591,550)	(844,052)	(1,332,048)	(2,119,001)	(7,886,651)
Balance, July 31, 2014	1	-	-	-	1

9. CAPITAL AND RESERVES

Authorized Share Capital

At July 31, 2015, the authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value.

On January 22, 2015, the Company completed a non-brokered private placement consisting of 5,650,000 common shares at $0.10 per share, for aggregate gross proceeds of $565,000.

On July 16, 2015, the Company completed a non-brokered private placement consisting of 4,002,500 units at a price of $0.20 per unit for gross proceeds of $800,500, with each unit being comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.25 per common share until January 17, 2017. The warrants are subject to an acceleration right in favour of the Company: should the closing price of the common shares of the Company on the TSX Venture Exchange be $0.35 or higher for ten consecutive trading days, the Company will be entitled to accelerate the expiry of the warrants to the date that is 30 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right. As at July 31, 2015, $24,100 (2014 - $nil) remained as subscription receivable.

Total cash share issuance costs of $53,211 was paid in connection with the private placements during the year ended July 31, 2015.

Expressed in Canadian dollars

9. CAPITAL AND RESERVES (Cont'd)

Basic and diluted earnings/(loss) per share

The calculation of basic and diluted loss per share is based on the following:

	Year ended July 31, 2015	Year ended July 31, 2014
Gain (loss) attributable to common shareholders	387,120	$ (8,894,188)
Weighted average number of common shares outstanding for calculation of earnings/(loss) per share	14,588,910	9,626,509

Share Option Plan

The Company has a share option plan for its employees, directors, officers and consultants. The plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

For the year ended July 31, 2015, the Company granted 1,575,000 (2014 – 252,000) stock options at an exercise price of $0.20 (2014 - $0.70) to employees, directors and consultants for a life of 5 years and a vesting period of 1.5 years, with 25% vesting immediately and 25% vesting every six months from the date of grant.

For the year ended July 31, 2015, stock based compensation of $144,083 (2014 - $29,070) was recognized in profit and loss. In addition, stock based compensation of $33,902 (2014 - $nil) was capitalized to mineral interests.

Continuity of share purchase options for the years ended July 31, 2015, 2014 and 2013 are as follows:

	Options Outstanding	Weighted Average Exercise Price $
At July 31, 2013	591,500	2.60
Granted	252,000	0.70
Forfeited	(285,000)	2.10
At July 31, 2014	558,500	1.90
Granted	1,575,000	0.20
Expired	(112,500)	2.06
At July 31, 2015	2,021,000	0.57

The fair value of stock options granted in 2015 was estimated based on the Black-Scholes option pricing model using a share price of $0.20 (2014- $0.20), volatility of 198.83% (2014 – 120.18%) risk free interest rate of 0.59% (2014 – 1.53%), expected life of 5 years (2014 - 5 years) and expected dividend yield of nil (2014 – nil). The weighted average fair value of options granted in 2014 was $0.19 (2014 - $0.14).

Option pricing models require the input of subjective assumptions including the expected price volatility, and expected option life. Changes in these assumptions could have a significant impact on the grant date fair value calculation.

Expressed in Canadian dollars

9. CAPITAL AND RESERVES (Cont'd)

The following table summarizes information about stock options outstanding and exercisable at July 31, 2015:

Exercise Price $	Option Outstanding	Weighted Average Remaining Life (years)	Expiry Dates (mm/dd/yyyy)	Options exercisable
0.20	1,575,000	4.73	4/20/2020	393,750
0.70	177,000	3.33	11/26/2018	132,750
1.00	107,000	2.48	1/24/2018	107,000
1.80	62,000	1.26	11/3/2016	62,000
3.60	15,000	0.11	9/9/2015	15,000
5.30	85,000	0.33	11/30/2015	85,000
At July 31, 2015	2,021,000	4.33		795,500

During the year ended July 31, 2015, the Company issued 4,002,500 warrants as part of the private placement which closed on July 16, 2015. The Company has recorded the value of these warrants at $328,534 (2014 - $nil), net of share issuance costs of $7,159 (2014 - $nil) based on the relative fair value method against warrant reserves.

The fair value of warrants granted in 2015 was estimated using the Black-Scholes option pricing model using a weighted average volatility of 183.84%, a risk free interest rate of 0.40%, expected life of 1.5 years and expected dividend yield of nil. The weighted average fair value of warrants granted in 2015 was $0.13.

Continuity of share purchase warrants for the year ended July 31, 2015 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price $
At July 31, 2014 and 2013	1,561,000	1.00
Issued	4,002,500	0.25
Expired	(1,561,000)	1.00
At July 31, 2015	4,002,500	0.25

Expressed in Canadian dollars

10. RELATED PARTIES

Key management personnel compensation

Compensation	2015 $	2014 $
Salaries and benefits (i)	-	263,056
Share-based payments (ii)	118,283	34,322
Termination benefits (iii)	-	13,255
	$118,283	$ 310,633

(i) There were no post-employment benefits or other long-term employment benefits paid to key management in either 2015 or 2014.
(ii) Share-based payment is the fair value of options granted and vested.
(iii) Termination benefits were paid to a key management personnel during the fiscal year ended July 31, 2014.

Key management personnel include the Company's directors and officers.

During the year ended July 31, 2015, the Company incurred $102,327 in expense reimbursements to the Company's CEO in relation to the acquisition of Minquest (Note 4). These costs were classified as part of transaction costs. As at July 31, 2015, $50,925 of expense reimbursements remain in accounts payable.

Expressed in Canadian dollars

11. DEFERRED INCOME TAXES

The following is a reconciliation of income taxes using the Canadian federal and provincial statutory income tax rates:

	2015	2014
	$	$
Net income/(loss) for the year, before taxes	387,120	(8,894,188)
Statutory tax rate	26%	26%
Expected income tax expense/(recovery)	100,651	(2,312,489)
Net adjustment for deductible/non-deductible amounts	(952,443)	852,041
Change in tax rate	948	(55,100)
Unrecognized benefit of non-capital losses	850,844	1,515,548
Income tax expense (recovery), net	-	-

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	2015	2014
	$	$
Deferred income tax assets (liabilities):		
Mineral interests	(163,000)	-
Equipment	1,000	1,001
Tax loss carry-forwards	1,749,000	2,882,501
Capital losses	786,000	-
Share issuance costs	10,000	-
Amounts not recognized	(2,383,000)	(2,883,502)
Net deferred income tax liabilities	-	-

The Company has Canadian capital losses of approximately $3 million (2014 - $nil) and non-capital losses of approximately $4.8 million (2014 - $4.5 million), Peru non-capital losses of approximately $1 million (2014 - $nil) and Mexican non-capital losses of approximately $600,000 (2014- $6.6 million), which are available to reduce future taxable income and which expire between 2031 and 2035.

12. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to credit risk, liquidity risk and interest rate risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

12. FINANCIAL RISK MANAGEMENT (Cont`d)

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements (excluding cash) represents the Company's maximum exposure to credit risk

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

None of the financial assets of the Company are either past due or impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. For additional information related to liquidity reference should be made to Note 1.

(d) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned. As at the statement date, a 1% change in interest rates would not be material to the financial statements.

(e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, which comprises of share capital, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. From time to time the Company may issue additional equity to meet its capital requirements.

(f) Fair Value

The carrying value of the Company's financial assets and liabilities approximate their fair value due to their short-term maturity or capacity of prompt liquidation.

(g) Foreign Currency Risk

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company operates projects in more than one country. As a result a portion of the Company's cash, accounts receivable, accounts payable and accruals are denominated in U.S. Dollars, Mexican Pesos and Peruvian Solas and are therefore subject to fluctuation in exchange rates. As at July 31, 2015, a 1% change in the exchange rate between the Canadian and U.S. dollar or the Canadian dollar and Peruvian Solas and Mexican Pesos would not be material.

Expressed in Canadian dollars

13. FINANCIAL INSTRUMENTS (Cont`d...)

The Company's financial instruments consist of cash, amounts receivable and accounts payable. They are designed as follows:

- Loans and receivables: cash and cash equivalents, amounts receivable
- Other financial liabilities: accounts payable

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company currently does not have any financial instruments recorded at fair value. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximate fair value.

14. SEGMENT INFORMATION

The Company operates in the acquisition and exploration of mineral properties. Non-current assets by geographic location are as follows:

	Total non-current assets at	
	July 31, 2015 $	July 31, 2014 $
Canada	-	2,153
U.S.A	1,630	-
Mexico	1	32,008
Peru	1,222,754	-
Total	1,224,385	34,161

CAMINO MINERALS CORPORATION
(the "Company")

Management Discussion & Analysis for the year ended July 31, 2015

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of our Company and compares our year ended July 31, 2015 financial results with those of the comparable period of the previous year and is current as of November 27, 2015.

In order to better understand the MD&A, it should be read in conjunction with the latest audited annual consolidated financial statements of Camino Minerals Corporation and related notes as well as the consolidated interim financial statements for the year ended July 31, 2015. Camino Minerals Corporation's accounting policies are described in note 2 of the Company's annual audited consolidated financial statements.

We prepare and file with various Canadian regulatory authorities our consolidated financial statements and MD&A in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

The Company's shares are listed on the TSX Venture Exchange under the symbol COR.

OUR BUSINESS

We are a discovery-orientated mineral exploration company originally formed in connection with Goldcorp Inc.'s C$300-million acquisition of Canplats Resources Corp. The Company is focused on the acquisition and development of high grade copper, silver and gold projects.

Operations

On November 18, 2014, the Company announced that it has entered into an agreement (the "Agreement") to acquire all of the issued and outstanding shares of Minquest Peru SAC ("Minquest"), a private Peruvian corporation that has been conducting grassroots exploration in

Peru for three years and holds a database of a number of other prospects resulting from its exploration programs.

Under the terms of the Agreement, the Company acquired all the issued and outstanding shares of Minquest. The Company issued 5,000,000 shares of the Company to the founders of Minquest. The transaction completed on January 22, 2015.

The ongoing exploration activities in Peru will continue to be managed by Ken Konkin and Jorge Arevalo, who together with Ken McNaughton and Joe Ovsenek, directors of the Company, are the founders of Minquest.

Exploration

Peruvian Properties

Plata Dorado

The Plata Dorada property is located in the Department of Cuzco, Peru. Minquest purchased 100% interest in the Hithza II, and IV claims in late 2012 for the sum of US$25,000. These claims covered the known showings in the area, and totaled 300 hectares. Shortly after acquisition, Minquest expanded the property by staking 3 additional claims, totalling 1,500 hectares. In December 2014, subsequent to announcing the Company's acquisition of Minquest, one additional claim was staked, totalling 300 hectares. The Company acquired the Plata Dorado Property when it acquired Minquest in November, 2014.

Plata Dorada now consists of 6 claims totalling 2,100 hectares (5,190 acres), and is located 158 kilometers east of the city of Cuzo, approximately 2.5 hours drive on paved highway. The property is underlain by Ordovician age continental sediments of the Sandia Formation. These include argillites, sandstones and shales, which have undergone weak regional metamorphism to slates and schists. Immediately south-east of the property lies a large granitic intrusion which is Triassic-Permean in age.

The mineralization found to date consists of structurally hosted, meso-thermal quartz sulphide veins. Two poly-metallic veins have been located to date which strike roughly north-south, dip to the east between 45 degrees and 85 degrees, and have exposed strike length of the veins varying from 150 to 400 metres, and widths ranging from 0.5 to 1.5 metres. The mineralization consists of quartz, massive pyrite, argentiferous galena, chalcopyrite, bornite, stibnite, and arsenopyrite. Limited surface sampling to date has returned metal values from 0.3% to 8.7% copper, 70 ppm to +1,500 ppm silver, and trace to 2.1 ppm gold.

The Company has signed an access agreement with the local community that covers the known mineral showings. Over the next few months, work will focus on improving the road access to the mineralization in preparation for a diamond drill program later in the year.

Red Beds

On January 26, 2015, the Company announced that it had entered into an option agreement pursuant to which the Company can acquire a 100% interest in the Red Beds copper and silver project ("Red Beds") located in the Department of Cuzco, Peru. Under an option agreement with Messrs. Máximo Roger Barrios, Carlos Eduardo Barrios, and Roger Alejandro Barrios (collectively the "Vendors"), the Company can acquire a 100% interest in Red Beds located in the Department of Cuzco, Peru.

Red Beds consists of three mineral concessions covering 2,500 hectares (6,175 acres) and is located approximately 150 kilometers south-east of the city of Cuzco, about 2.5 hours' drive on paved highway. Subsequent to signing the option agreement, the company has located an additional 7 claims totaling 2,800 hectares (6,919 acres). The property now consists of 10 claims totalling 5,300 hectares (13,097 acres). The region is covered by hematite rich marine sediments, locally consisting of dolomitic mudstone, siltstone and sandstone. On the Property, there are at least 12 sub-parallel mineralized beds, ranging in thickness from 0.4 meters to 3.0 meters which are exposed over lengths of 1 to 5 kilometers. The mineralized beds are visually distinct from the surrounding rocks due to their bleached apple green color resulting from moderate to intense albite-quartz-chlorite alteration. Within these beds, aggregates of primary chalcocite and secondary malachite mineralization are intergrown with the albite-quartz alteration. Prospecting along strike of the mineralization has returned values ranging from 0.5% copper to 11.3 % copper, and from 7.0 gpt silver to 106 gpt silver.

Under the terms of the option agreement, the Company has agreed to pay a total of US$280,000 in staged cash payments as follows:

Date for Option Payment	**Amount USD**
On execution of the option agreement (paid)	$40,000
Upon final registration of the claims (paid)	$40,000
12 months after the date of the final registration of the claims	$100,000
24 months after the date of the final registration of the claims	$100,000

In March, 2015, field crews were mobilized and identified nine additional beds of high grade copper-silver mineralization; five in the northeast portion of the property, and four in the south. Of the five beds found in the northeast, three have been traced on surface for between 1.0 and 1.5 kilometers before the mineralization disappears under cover to the west. Copper values generally ranged between 1.0 % and 4.0% over exposed widths of 0.4 meters to 1.5 meters. These beds appear to correlate with some of the previously located beds that cross a ridge lying 3 kilometers to the west.

In the southern section of the property, sampling along the crest of the central ridge located four relatively closely spaced beds, which returned copper values between 2.5% and 4.0%. Sampling at the base of the ridge two kilometers to the east, located blocks of mineralization with similar characteristics and grades. Additional sampling across the project has been ongoing and results will be reported when they are available. A plan showing the location of the surface sampling is available on the Company website.

The Company has signed an access agreement with the local community that covers the majority of the Red Beds Property.

On July 16, 2015, the Company completed a non-brokered private placement consisting of 4,002,500 units at a price of $0.20 per unit for gross proceeds of $800,500, with each unit being comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.25 per common share until January 17, 2017. The warrants are subject to an acceleration right in favour of the Company: should the closing price of the common shares of the Company on the TSX Venture Exchange be $0.35 or higher for ten consecutive trading days, the Company will be entitled to accelerate the expiry of the warrants to the date that is 30 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right.

Other Properties

On February 5, 2015, the Company announced that it had signed option agreements with La Cuesta International Inc. Pursuant to which the Company can acquire a 100% interest in the Saddleback Project ("Saddleback") located in the states of Arizona and New Mexico, and the Lost Cabin Project, ("Lost Cabin") located in the state of Oregon.

Saddleback lies in the northwestern sector of the historic Steeple Rock mining district, New Mexico and Arizona, south west of the Morenci open-pit copper mine operated by Freeport McMoRan. The area of interest covers a very large zone of intense low-pH hydrothermal alteration situated in a geological setting considered to be prospective for epithermal precious metal mineralization of economic importance. The exploration target at Saddleback will be the discovery of high-grade, epithermal Au-Ag ± base metals (polymetallic) vein deposits at depth along multiple highly-altered, and locally-gold-silver anomalous fault structures.

Lost Cabin is located north east of Lakeview, Oregon, with excellent access. On surface, steeply dipping, fault-hosted vein structures cut areas of widespread clay and propylitic alteration in volcanic rocks. The large alteration zone is on the SE margin of a mid-Tertiary stratovolcano and associated domes. Favorable structures show linear zones of clay±sericite±FeOx±quartz alteration along with highly anomalous gold and silver, arsenic values. The geology at Lost Cabin has been interpreted to be the high-level expression of a low-to-intermediate sulfidation epithermal vein system. The exploration target at Lost Cabin will be the discovery of high-grade gold, silver (+base metals) mineralization at depth.

The terms of the individual property option agreements are the same for both Saddleback and Lost Cabins. Under the terms of the agreements, Camino has the right to earn 100% interest in the Properties, subject to a 1.5% Net Smelter Royalty ("NSR"), by issuing 200,000 common shares of Camino, and by making staged advanced NSR payments as follows:

Date for Option Payment	**Amount USD**
On execution of the option agreement (the "Effective Date")	$1,500
12 months after Effective Date	$5,000
18 months after Effective Date	$5,000
24 months after Effective Date	$10,000
30 months after Effective Date	$10,000
36 months after Effective Date	$15,000
40 months after Effective Date	$20,000
48 months after Effective Date and every 6 months thereafter	$20,000

When the aggregate NSR payments, including advance and productions payments, exceeds US$5,000,000, the payable NRS will reduce from 1.5% to 0.75%. For each of the Properties, Camino has agreed to issue 200,000 common shares of Camino, within 4 months of the Effective Date of the agreements. The issued shares will be subject to a 4 month hold period beginning on the date of issue.

The completion of the option remains subject to receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

In May 2015, the Company has determined that it will not be proceeding with the Saddleback property option and accordingly, will not issue the 200,000 common shares for the Saddleback property.

On November 24, 2015, the Company issued 200,000 as part of the property payment for the Los Cabins property.

Mexico Properties

The Company has no further exploration plans on the properties in Mexico. On May 19, 2015, the Company received proceeds of MXP $1,472,889 for sale of certain assets to a private Mexican Company. In addition, the Company has also sold Rojo Resources, a wholly owned Mexican subsidiary to a private mining syndicate for total consideration of MXP $5,949,135 in monthly installments through December 22, 2015. These two transactions have a combined value of approximately $592,000.

Changes to management and board

On March 17, 2015, the Company announced changes to the Board of Directors and Management. Gordon Davis resigned as Chief Executive Officer and Chairman of the Board however, he will remain on the Board of Directors of the Company. David Watkins resigned from the Board of Directors.

Messrs. Ken McNaughton and Guillermo Lozano were appointed to the Board of Directors. Mr. McNaughton was also appointed as the President and Chief Executive Officer of the Company.

Mr. McNaughton is a professional geological engineer with over 30 years of global experience developing and leading mineral exploration programs. Prior to becoming Vice President, Exploration for Pretium Resources Inc. in 2011, he was Senior Vice President, Exploration for Silver Standard Resources Inc. where he had been responsible for all exploration programs since 1991. These programs included the discovery and delineation of the Camino Rojo deposit for Canplats Resources Corp. in Mexico, as well as several other notable projects in Mexico, Argentina, and Peru.

Mr. Lozano is a professional geologist with over 30 years of experience managing exploration programs in Mexico and the United States. He was Director of Exploration, Mexico for Silver Standard and Canplats from 2003 through 2010, and managed both companies' activities in Mexico.

On April 8, 2015, the Company announced that Joseph Ovsenek had been appointed to the Board of Directors and that James Tutton had resigned from the Board of Directors.

Mr. Ovsenek has over 20 years of management and legal experience leading the growth of public resource companies. He is currently the President of Pretivm Resources Inc., and in this role oversees a broad scope of strategic corporate functions, including financing and project permitting. Prior to joining Pretivm in 2011, Mr. Ovsenek served for 15 years in senior management roles for Silver Standard Resources Inc., most recently as Senior Vice President, Corporate Development.

Selected Annual Information

The following is selected annual financial information for the Company’s three most recently completed years:

	2015 **$**	**2014** **$**	**2013** **$**
Total revenues	Nil	Nil	Nil
General exploration	75,121	115,012	40,666
Operating expenses	457,181	882,127	1,043,264
Gain (Loss) for the year	387,120	(8,894,188)	(1,983,788)
Gain (Loss) per share – basic & diluted	0.03	(0.92)	(0.26)
Total assets	2,633,095	349,780	9,007,284
Total liabilities	165,598	56,990	183,976
Cash dividends declared	Nil	Nil	Nil

Review of Financial Results

Selected Quarterly Financial Data (unaudited)

	7/31/15	**4/30/15**	**1/31/15**	**10/31/14**
Net gain (loss) for the quarter	771,649	(184,385)	$(109,967)	$(90,177)
Loss per share - basic & diluted	0.04	(0.01)	(0.01)	(0.01)
Cash	$943,310	$217,763	$489,010	$208,753

	7/31/14	**4/30/14**	**1/31/14**	**10/31/13**
Net loss for the quarter	$(343,584)	$(8,101,752)	$(213,346)	$ (235,506)
Loss per share - basic & diluted	(0.04)	(0.84)	(0.05)	(0.02)
Cash	$249,837	$434,640	$766,653	$1,155,469

During the three months ended July 31, 2015; the Company recognized a gain of $771,649 compared to a loss of $343,584 for the three months ended July 31, 2014.

Significant items making up the change for the three months ended July 31, 2015 as compared to the three months ended July 31, 2014 were as follows:

- Subsidiaries were disposed of during fiscal 2015, which resulted in an accounting gain of $592,014 (2014 - $nil).
- Salaries decreased by $48,140 due to our efforts to conserve cash by reducing amounts paid to management and the elimination of full-time staff.
- Share-based compensation increased by $50,284 due to the higher valuation of new options granted during the period.
- Rent has decreased by $31,310 in the current period as the Company had moved to a new office space with lower rent.
- The Company did not have a write-off of VAT as compared to a write-off of VAT of $110,661 in the comparative period.
- The Company recognized a foreign exchange gain of $254,300 for the period ended July 31, 2015 rather than a foreign exchange loss of $3,222. The change in foreign exchange was driven by a $222,194 reclassification of CTA from AOCI upon disposal of the subsidiaries.

During the year ended July 31, 2015; the Company recognized a gain of $387,120 compared to a loss of $8,894,188 for the year ended July 31, 2014.

Significant items making up the change in net loss for the year ended July 31, 2015 as compared to the year ended July 31, 2014 were as follows:

- Salaries decreased by $265,105 due to our efforts to conserve cash by reducing amounts paid to management and the elimination of full-time staff.

- Rent has decreased by $94,227 in the current period as the Company moved to a new office space with lower rent.

- Share based compensation increased by $115,013 due to a higher valuation of new options granted during the period.

- Subsidiaries were disposed of during fiscal 2015, which resulted in an accounting gain of $592,014 (2014 - $nil).

- The Company did not have a write-off of mineral interests or VAT as compared to a write-off of mineral interests of $7,886,310 and a write-off of VAT of $110,661 in the comparative period.

- The Company recognized a foreign exchange gain of $243,523 for the period ended July 31, 2015 rather than a foreign exchange gain of $4,650. The change in foreign exchange was driven by a $222,194 reclassification of CTA from AOCI upon disposal of the subsidiaries.

FINANCIAL POSITION AND LIQUIDITY

A summary and discussion of our cash inflows and outflows for the year ended July 31, 2015 and 2014 is as follows:

Operating Activities

The Company spent $428,355 for the year ended July 31, 2015, which is less than the $809,447 spent for the year ended July 31, 2014 primarily due to a decrease in salary and rent paid.

Investing Activities

The Company used $179,559 for the year ended July 31, 2015 and used $504,862 for the year ended July 31, 2014. Although expenditure on mineral interests were fairly similar, $488,320 for 2015 as compared to $464,963 for 2014, the Company’s exploration expenses for 2015 were offset by proceeds received on the sale of subsidiaries of $264,407 and property, plant and equipment of $41,516.

Financing activities

The Company received $1,288,189 of financing during the year ended July 31, 2015 compared to $nil for the year ended July 31, 2014. On January 22, 2015, the Company completed a non-brokered private placement consisting of 5,650,000 common shares of the Company at $0.10 per share, for aggregate gross proceeds of $565,000.

On July 16, 2015, the Company completed a non-brokered private placement consisting of 4,002,500 units at a price of $0.20 per unit for gross proceeds of $800,500, with each unit being comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.25 per common share until January 17, 2017. The warrants are subject to an acceleration right in favour of the Company: should the closing price of the common shares of the Company on the TSX Venture Exchange be $0.35 or higher for ten consecutive trading days, the Company will be entitled to accelerate the expiry of the warrants to the date that is 30 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right. The securities issued under the offering will be subject to a hold period of four months and finders' fees may be payable in connection with the issuance of the securities. The private placement is subject to applicable regulatory approvals, including the approval of the TSX Venture Exchange. Net proceeds of the private placement will be used to fund ongoing exploration, including a diamond drill program at the Red Beds Project, and for general working capital.

Cash Resources and Going Concern

At July 31, 2015, the Company has a working capital of $1,163,193 (2014 - $258,628), an accumulated deficit of $30,289,189 (2014 - $30,676,309) and has incurred losses since inception. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of mineral interest, secure and maintain title to properties and upon future profitable production. There can be no assurance that the Company will be able to raise additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and evaluation activities. These uncertainties raise substantial doubt about the Company’s ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

ADDITIONAL DISCLOSURE

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Related Party Transactions

Key management personnel compensation

Compensation	2015 $	2014 $
Salaries and benefits (i)	-	263,056
Share-based payments (ii)	118,283	34,322
Termination benefits (iii)	-	13,255
	$118,283	$ 310,633

(i) There were no post-employment benefits or other long-term employment benefits paid to key management in either 2015 or 2014.
(ii) Share-based payment is the fair value of options granted and vested.
(iii) Termination benefits were paid to a key management personnel during the fiscal year ended July 31, 2014.

Key management personnel include the Company's directors and officers.

During the year ended July 31, 2015, the Company incurred $102,327 in expense reimbursements to the Company's CEO in relation to the acquisition of Minquest. These costs were classified as part of transaction costs. As at July 31, 2015, $50,925 of expense reimbursements remain in accounts payable.

Critical accounting estimates

The Company's accounting policies are described in detail in Note 2 of the consolidated financial statements for the fiscal year ended July 31, 2015. The Company considers the following policies to be most critical in understanding its financial results:

Mineral property costs

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed, as incurred, to general mineral exploration. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets and classified as a non-current asset.

Mineral property acquisition costs are included in exploration and evaluation and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

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

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

Significant Changes in Accounting Policies

New standards, amendments and interpretations to existing standards not adopted by the Company

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after July 1, 2015 or later periods.

(i) Effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, *Financial Instruments, Classification and Measurement,* addresses classification and measurement of financial assets and will replace IAS 39, *"Financial Instruments: Recognition and Measurement."* IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, it is at fair value through profit and loss.

The Company plans to adopt these standards as soon as they become effective for the Company's. Adoption of this standard is expected to have minimal impact on the Company's financial statements

FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to credit risk, liquidity risk and interest rate risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) *Credit Risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements (excluding cash) represents the Company's maximum exposure to credit risk

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

None of the financial assets of the Company are either past due or impaired.

(c) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents.

(d) *Interest Rate Risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned. As at the statement date, a 1% change in interest rates would not be material to the financial statements.

(e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, which comprises of share capital, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. From time to time the Company may issue additional equity to meet its capital requirements.

(f) *Fair Value*

The carrying value of the Company's financial assets and liabilities approximate their fair value due to their short-term maturity or capacity of prompt liquidation.

(g) *Foreign Currency Risk*

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company operates projects in more than one country. As a result a portion of the Company's cash, accounts receivable, accounts payable and accruals are denominated in U.S. Dollars, Mexican Pesos, and Peruvian Pesos and are therefore subject to fluctuation in exchange rates. As at July 31, 2015, a 1% change in the exchange rate between the Canadian and U.S. dollar, the Canadian dollar and Mexican Peso, and the Canadian dollar and Peruvian Peso would not be material.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable and accounts payable. They are designed as follows:

- Loans and receivables: cash and cash equivalents, amounts receivable
- Other financial liabilities: accounts payable

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company currently does not have any financial instruments recorded at fair value. The carrying value of cash, accounts receivable and accounts payable approximate fair value.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Corporation's general and administrative expenses and mineral property costs is provided in the Financial Statements and related notes that are available on the SEDAR web site www.sedar.com.

Outstanding Share Data

The authorized capital consists of an unlimited number of common shares without par value. As of November 27, 2015, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise Price $	Expiry Date
Common shares	20,276,509	-	-
Stock options	15,000	3.60	September 9, 2015
	85,000	5.30	November 30, 2015
	62,000	1.80	November 3, 2016
	107,000	1.00	January 24, 2018
	177,000	0.70	November 26, 2018
	1,575,000	0.20	April 20, 2020
Warrants	4,002,500	0.25	January 17, 2017
Fully diluted	26,300,009		

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended July 31, 2015, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

RISKS AND UNCERTAINTIES

Our exploration programs may not result in a commercial mining operation.

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our mineral properties are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

We may not have sufficient funds to complete further exploration programs.

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

We have no revenue from operations and no ongoing mining operations of any kind.

We are a mineral exploration Company and have no revenues from operations and no ongoing mining operations of any kind. If our exploration programs successfully locate an economic ore body, we will be subject to additional risks associated with mining.

We will require additional funds to place the ore body into commercial production. Substantial expenditures will be required to establish ore reserves through drilling, develop metallurgical processes to extract the metals from the ore and construct the mining and processing facilities at any site chosen for mining. We do not know whether additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to postpone the development of, or sell, the property.

The majority of our property interests are not located in developed areas and as a result may not be served by appropriate road access, water and power supply and other support infrastructure. These items are often needed for development of a commercial mine. If we cannot procure or develop roads, water, power and other infrastructure at a reasonable cost, it may not be economic to develop properties, where our exploration has otherwise been successful, into a commercial mining operation.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property's return on capital.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labour disruptions, flooding, explosions, rockbursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labour. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labour standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

Our profitability and long-term viability will depend, in large part, on the market price of gold. The market price for gold is volatile and is affected by numerous factors beyond our control, including global or regional consumption patterns, supply of, and demand for gold, speculative activities, expectations for inflation and political and economic conditions. We cannot predict the effect of these factors on gold prices.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our properties will not be challenged. We own, lease or have under option, unpatented and patented mining claims, mineral claims or concessions which constitute our property holdings. The ownership and validity, or title, of unpatented mining claims and concessions are often uncertain and may be contested. We also may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties or mining concessions may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property will cause us to lose our rights to explore and, if warranted, develop that property. This could result in our not being compensated for our prior expenditures relating to the property.

Land reclamation requirements for our exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

Political or economic instability or unexpected regulatory change in the countries where our properties are located could adversely affect our business.

Certain of our properties are located in countries, provinces and states more likely to be subject to political and economic instability, or unexpected legislative change, than is usually the case in certain other countries, provinces and states. Our mineral exploration activities could be adversely affected by political instability and violence; war and civil disturbance; expropriation or nationalization; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights; any of which may adversely affect our business in that country.

We may be adversely affected by fluctuations in foreign exchange rates.

We maintain our accounts in Canadian dollars. Any appreciation in the Peruvian currency against the Canadian dollar will increase our costs of carrying out such exploration activities.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or personnel, we will not be able to grow at the rate we desire or at all.

Potential conflicts of interest

Certain of our directors and officers are directors or officers of other natural resource or mining-related companies. These associations may give rise to conflicts of interest from time to time. In particular, our directors who also serve as directors of other companies in the same industry may be presented with business opportunities which are made available to such competing companies and not to us. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material, adverse effect on our financial position.