

NOTICE TO SHAREHOLDERS



(A Development Stage Enterprise)

Condensed Interim Financial Statements For the six months ended June 30, 2015

(Stated in Canadian Dollars)

Responsibility for Financial Statements

The accompanying financial statements for Metals Creek Resources Corp. have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended June 30, 2015.

METALS CREEK RESOURCES CORP.
(A Development Stage Enterprise)

June 30, 2015 and 2014

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METALS CREEK RESOURCES CORP.

(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**(Prepared by Management)**

As at	June 30, 2015 \$ (Unaudited)	December 31, 2014 \$ (Audited)
ASSETS		
Current		
Cash	19,766	58,637
Short term investments (note 3)	632,860	1,018,948
H.S.T. and other receivables	29,863	19,892
Staking security deposits (note 9)	27,807	41,257
Prepaid expenses	15,524	12,253
	725,820	1,150,987
Property and equipment (note 4)	36,964	44,132
Long term investments (note 5)	245,800	270,134
Exploration and evaluation assets (note 6)	4,880,766	4,751,531
	5,889,350	6,216,784
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (note 8)	104,349	71,832
	104,349	71,832
Equity		
Share Capital (note 7)	11,728,403	11,728,403
Reserves (note 7)	5,067,531	5,051,615
Deficit	(11,010,933)	(10,635,066)
	5,785,001	6,144,952
	5,889,350	6,216,784

Nature and Continuance of Operations – Note 1
Subsequent Event – Note 12

These financial statements are authorized for issue by the Board of Directors on August 19, 2015. They are signed on the Corporation's behalf by:

“Alexander Stares” _____ Director

“Nick Tsimidis” _____ Director

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

METALS CREEK RESOURCES CORP.

(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**(Prepared by Management – Unaudited)**

	Three Months Ended June 30, 2015 \$	Three Months Ended June 30, 2014 \$	Six Months Ended June 30, 2015 \$	Six Months Ended June 30, 2014 \$
EXPENSES				
Business development	25,894	22,854	39,694	52,518
Depreciation	3,584	4,888	7,168	9,203
Office and general	24,643	25,475	52,015	56,017
Professional fees (note 8)	22,167	15,396	39,198	32,885
Salaries and benefits	88,515	96,369	183,275	197,594
Share-based payments (note 7(iii))	8,073	5,896	15,916	16,693
Pre-acquisition exploration and evaluation expenses	12,098	14,030	30,740	79,841
Adjustment to fair value for fair value through profit and loss investments	86,242	5,391	23,219	41,392
	<u>271,216</u>	<u>190,299</u>	<u>391,225</u>	<u>486,143</u>
Loss before the following:	271,216	190,299	391,225	486,143
Gain on sale of exploration and evaluation assets, net	-	-	-	(5,000)
Grant and other revenue	-	-	(2,670)	(525)
Loss (gain) on sale of long term investments	-	-	(1,165)	34,333
Interest and investment income	(3,312)	(7,000)	(11,523)	(13,964)
Loss and comprehensive loss for the period	<u>267,904</u>	<u>183,299</u>	<u>375,867</u>	<u>500,987</u>
Loss per share – basic and diluted	-	-	-	0.01
Weighted Average Shares Outstanding – basic and diluted	98,571,214	98,571,214	98,571,214	98,571,214

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

METALS CREEK RESOURCES CORP.

(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**(Prepared by Management – Unaudited)****For the six months ended June 30, 2015 and 2014**

	<u>Share Capital</u>		<u>Reserves</u>		<u>Deficit</u>	<u>Total</u>
	<u>Number of Shares</u> #	<u>Share Capital</u> \$	<u>Warrants</u> \$	<u>Equity Settled Benefits</u> \$		
Balance at December 31, 2013	98,571,214	11,728,403	1,822,527	3,193,227	(7,402,796)	9,341,361
Share-based payments	-	-	-	16,693	-	16,693
Expiration of warrants	-	-	(1,822,527)	1,822,527	-	-
Loss and comprehensive loss for the period	-	-	-	-	(500,987)	(500,987)
Balance at June 30, 2014	98,571,214	11,728,403	-	5,032,447	(7,903,783)	8,857,067
Balance at December 31, 2014	98,571,214	11,728,403	-	5,051,615	(10,635,066)	6,144,952
Share-based payments	-	-	-	15,916	-	15,916
Loss and comprehensive loss for the period	-	-	-	-	(375,867)	(375,867)
Balance at June 30, 2015	98,571,214	11,728,403	-	5,067,531	(11,010,933)	5,785,001

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

METALS CREEK RESOURCES CORP.

(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS CASH FLOWS**(Prepared by Management – Unaudited)**

	Six Months Ended June 30, 2015 \$	Six Months Ended June 30, 2014 \$
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	(375,867)	(500,987)
Depreciation	7,168	9,203
Share-based payments	15,916	16,693
Adjustment to fair value for fair value through profit and loss investments	23,219	41,392
Loss on sale of long term investments	(1,165)	34,333
Decrease (increase) in H.S.T. and other receivables	(9,971)	36,903
Decrease (increase) in prepaid expenses	(3,271)	2,144
Increase (decrease) in accounts payable and accrued liabilities	32,517	(56,135)
Cash flows used in operating activities	(311,454)	(416,454)
FINANCING ACTIVITIES		
Redemption (purchase) of short term investments	382,088	31,709
Cash flows from (used in) financing activities	382,088	31,709
INVESTING ACTIVITIES		
Decrease in staking security deposits	13,450	1,430
Net proceeds on sale of long term investments	7,780	129,000
Expenditures on exploration and evaluation assets	(130,735)	(109,894)
Acquisition of property and equipment	-	(7,761)
Cash flows from (used in) investing activities	(109,505)	12,775
Increase (decrease) in cash	(38,871)	(371,970)
Cash - beginning of period	58,637	400,687
Cash - end of period	19,766	28,717

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

METALS CREEK RESOURCES CORP.

(A Development Stage Enterprise)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

June 30, 2015

(Prepared by Management – Unaudited)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Metals Creek Resources Corp. (the “Company”) was incorporated on June 21, 2004 under the Business Corporations Act (Ontario).

The Company is an exploration stage company, and is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The accompanying financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop its properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has working capital in the amount of \$621,471 (December 31, 2014 - \$1,079,155) and has a deficit in the amount of \$11,010,933 (December 31, 2014 - \$10,635,066). The Company has not earned any significant revenues to date and is considered to be in the exploration stage.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 - Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company’s audited annual financial statements for the year ended December 31, 2014.

Th0065 policies applied in these financial statements are based on IFRS issued and outstanding as of August 19, 2015, the date the Board of Directors approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the period ended June 30, 2015.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company’s audited annual financial statements and the notes thereto for the year ended December 31, 2014.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

3. SHORT TERM INVESTMENTS:

	June 30, 2015	Dec. 31, 2014
Money Market Mutual funds	542,360	924,448
Investment Trust	90,500	94,500
	<u>\$ 632,860</u>	<u>1,018,948</u>

These funds are available for exploration and operations upon the request of the Company.

The money market mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

The Investment Trust is a fully liquid senior loan fund bearing interest at 6.75%.

4. PROPERTY AND EQUIPMENT

	Cost	Acc. Depr.	June 30, 2015 Net
Computer equipment	\$ 24,163	\$ 22,614	\$ 1,549
Furniture and fixtures	13,467	10,607	2,860
Computer software	63,020	61,493	1,527
General equipment	33,028	21,693	11,335
Automobile	54,882	35,189	19,693
Leasehold improvements	4,812	4,812	-
	<u>\$ 193,372</u>	<u>\$ 156,408</u>	<u>\$ 36,964</u>

	Cost	Acc. Depr.	Dec. 31, 2014 Net
Computer equipment	\$ 24,163	\$ 22,026	\$ 2,137
Furniture and fixtures	13,467	10,290	3,177
Computer software	63,020	59,965	3,055
General equipment	33,028	20,434	12,594
Automobile	54,882	31,713	23,169
Leasehold improvements	4,812	4,812	-
	<u>\$ 193,372</u>	<u>\$ 149,240</u>	<u>\$ 44,132</u>

5. LONG TERM INVESTMENTS

	June 30, 2015		December 31, 2014	
	Market \$	Cost \$	Market \$	Cost \$
Canadian Equities				
Spruce Ridge Resources Ltd. (i)	5,000	56,250	2,500	56,250
Americas Silver Corporation (i)	2,460	21,249	2,384	21,249
Noble Mineral Exploration Inc. (ii)	3,750	58,125	3,750	58,125
Sokoman Iron Corp. (iii)	28,500	585,000	19,000	585,000
GTA Resources and Mining Inc. (iv)	10,000	28,000	10,000	28,000
Sandstorm Gold Ltd. (v)	153,840	453,985	90,000	490,000
Xmet Inc. (vi)	34,500	83,500	138,000	83,500
White Metal Resources Corp. (vii)	3,750	4,000	1,000	2,500
Benton Resources Inc. (viii)	4,000	3,500	3,500	3,500
	<u>245,800</u>	<u>1,293,609</u>	<u>270,134</u>	<u>1,328,124</u>

- (i) The Spruce Ridge shares are valued at the June 30, 2015 closing price of \$0.02 per common share (December 31, 2014 - \$0.01). The shares of Americas Silver Corporation. (TSX:SPM) (formerly U.S. Gold & Silver Inc. (TSX:USA) were received from Spruce Ridge originally as shares of RX Gold & Silver (which later merged with U.S. Gold & Silver Inc.) as a dividend-in-kind based on the Company's pro-rata ownership of Spruce Ridge and are valued at the June 30, 2015 closing price of \$0.215 per common share (December 31, 2014 - \$0.35).
- (ii) The shares of Noble are traded on the TSX-V exchange under the symbol "NOB" and are valued at the June 30, 2015 closing price of \$0.005 per common share (December 31, 2014 - \$0.005).
- (iii) The shares of Sokoman Iron Corp. (TSX-V: SIC) are valued at the June 30, 2015 closing price of \$0.015 (December 31, 2014 - \$0.01).
- (iv) The GTA Resources ("GTA") (TSX-V:GTA) shares are valued at the June 30, 2015 closing price of \$0.05 per common share (December 31, 2014 - \$0.05). The 200,000 GTA shares were received pursuant to an option agreement in 2013 on the Company's Squid East property in the Yukon but the agreement was terminated by GTA during the 2014 fiscal year.
- (v) During 2013, the Company entered into an agreement with Gold Royalties Corporation ("Gold Royalties") in which Gold Royalties acquired a 1.0% royalty interest in the Iron Horse Project. The purchase price of \$1,000,000 was payable through the issuance of 1,333,333 common shares of Gold Royalties (the "Gold Royalties Shares") at a deemed price of \$0.75 per Gold Royalties Share (the "Share Consideration"). The Company has agreed to a contractual escrow period whereby the Share Consideration will be subject to escrow with a 25% release every six (6) months from the date of closing of the Transaction. During the period ended June 30, 2015, Gold Royalties was acquired by Sandstorm Gold Ltd. ("Sandstorm") in an all share transaction on the basis of 0.045 Sandstorm shares for each share of Gold Royalties. As a result, the Company received 41,691 shares (of which 14,999 are restricted from trading until August 2, 2015) of Sandstorm in exchange for its Gold Royalties shares (delisted). Sandstorm trades on under the symbol "SSL" on the TSX. The Sandstorm shares are valued at the June 30, 2015 closing price of \$3.69 per common share.
- (vi) During 2013, the Company executed an agreement with Xmet Inc. ("Xmet") pursuant to which Xmet has the option to purchase a 100% interest in 24 claim units staked by the Company. Under the agreement, Xmet will pay the Company \$10,000 (\$5,000 on regulatory approval (received) and \$5,000 ninety days after regulatory approval (received)) and issue 2 million common shares of Xmet (300,000 upon regulatory approval (received) and 1,700,000 within four months after regulatory approval, provided Xmet decides to continue with the option following an EM airborne survey. During the year, Xmet informed the Company that they would not be proceeding with the EM airborne survey and therefore the second share payment was not made (see also note 6(f)).

The aggregate of 2.3 million shares held by the Company are valued at the June 30, 2015 closing price of \$0.015 per common share (December 31, 2014 - \$0.06). The common shares of Xmet trade on the TSX Venture Exchange under the symbol "XME".

- (vii) During 2014, the Company sold two claim blocks totaling 210 claim units in southwest Labrador known as the Senecal Lake Property ("SL") to White Metal Resources Corp., ("WHM") (formerly Trillium North Minerals Ltd.) a company associated by common directorship. Pursuant to the sale, WHM issued 500,000 common shares for a 100% ownership interest. In addition, WHM has granted a 1% N.S.R. on the SL property as well as a 1% N.S.R. on adjacent claims already owned by WHM. WHM may buy-back up to 0.5% of each respective N.S.R. for \$500,000 each (or \$1 million for both claim groups). Pursuant to a share escrow agreement, the Company received an initial 50,000 shares upon TSX-V acceptance and will receive the remainder in accordance with the escrow release schedule which is 15% every six months. The initial 50,000 shares of WHM (TSXV: WHM) were valued at the December 31, 2014 closing price of \$0.02 per share. During the period ended June 30, 2015, the Company received an additional 75,000 shares of WHM from an escrow release. Receipt of the shares was recorded as a reduction in the carrying cost of the property. The 125,000 shares were valued at the June 30, 2015 closing price of \$0.03 per share.

- (viii) During 2014, the Company executed an Option/Joint Venture agreement with Benton Resources Inc. (“Benton”) (a company related to Metals Creek by common directorships) (see note 6(e) for details of the agreement). The 100,000 shares of Benton currently held by the Company are valued at the June 30, 2015 closing price of \$0.04 per share (December 31, 2014 - \$0.035). The shares of Benton trade on the TSX Venture Exchange under the symbol “BEX”.

6. EXPLORATION AND EVALUATION ASSETS

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the period ended June 30, 2015 and the year ended December 31, 2014 is summarized in the tables below:

For the six month period ended June 30, 2015

	Dog Paw	Ogden	Yukon	Jackson's Arm	Staghorn	Other	Total
	(a)	(b)	(c)	(d)	(e)	(f)	
Dec. 31, 2014 - Acquisition Costs	\$ 176,891	431,167	57,237	2,054	-	237,757	905,106
Additions	-	-	-	-	-	498	498
Writedowns/Recoveries	-	-	-	-	-	(1,500)	(1,500)
<i>Subtotal</i>	\$ -	-	-	-	-	(1,002)	(1,002)
June 30, 2015- Acquisition Costs	\$ 176,891	431,167	57,237	2,054	-	236,755	904,104
Dec. 31, 2014 - Exploration and Evaluation Expenditures	\$ -	3,791,945	151,234	-	-	(96,754)	3,846,425
Assaying	1,140	165	-	-	-	266	1,571
Prospecting	16,936	-	-	-	4,305	839	22,080
Geological	14,414	28,424	1,540	-	4,366	4,304	53,048
Geophysical	-	-	-	-	-	1,614	1,614
Line Cutting	-	-	-	-	-	-	-
Trenching	-	-	-	-	-	-	-
Diamond Drilling	-	50,283	360	-	900	306	51,849
Miscellaneous	-	-	-	-	75	-	75
Writedowns/Recoveries	-	-	-	-	-	-	-
<i>Subtotal</i>	\$ 32,490	78,872	1,900	-	9,646	7,329	130,217
June 30, 2015 - Exploration and Evaluation Expenditures	\$ 32,490	3,870,817	153,134	-	9,646	(89,425)	3,976,662
June 30, 2015 - Total	\$ 209,381	4,301,984	210,371	2,054	9,646	147,330	4,880,766

For the year ended December 31, 2014

	Dog Paw	Ogden	Yukon	Jackson's Arm	Staghorn	Other	Total
	(a)	(b)	(c)	(d)	(e)	(f)	
Dec. 31, 2013 - Acquisition Costs	\$ 176,891	415,709	57,237	2,054	7,450	301,573	960,914
Additions	-	15,458	-	-	3,110	34,259	52,827
Writedowns/Recoveries	-	-	-	-	(10,560)	(98,075)	(108,635)
<i>Subtotal</i>	\$ -	15,458	-	-	(7,450)	(63,816)	(55,808)
Dec. 31, 2014 - Acquisition Costs	\$ 176,891	431,167	57,237	2,054	-	237,757	905,106
Dec. 31, 2013 - Exploration and Evaluation Expenditures	\$ 1,150,696	3,742,482	129,740	357,585	1,500	384,341	5,766,344
Assaying	1,613	330	684	-	2,730	3,241	8,598
Prospecting	3,259	-	180	915	29,807	14,678	48,839
Geological	20,317	39,487	18,925	719	19,645	43,217	142,310
Geophysical	-	-	-	-	-	5,918	5,918
Line Cutting	-	-	-	-	-	-	-
Trenching	-	-	-	-	-	-	-
Diamond Drilling	-	9,646	1,705	-	1,800	-	13,151
Miscellaneous	-	-	-	-	-	538	538
Writedowns/Recoveries	(1,175,885)	-	-	(359,219)	(55,482)	(548,687)	(2,139,273)
<i>Subtotal</i>	\$ (1,150,696)	49,463	21,494	(357,585)	(1,500)	(481,095)	(1,919,919)
Dec. 31, 2014 - Exploration and Evaluation Expenditures	\$ -	3,791,945	151,234	-	-	(96,754)	3,846,425
Dec. 31, 2014 - Total	\$ 176,891	4,223,112	208,471	2,054	-	141,003	4,751,531

a. Dog Paw Gold Property

In 2007, the Company acquired an option on the Dog Paw Gold project which is located approximately 40 km east of Kenora, Ontario and consists of 23 claims totaling 269 units. The Company entered into an option agreement with Endurance Gold Corp. whereby under the Initial Option the Company could earn a 70% interest in the property by making share payments totaling 400,000 shares (completed in 2008) and completing work commitments of \$200,000 on the property (completed). The Company exercised a Second Option to earn a further 5% in the property by issuing a further 50,000 common shares (completed in 2008) and spent an additional \$250,000 on the property (completed). The Company has now earned a 78% interest and a joint venture has been formed on a 78% (the Company) and 22% (Endurance Gold Corp.) basis. The Company presently has no planned exploration activity on the project due to current market conditions and has written off exploration and evaluation expenditures totaling \$1,175,885 during the 2014 fiscal year.

b. Ogden

During 2008, the Company entered into an agreement with Goldcorp Canada Ltd. (“Goldcorp”) to jointly explore Goldcorp’s mining claims located in Ogden and Deloro Townships, located six kilometres south of Timmins, Ontario. The property consists of 84 patented and unpatented claims totaling approximately 1,184 hectares (the “Property”). The agreement allows for the Company to earn 50% of Goldcorp’s interest in the Property by funding total expenditures on the Property of \$3,100,000 over four years as follows: (i) \$400,000 in year one, (ii) \$700,000 in year two and (iii) \$1,000,000 in each of years three and four. The Company was also required to make cash and share payments to Goldcorp as follows: (i) \$40,000 cash and \$25,000 worth of common shares on signing (completed in 2008), (ii) \$35,000 cash and \$25,000 worth of common shares on the first anniversary (completed in 2009), (iii) \$35,000 cash and \$50,000 worth of common shares on the second anniversary (completed in 2010), (iv) \$100,000 worth of common shares on the third anniversary (completed in 2011), and (v) \$150,000 worth of common shares on the fourth anniversary (completed). Within six months of the Company’s vesting its 50% interest in the Property, Goldcorp had the option to buy back a 20% interest from the Company for a cash payment of up to \$310,000, expending \$4,100,000 on the Property within two years, and completing a feasibility study within three years.

The Company was the operator of the Property during the earn-in period and afterwards, provided it holds a 50% or greater interest in the Property. During 2012, the Company received notice that Goldcorp did not intend to pursue its back-in right on the Ogden property and as a result, the Company and Goldcorp executed a 50/50 joint venture agreement. If either party becomes diluted to a 10% interest, that interest will be converted into a 2% Net Smelter Return Royalty.

c. Yukon

The Yukon property consists of 242 staked claims in four separate claim blocks in the Dawson Range gold district. Three of the claim blocks are located in the Matson Creek area (Squid East and West properties and Fogo property) and the fourth is located west of the Yukon River (Change property). The Company owns a 100% interest in all claim blocks.

Squid East Property

The Squid East property consists of 82 claims and was acquired by staking and is located in the Matson Creek area of Yukon.

During 2013, the Company entered into an Option/Joint Venture agreement with GTA Resources (“GTA”) in which GTA can earn a 51% to 70% interest in the Company’s Squid East property in the Matson Creek area of Yukon. The 82 claim property was initially staked by the Company in 2011 and the Company owns a 100% interest. To earn an initial 51% interest, GTA must make cash payments of \$60,000 over three years (\$20,000 received), issue a total of 2,000,000 GTA shares over three years (200,000 shares received) and incur work expenditures of \$2,000,000 over three years (\$500,000 firm including a minimum 400 meters of drilling by 1st anniversary - completed). The Company was to be the operator during the earn-in period. Once a 51% interest is earned by GTA, either a 51/49 joint venture will be formed, or GTA may elect to earn an additional 19% interest to bring its total property interest to 70%. The terms to increase its interest from 51% to 70% include payments of \$210,000 and 400,000 GTA shares within 120 days of the 3rd anniversary date and incurring an

additional \$1,000,000 in exploration expenditures by the 5th anniversary. GTA would assume operatorship once it had earned a 51% interest. During 2013, the Company recovered \$499,743 in exploration costs incurred under the joint venture. These costs were recorded as a reduction to the deferred exploration and evaluation expenditures with the exception of the operator fee totaling \$19,399 which was recorded in income during the period.

During 2014, GTA decided not to proceed with the option and the Company now holds a 100% interest in the property.

d. Jackson's Arm

The Jackson's Arm property consists of 246 staked claim units totaling 6,150 hectares and is located in north-central Newfoundland. The Company owns a 100% interest in the project.

During 2013, the Company applied for a grant under the Mineral Incentive Program through the Government of Newfoundland and Labrador for exploration and evaluation work completed on its Jackson's Arm property. The amount of the grant was \$90,413 and the funds were received by the Company during 2014. The grant was recorded as a reduction of deferred exploration and evaluation expenditures. The Company presently has no planned exploration activity on the project due to current market conditions and has written off exploration and evaluation expenditures totaling \$359,219 during the 2014 fiscal year.

e. Staghorn

During 2008, the Company entered into an agreement with a group of prospectors to earn a 100% interest in a group of 76 claim units spread over 1,216 hectares in the Wood Lake area in west central Newfoundland. Terms of the option agreement include making a series of staged option payments totaling \$95,000 and issuing 250,000 shares to the optionors over three years. During 2008, 2009 and 2010, the Company issued 50,000, 70,000 and 50,000 common shares respectively to the optionors. The optionors retain a 2% Net Smelter Royalty, 50% of which can be purchased for \$1,000,000. During 2011, the Company reduced the carrying amount of the deferred exploration expenditures on the Staghorn project by \$100,000 as a result of the receipt of a non-repayable grant from the Province of Newfoundland. Also during 2011, the Company paid \$44,000 and issued 50,000 shares to the optionors pursuant to the option agreement and now holds a 100% interest.

During 2012, the Company determined that no further work would be conducted on the property, the Company wrote off \$48,798 in deferred exploration and evaluation expenditures during the 2014 (December 31, 2013 - \$15,188).

During 2014, the Company executed an Option/Joint Venture agreement on the Staghorn project with Benton Resources Inc. ("Benton") (a company related to Metals Creek by common directorships) whereby Benton can earn up to a 70% interest in Staghorn. Pursuant to the agreement, Benton can earn an initial 60% interest by making cash payments totaling \$50,000 (\$10,000 received on signing), issuing a total of 500,000 shares of Benton (100,000 received on signing) and incurring work expenditures totaling \$500,000, all over a three year period. Benton will be the operator during the earn in period. Once a 60% interest is earned by Benton, either a 60/40 joint venture will be formed, or Benton may elect to earn an additional 10% interest to bring its total property interest to 70% by paying \$50,000 cash and issuing an additional 500,000 Benton shares within 60 days of the 3rd anniversary date and incurring an additional \$500,000 in exploration expenditures by the 5th anniversary date.

f. Other Properties

Included in Other Properties (located in Ontario and Newfoundland) are the Wick's Lake; Tilt Cove; Sops Arm North; Gryba; Tally Pond; Hearst; Feagan Lake; Mealy Intrusion; and Victoria Lake properties. During the period ended June 30, 2015 the Company incurred \$30,740 (June 30, 2014: \$79,841) in pre-acquisition exploration and evaluation costs which were included in expenses for the year. In addition, due to current market conditions and no current work plans, the Company wrote off certain exploration and evaluation expenditures totaling \$548,687 during fiscal 2014 related to the Wick's Lake, Tilt Cove, Gryba, Tally Pond, and Tillex properties.

Feagan Lake Graphite Property

The Feagan Lake claim block consists of 12 claims totaling 175 contiguous claim units and is located northwest of Hearst, Ontario.

During 2014, the Company executed an option agreement with Xmet pursuant to which Xmet has the option to earn a 60% interest in the Feagan Lake Graphite project. In order to earn a fifty percent (50%) interest in the claims, Xmet has agreed (a) to make a cash payment of \$5,000 (received) and issue 1,000,000 common shares (received) to Metals Creek, forthwith after receiving the approval of the Exchange (received); (b) carry out \$60,000 in work obligations (completed), make a cash payment of \$15,000 (received) and issue a further 1,000,000 shares (received) to Metals Creek within five months of Exchange approval; (c) carry out a further \$150,000 in work obligations and perform a minimum 500m of drilling within one year of Exchange approval; (d) carry out a further \$250,000 in work obligations and issue 500,000 shares to Metals Creek within two years of Exchange approval; and (e) carry out a further \$425,000 in work obligations and issue 500,000 shares to Metals Creek within three years of Exchange approval. Xmet may then increase its interest from fifty percent to sixty percent within 90 days after earning its fifty percent interest by making a cash payment of \$100,000, issuing 1,500,000 shares to the Optionor and conducting \$1,000,000 in work obligations over the next year. Xmet may at any time accelerate its obligations to earn its interest earlier. Once Xmet's interest is earned, the project will continue as a joint venture with Metals Creek.

Mealy Intrusion/Senecal Lake Property

During 2014, the Company sold two claim blocks totaling 210 claim units in southwest Labrador known as the Senecal Lake Property ("SL") to White Metal Resources Corp., ("WHM") (formerly Trillium North Minerals Ltd.) a company associated by common directorship. Pursuant to the sale, WHM issued 500,000 common shares for a 100% ownership interest. In addition, WHM has granted a 1% N.S.R. on the SL property as well as a 1% N.S.R. on adjacent claims already owned by WHM. WHM may buy-back up to 0.5% of each respective N.S.R. for \$500,000 each (or \$1 million for both claim groups). Pursuant to a share escrow agreement, the Company received an initial 50,000 shares upon TSX-V acceptance and will receive the remainder in accordance with the escrow release schedule which is 15% every six months.

Iron Horse

The Company retains a 0.9% royalty from the Iron Horse Project located approximately 120 km Northeast of Labrador City, Labrador and held by Sokoman Iron Corp.

7. CAPITAL AND RESERVES

i. Share Capital

At June 30, 2015, the authorized share capital comprised an unlimited number of common shares and an unlimited number of preferred shares.

To date, no preferred shares have been issued.

ii. Share Purchase Warrants

Details of share purchase warrant transactions for the period ended June 30, 2015 and year ended December 31, 2014 are as follows:

	# of Warrants	Amount \$	Wtd. Avg. Ex. Price
Balance, December 31, 2013	10,484,500	1,822,527	
-Expired during the period	(10,484,500)	(1,822,527)	\$0.45
Balance, December 31, 2014 and June 30, 2015	-	-	

iii. Stock Options

Details of stock option transactions for the year ended December 31, 2014 and period ended June 30, 2015 are as follows:

	# of Options	Wtd. Avg. Ex. Price
Balance, December 31,	9,430,000	\$0.15
Granted during the year	1,250,000	\$0.07
Expired during the year	(1,280,000)	\$0.15
Balance, December 31, 2014	9,400,000	\$0.14
Granted during the period	400,000	\$0.10
Expired during the period	(1,360,000)	\$0.16
Balance, June 30, 2015	8,440,000	\$0.13

The following table summarizes information about the options outstanding at June 30, 2015 and December 31, 2014:

Expiry Dates	Exercise Price	June 30, 2014 # of Options	December 31, 2014 # of Options
February 2015	\$0.16	-	1,260,000
May 2015	\$0.10	-	100,000
March 2016	\$0.235	1,475,000	1,475,000
August 2016	\$0.13	2,955,000	2,955,000
July 2017	\$0.13	300,000	300,000
March 2015	\$0.10	100,000	100,000
August 2018	\$0.10	1,960,000	1,960,000
October 2019	\$0.07	1,250,000	1,250,000
May 2020	\$0.10	400,000	-
		<u>8,440,000</u>	<u>9,400,000</u>

The Company applies the fair value method of accounting for share-based payments using an option pricing model.

Stock options granted to directors, officers and employees vested during the period ended June 30, 2015 are as follows:

<u>Grant Date</u>	<u># of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
October 21, 2014	460,742	\$0.07	October 21, 2019
May 3, 2015	197,814	\$0.10	May 3, 2020
	<u>658,556</u>		

The Company has calculated \$15,916 as share-based payments expense and under capital stock as reserves for the 658,556 options vesting to directors, officers and employees and consultants during the period:

- For the 1,250,000 options granted on October 21, 2014, the fair value of each vested option is \$0.0254 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 144%, a risk-free interest rate of 1.43% and an expected life of approximately 5 years.
- For the 400,000 options granted on May 3, 2015, the fair value of each vested option is \$0.0213 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 156%, a risk-free interest rate of 1.13% and an expected life of approximately 5 years.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

8. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the period ended June 30, 2015 and 2014:

Payee	Description of Relationship	Nature of Transaction	June 30, 2015 Amount (\$)	June 30, 2014 Amount (\$)
Eastrock Exploration/ Wayne Reid	Company controlled by Wayne Reid, Director and Officer	Payments for geological consulting services	16,272	16,272
Nick Tsimidis	Director and Officer	Payments for consulting fees	13,560	13,560
Stares Contracting Corp.	Company controlled by Michael Stares, Director	Payments for staking services and reimbursement of expenses capitalized in exploration and evaluation assets	-	7,321

The purchases from/fees charged by related parties are in the normal course of operation and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at June 30, 2015 is:

- \$2,712 payable to Eastrock Exploration Inc., (2014: \$2,712)

During the period ended June 30, 2015 the Company recovered \$15,225 in wages from a company related by common directorships for the use of the Company's field geological personnel (year ended December 31, 2014 - \$83,520)

Key management personnel remuneration during the period ended June 30, 2015 included \$189,507 (June 30, 2014 - \$189,351) in salaries and benefits and \$8,426 (June 30, 2014 - \$9,816) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the period.

9. STAKING SECURITY DEPOSITS

Staking security deposits of \$27,807 (December 31, 2013 – \$41,257) represents security amounts paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These staking security deposits are refundable to the company upon submission by the company of a report covering the first year work requirements which meets the requirements of the Government of Newfoundland and Labrador.

10. LOSS PER SHARE

Basic loss per common share has been calculated using the weighted average number of common shares outstanding in each respective period. As the issue of shares upon the exercise of stock options and warrants would be anti-dilutive, diluted loss per common share is equivalent to basic loss per common share.

11. COMMITMENTS

The Company has entered into a lease agreement for its office premises in Thunder Bay, Ontario expiring September 15, 2016 for \$1,219 per month.

During 2013, the Company hired King James Capital Corp. to provide investor relations and financial public relations services in exchange for a fee of \$2,000 per month for a term of twelve months. In addition, the Company

granted to King James Capital Corp. 100,000 stock options at an exercise price of \$0.10 for a term of two years with one-quarter of the options granted vesting every three months following the date of grant. The monthly fee was reduced to \$1,000 per month during the 2014 fiscal year. During the period ended June 30, 2015, the Company terminated these services.

During the period ended June 30, 2015, the Company hired Paradox Public Relations (“Paradox”) to provide investor relations. The agreement is for a minimum of three months and maximum of 24 months, at a monthly fee of \$5,500. In addition Paradox received 400,000 stock options to acquire the same number of common shares of the Company at \$0.10 per share. These options are subject to the vesting provisions under the Company’s stock option plan.

12. SUBSEQUENT EVENT

Subsequent to June 30, 2015, the Company received shareholder approval at its annual general and special meeting of the Company to consolidate its issued and outstanding common shares on a 1 for 7 basis (the “Consolidation”). In addition the Company received regulatory approval for the Consolidation and it was completed on July 29, 2015. As a result of the Consolidation, the Company’s issued and outstanding common shares were decreased from 98,571,214 common shares (pre-Consolidation) to 14,081,602 common shares (post-Consolidation). Following the Consolidation, the Company will retain its current name and its common shares will continue to be listed and posted for trading on the Exchange under the ticker symbol “MEK”. All outstanding employee/director incentive stock options will be re-priced to reflect the Consolidation or cancelled.

Following the Consolidation, the Company announced that it will initiate a non-brokered private placement of units, comprised of both flow through and non-flow through common shares and common share purchase warrants (the “Private Placement”). Pricing of the securities to be offered will be determined by the board of directors of the Company depending on market prices and the determination of fair market value. The proceeds raised from the Private Placement will be used to further exploration work on the Ogden Gold Project in Timmins Ontario and for working capital.

The Private Placement may close in multiple tranches. All of the securities issued pursuant to the Private Placement will be subject to a statutory hold period of four months and one day from the date of issuance and completion of the Private Placement will be subject to regulatory approval.