

Unaudited Interim Consolidated Financial Statements of

COSIGO RESOURCES LTD.

For the three and nine months ended September 30, 2015
And
For the three and nine months ended September 30, 2014

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited Condensed Consolidated interim financial statements of Cosigo Resources Ltd. have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

"Andy Rendle"

Andy Rendle

Chief Operating Officer

Cosigo Resources Ltd.

"Hector Mario Cuevas"

Hector Mario Cuevas

Chief Financial Officer

Cosigo Resources Ltd.

Cosigo Resources Ltd.

Consolidated Unaudited Interim Financial Statements

Condensed Consolidated Statements of Financial Position *Expressed in Canadian Dollars*

	Sept 30	December 31
	2015	2014
ASSETS		
Current		
Cash	22,330	187,820.00
Amounts receivable	-1,003	53,856.00
Prepaid expenses	0	6,440.00
Drilling supplies	5,325	0.00
Total Current Assets	26,653	248,116.00
Equipment	26,841	15,816.00
IVA Receivable	146,622	144,374.00
Total Assets	200,116	408,306.00
LIABILITIES		
Current		
Accounts payable and accrued liabilities	151,250	212,928.00
Due to related parties	181,586	96,364.00
Other current	-14,151	172,999.00
Total current liabilities	318,685	482,291.00
EQUITY		
Share capital	12,246,924	12,246,924.00
Share-based payments Reserve	2,724,019	2,724,019.00
Retained Earnings		0
Deficit	-15,089,512	-15,044,928.00
Total Equity	-118,569	-73,985.00
Total Liabilities and Equity	200,116	408,306.00

Cosigo Resources Ltd.

Consolidated Unaudited Interim Financial Statements

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss					
<i>(Unaudited - Prepared by Management)</i>					
Expressed in Canadian Dollars					
	Three Months Ended		Nine Months Ended		
	Sep 30	Sep 30	Sep 30	Sep 30	
	2015	2014	2015	2014	
Exploration	(45,555.47)	61,633.00	(73,771.39)	363,492.00	
General and administrative expenses					
Administrative fees and compensation	19,609.68	40,256.00	67,579.71	137,613.00	
Depreciation	-	1,486.00	-	4,414.00	
Foreign exchange/Loss	39.94	0.00	222.65	-344.00	
Legal, accounting and audit	3,325.34	10,743.00	36,034.24	54,627.00	
Office and sundry	5,309.43	31,034.00	6,459.16	80,828.00	
Share-based compensation	-	0.00	-	0.00	
Telecommunications	1,254.63	4,361.00	8,098.17	15,095.00	
Travel	-	3,293.00	-	15,303.00	
Total General and administrative expenses	29,539.01	91,173.00	118,393.92	307,536.00	
Net and Comprehensive Loss Period	-16,016.46	152,806.00	44,622.53	671,028.00	
Weighted Average number of Shares Outstanding, Basic and Diluted	77,630,523	77,630,523	77,630,523	77,630,523	

Cosigo Resources Ltd.

Consolidated Unaudited Interim Financial Statements

COSIGO RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Prepared by Management)

Expressed in Canadian Dollars

	COMMON SHARES		SHARE- BASED PAYMENT RESERVE	DEFICIT	EQUITY
	NUMBER	AMOUNT			
December 31, 2014	\$ 77,630,523	12,246,924	2,724,019	-15,044,928	-73,985
Net Loss for the period				-48,674	-48,674
March 31, 2015	\$ 77,630,523	12,246,924	2,724,019	-15,093,602	-122,659
Net Loss for the period				-11,965	-11,965
June 30, 2015	\$ 77,630,523	12,246,924	2,724,019	-15,105,567	-134,624
Net Loss for the period				16,016	16,016
September 30, 2015	77,630,523	12,246,924	2,724,019	-15,089,512	-118,569

Cosigo Resources Ltd.

Consolidated Unaudited Interim Financial Statements

COSIGO RESOURCES LTD.

Condensed Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	Sep-30		Sep-30	
	2015	2014	2015	2014
Operating Activities				
Net Loss for the period	16,016	-152,806	-44,623	-671,028
Non-cash items			0	0
Depreciation	0	10,035	0	30,063
Share-based compensation	0		0	0
Changes in non-cash operating assets and liabilities:	0		0	0
Amount receivable	0	60,167	52,609	50,277
Increase or Decrease in Inventories	0		-5,325	0
Prepaid expenses	0	1,561	0	-5,859
IVA receivable	1,905	3,419	0	-3,649
Due from/to related parties		121,290	-172,999	362,112
Accounts payable and accrued liabilities	-174,896	32,686	-568,633	128,292
		0	0	0
Total Cash Outflow From Operating Activities	-156,975	76,352	-738,971	-109,792
Investing Activities				
Purchase of Equipment	0	0.00	-11,025	-843
Plant and equipment ownership	0	0	0	0
Deferred and intangible charges	0	0	6,440	0
Net cash flow from investing activities	0	0	-4,585	-843
Financing Activities				
Financial obligations		0	167,345	0
Accounts payable	149,306	0	410,716	0
Increase or decrease in Utilities			0	0
Total Cash Outflow From Financing Activities	149,306	0	578,061	0
Decrease in cash	-7,669	76,352	-165,495	-110,635
			0	0
Cash, Beginning of period	29,994	37,452	187,820	224,439
			0	0
Cash, End of period	22,325	113,804	22,325	113,804

1. NATURE OF OPERATIONS AND GOING CONCERN

Cosigo Resources Ltd. (the “Company” or “Cosigo”) was incorporated on December 21, 1987 in the Province of Alberta and subsequently continued in British Columbia as Horseshoe Gold Mining Inc. The address of the Company is 3854 Cadboro Bay Rd. Victoria, BC Canada V8N 4G4.

The Company is engaged in the business of mineral exploration. The Company has not yet determined whether its property interests contain mineral deposits that are economically recoverable. The recoverability of acquisition and exploration costs with respect to these property interests is dependent on a number of factors including the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work programs on its mineral properties, meet its on-going levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Although the Company presently has sufficient financial resources to undertake its currently planned work programs and has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, the financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES –

a) *Statement of compliance*

These consolidated financial statements have been prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) incorporating interpretations issued by the IRFS Interpretations Committee (“IFRCs”).

These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 10, 2017.

b) *Basis of presentation*

These consolidated financial statements have been prepared on an historical cost basis except for financial instruments that have been measured at fair value. The accounting policies set out below have been applied consistently in all material respects. Standards and guidelines not effective for the current accounting period are described in Note 3.

COSIGO RESOURCES LTD.

Notes to the Unaudited Consolidated Interim Financial Statements

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c) *Foreign currency translation*

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items are measured in terms of historical cost of the foreign currency and are not retranslated. Foreign currency gains and losses are included in the determination of the Company's results of operations.

d) *Basis of consolidation*

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its investment with the investee; and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. As at September 30, 2015, there is no profit or loss, or OCI attributable to non-controlling interests.

The consolidated statements of financial position presented as at September 30, 2015 and December 31, 2014 and the consolidated statements of operations and comprehensive loss, consolidated statement of changes in shareholders' equity and the consolidated statements of cash flows for the three months and nine months ended September 30, 2014 and September 30, 2015 include the accounts of the Company and its subsidiaries:

1. Cosigo Mining Inc., a wholly owned subsidiary, incorporated on March 30, 2005 under the British Columbia Corporations Act. The subsidiary was disposed in 2015.
2. Horseshoe Gold (U.S.) Inc., a wholly owned subsidiary incorporated in Nevada. The subsidiary was inactive at December 31, 2014 and 2013 and disposed in 2016.
3. Cosigo Frontier Mining Corporation, a wholly owned subsidiary of Cosigo Mining Inc., incorporated on August 20, 2007 under the British Columbia Corporations Act.
4. Cosigo Fronteira, Prospecção Pesquisa e Extração Mineral Ltda., a 49% owned (by Cosigo Mining Inc.) subsidiary, incorporated on April 7, 2010 under the laws of Brazil. The subsidiary was inactive at December 31, 2014.
5. Cosigo Resources Prospecção Pesquisa e Extração Mineral Ltda., a 99% owned (by Cosigo Mining Inc.) subsidiary, incorporated on June 6, 2011 under the laws of Brazil. The subsidiary was inactive at December 31, 2014.

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All intercompany transactions and balances have been eliminated upon consolidation.

e) *Cash*

Cash includes cash on hand and demand deposits.

f) *Exploration and evaluation assets*

Capitalized mineral property costs comprise deferred direct costs for the initial acquisition of mineral exploration or exploitation rights and development costs on proven or probable mineral reserves. Capitalized costs related to producing properties are amortized to production on the unit-of-production method, based on estimated production capacity. Property investigation costs are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Mineral exploration costs are expensed as incurred until proven or probable reserves and mining rights and operating plans have been established. Exploration costs include land use fees and overhead costs directly related to exploration activities. Option income from joint interest participants is recorded as revenue in the period earned. Administrative costs are expensed as incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgement that none of the Company's exploration and evaluation assets have reached the development stage and as a result all are considered exploration and evaluation assets or exploration expenses.

Although the Company has taken steps to verify title to mineral properties in which it has interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreement and non-compliance with regulatory requirements.

Capitalized mineral property costs are not intended to reflect present or future values. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based

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on existing knowledge, changes in future conditions could require a material change in the recorded amounts.

g) *Equipment*

At acquisition, the Company records equipment at cost including all expenditures incurred to prepare an asset for its intended use. The initial cost of equipment comprises its purchase price, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and, for qualifying assets, their borrowing costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given up to acquire the asset.

Major repairs and maintenance include replacing assets or parts of an asset and plant turnarounds. Where it is probable that future economic benefits associated with the replacement will flow to the Company, the expenditure is capitalized and the replaced asset or part of an asset that was separately depreciated is derecognized. All other maintenance costs are expensed as incurred.

Equipment is depreciated over its estimated useful life on a straight-line basis as follows:

Office furniture and fixtures	5 years
Computer hardware and software	3 years
Mining explorations equipment	5 years
All-terrain vehicles	3 years

h) *Impairment of non-current assets*

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company follows the guidance in *IFRS 6 – Exploration for and evaluation of mineral resources* to determine whether exploration and evaluation assets are impaired. This determination requires significant judgement. Impairment indicators relevant for exploration and evaluation properties include the rights to explore the area of interest have expired during the period or will expire in the near future and the rights are not expected to be renewed; substantive expenditure of further exploration and evaluation is not planned or budgeted; the activities have not lead to a discovery of interest; or deteriorating local conditions such that it may become unsafe to continue operations. If an impairment indicator is identified, management performs an impairment test. If the recoverable amount of the exploration and evaluation assets is less than the carrying amount, an impairment loss is recorded in the consolidated financial statements.

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Where it is possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing performed.

An impairment loss is recognized in the statement of operations, except to the extent they reverse gains previously recognized in other comprehensive income or loss.

Impairment losses are reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, and it has been determined that the asset is no longer impaired or that impairment has decreased. This reversal is recognized in the consolidated statements of comprehensive income (loss) and is limited to the carrying value that would have been determined, net of any depreciation where applicable, had no impairment charge been recognized in prior years. When an impairment reversal is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs of disposal.

i) Environmental rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

j) Earnings per share

Earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other financial instruments with equity features. Under this method, the dilutive effect on earnings per share is calculated to reflect the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic and diluted loss per

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share is equal as the assumed conversion of outstanding options and warrants would be anti-dilutive.

k) Share-based compensation

The Company's share option plan allows employees, directors, consultants and contactors to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity (share-based payment reserve). The fair value is measured at the grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The Company's share option plan allows eligible employees (directors, consultants, and contractors) to acquire shares of the Company and to benefit from a matching contribution by the Company. The fair value of the shares issued under this plan less the actual payment received from the eligible employees is recognized as an expense with a corresponding increase in equity (share-based payment reserve). The fair value of the shares is measured based on the market price of the shares on the day they are issued.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services received.

Where warrants have been issued in a currency that is different from the functional currency of the issuer, the warrants are included in the definition of a derivative and included under liabilities. Warrants are measured at the time of issue using the Black-Scholes option-pricing model to determine their fair value. At each subsequent reporting period, warrants that are derivatives are re-measured in accordance with the accounting policy of financial instruments.

l) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been exacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset

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or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

m) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' ("FVTPL"); 'held at maturity' investments; 'available for sale' financial assets; and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Available for sale (“AFS”) financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as: loans and receivables; held-to-maturity investments; or financial assets at FVTPL. AFS financial assets are measured at fair value, with any fair value changes recognized in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables, cash, and other assets including amounts held in escrow) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of an instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, (or, where appropriate a shorter period) to the net carrying amount on initial recognition.

Cosigo’s financial assets

The following summarizes the Company’s classification and measurement of its financial assets:

Financial asset	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
IVA receivable	Loans and receivables	Amortized cost
Investments	Loans and receivables	Amortized cost

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The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all of the risks and rewards of ownership of the asset to another entity.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Generally, the carrying amount of the financial asset is reduced by the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in contributed surplus. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Distributions paid on the Company's equity instruments subsequent to, declared prior to, and with a record date at or prior to the reporting date, are recorded as a liability.

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective interest basis.

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, (or where appropriate a shorter period), to the net carrying amount on initial recognition. These transaction costs are presented net of the financial liability when there is a balance; otherwise they are presented as a financial asset.

Cosigo's financial liabilities

Financial liability	Classification	Measurement
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost
Loans	Other financial liabilities	Amortized cost

The Company derecognizes a financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

n) Critical accounting policy judgment, estimates, and assumptions

The preparation of these consolidated financial statements requires management to make estimates 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 results could materially differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive on future occurrences. Revisions to accounting estimates are recognized in their period in which the estimate is revised and may affect both the period of revision and future periods.

The estimates and assumptions critical to the determination of the amounts reported in the financial statements relate to, but are not limited to, the following:

- The Company's assessment of its ability to raise sufficient funds to finance operations: Estimates and assumptions are continually evaluated and are based on historical

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experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances;

- The analysis of the functional currency for each entity of the Company: In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influence the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
- The inputs used in accounting for the value of share-based compensation expense in the consolidated statement of comprehensive loss;
- The estimated remaining values of prepaid expenses and drilling supplies;
- The allocation of overhead costs between exploration projects and general and administrative expenses;
- The determination of income taxes and the valuation of deferred income tax assets;
- Management's assumption that there are currently no rehabilitation costs is based on the facts and circumstances that exist during the period;
- Title to mineral property interests - Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects and;
- The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

o) Application of new and revised IFRSs

In the current year, the Company has applied a number of new and revised IFRSs issued by the IASB, and incorporated in the Chartered Professional Accountants of Canada Handbook. The following highlights these changes and the effect, if any, on the Company's consolidated financial statements.

Amendments to Financial Instruments

Amendments were made to IAS 32, which clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". These amendments did not have an impact on the Company's consolidated financial statements, as the Company does not have any financial assets and financial liabilities that qualify for offset.

Additionally, amendments were made to IAS 39, which provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. These amendments did not have an impact on the Company.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

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The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The Company does not have any investment entities and, as such, these amendments did not have an impact on its consolidated financial statements.

IFRS Interpretations Committee 21 – Levies (“IFRIC 21”)

IFRIC 21, which came into effect on January 1, 2014, provides an interpretation of the requirements in IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay a government levy other than income taxes. IAS 37 sets out the criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The standard currently has no impact on the Company’s consolidated financial statements.

Amendments to IAS 36 – Impairment of Assets

The overall effect of the amendment is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The Company does not have any impaired assets, and, as such, these amendments did not have an impact on its consolidated financial statements.

3. FUTURE ACCOUNTING POLICIES

From time to time, the International Accounting Standards Board (“IASB”) issues new accounting standards and revises existing accounting standards. The following standards, not yet effective as at the date of these consolidated financial statements and accordingly not applied to these consolidated financial statements, may have a future impact:

Financial Instruments

IFRS 9 – *Financial Instruments* (“IFRS 9”) was issued in July 2014 and contains new requirements for classification and measurement and impairment of financial instruments and introduces a substantially reformed approach to hedge accounting. This standard reflects all phases of the financial instruments project and replaces IAS 39 – *Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 9 and intends to adopt the new standard on the required effective date.

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b) Exploration Projects in Progress

i) Colombia, Machado

On August 20, 2007, Cosigo Frontier Mining Corporation ("CFMC") was incorporated to carry out the joint exploration of the Taraira North mineral properties. CFMC established a branch in Colombia on September 18, 2007

On September 28, 2007 the Colombian government accepted the Company's bid for the Machado Mineral License and awarded a mineral rights concession for the bid area. Under the terms of the government contract CFMC paid a fee of approximately \$100,000 (196,000,000 Colombian Pesos) for reports with respect to exploration studies carried out by the Colombian government. CFMC also agreed to pay 1% of production revenue to the Colombian government over and above the 4% royalty payable to the Colombian government on all production revenue from the Machado Mineral License.

For the year ended December 31, 2014, the Company completed a preliminary exploratory drilling program and continues the process of obtaining environmental licensing to allow the further exploration of the area to define the importance and extent of known gold-bearing zones and to identify additional areas of interest.

ii) Colombia, CN

On October 29, 2009 Cosigo Resources Ltd. paid government fees and acquired a 100% interest in the CN Mineral License in the Taraira South area of Colombia. The Company is in the process of obtaining approval to allow the exploration of the area. The Company was advised that an administrative proceeding was to be filed against the Company claiming that the CN Project is within the boundaries of a new National Park.

Mineral title was administratively revoked in 2015 as the whole property was overlapping approximately 0.03% of an area on the border of the new National Park. The company filed an appeal and the process is ongoing, however the possibility of getting the mineral title back is remote.

iii) Colombia, Damian

The Company paid government fees and acquired several mineral licenses in the province of Cauca, in the Damian area of Colombia. The licenses are situated within an area that is predominately licensed by a large international mining company. At September 30, 2011 property investigation efforts in the area were temporarily suspended by government authorities. The licenses remain valid but the required concession payments were not required by the government of Colombia at March 31, 2015 and are in administrative revision to confirm if the same status retroactively applies to the second quarter of 2015.

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iv) Northwest Territories, Lac de Gras Properties

The Company currently owns 13.26% of the issued common shares of DHK Diamonds Inc., a private company which was formed to own and explore mineral properties in the Northwest Territories, Canada. DHK has entered into a joint exploration program on its properties with a third party who is the operator of the program. The investment in DHK Diamonds Inc. was considered impaired and the cost of the investment was charged to income in a prior year.

Effective June 27, 2013 the Company was advised that the interest of DHK Diamonds Inc. in the joint exploration program was reduced to 10.3141% as a cash call required by February 29, 2013 was not met. In order for DHK Diamonds Inc. to maintain its current interest, it is required to pay its proportionate share of any future cash calls.

5. AMOUNTS RECEIVABLE AND IVA RECEIVABLE

The Company has \$14,544 (2014 - \$12,180) of GST/HST recoverable from the Government of Canada included in amounts receivable at September 30, 2015. The Company has other amounts receivable of \$nil at September 30, 2015 (2014 - \$41,674).

The Company has \$146,622 (2014 - \$144,374) of IVA recoverable from the Government of Colombia as at September 30, 2015.

6. RELATED PARTY TRANSACTIONS

IAS 24 – Related Party Disclosures requires entities to disclose in their financial statements information about transactions with related parties. Generally, two parties are related to each other if one party controls, or significantly influences the other party. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

a) Related party transactions balances were as follows:

As at	September 30, 2015	Dec. 31, 2014
Due to related parties		
Amounts due to directors and key management	2561	95,036
Amounts due to companies with directors in common	120,051	126,758
Total	122,612	221,794

b) Transactions With Key Management Personnel

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	Sep 30		Sep 30	
	2015	2014	2015	2014
Short term employment benefits (salaries, consulting, professional fees, insurance)	24,938	71,720	82,771	212,040
Share based compensation	-	-	-	0
Total	24,938	71,720	82,771	212,040

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Key management personnel include the President/Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel. Key management personnel were not paid post-employment benefits, termination benefits, or other long term benefits during the quarters ended September 30, 2015 and September 30, 2014. Amounts owing to key management personnel are included in due to related parties.

Share-based compensation for the quarter ended September 30, 2015 included \$ nil with respect to options granted to key management personnel and \$ nil with respect to shares acquired by key management personnel under the employee share purchase plan.

7. Loan

The Company owes \$120,000, by way of unsecured Promissory Note due on demand to a company controlled by a common Director.

During the year ended December 31, 2014, the Company received several unsecured loans totaling \$15,852 (\$32,617,356 COP) from an employee in Colombia. The loans were interest free and repaid in full in 2015 and 2017.

During the year ended December 31, 2014 the Company received advances of \$14,580 (\$30,000,000 COP) from a new director of the company, appointed April 27, 2015. The funds received were intended for the purchase of shares through a private placement but the private placement never took place and was cancelled. As a result, the advances were reclassified as a loan repaid in full in 2017.

During the year ended December 31, 2014 the Company received \$22,567 (\$46,434,200 COP) from Tobie Mining & Energy, an unrelated party. The unsecured promissory note is due on demand and does not bear interest.

8. SHARE CAPITAL

a) Authorized: Unlimited number of voting common shares without par value.

b) Outstanding shares:

For the quarter ended September 30, 2015 there were no shares issued for cash or compensation, nor were there any shares issued as share-based compensation.

c) Warrants

The continuity of share purchase warrants during the years ended December 31 2014 and period ended September 30, 2015 was as follows:

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As at	June 30, 2015	Dec. 31, 2014
Warrants outstanding, beginning of year/period	24,535,572	28,990,672
Issued	0	0
Expired	-17,456,966	-4455100
Warrants outstanding, end of year/period	7,078,606	24,535,572

Subsequent to period end 7,078,606 warrants expired unexercised.

The following table summarizes the warrants outstanding and their exercise prices as at December 31, 2014

Number of Warrants	EXERCISE PRICE				Expiry Date
	Year 1	Year 2	Year 3	Year 4	
16,448,600	\$0.50	\$1.00	\$1.25		April 26, 2015
1,008,366	1.25 USD	1.00 USD	1.25 USD		September 21, 2015
7,078,606	1.25	1	1.25	1.5	April 26, 2016
24,535,572					
-17,456,966	expired in Q3				
7,078,606					

As of December 31, 2014 the warrants outstanding have a weighted average price of \$1.00 and remaining contractual life of 0.6 years.

d) Stock Options

There were no stock options granted during the period ended September 30, 2015.

The continuity of stock options during the years ended December 31, 2014 and 2013 and period ended June 30, 2015 were as follows:

		Number of Options
Balance	December 31, 2012	6,040,000
Granted	August 16, 2013	100,000
Granted	August 16, 2013	75,000
Granted	December 2, 2013	100,000
Granted	December 9, 2013	350,000
Expired on director resignation	November 4, 2014	-2,175,000
Expired on director resignation	February 23, 2015	-1,525,000
Balance	September 30, 2015	2,965,000

The following table summarizes the options outstanding and their exercise prices as at June 30, 2015:

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Number of Options	Exercise Price	Expiry Date
730,000	\$ 0.25	March 18, 2018
4,810,000	\$ 0.50	April 10, 2022
500,000	\$ 0.50	May 14, 2022
100,000	\$ 0.50	April 10, 2022
75,000	\$ 0.50	August 16, 2023
100,000	\$ 0.50	December 2, 2023
350,000	\$ 0.50	December 9, 2023
6,665,000		
-3,700,000	expired on resignation	
2,965,000	as at Sept 30, 2015	

As at December 31, 2014, the stock options outstanding have a weighted average price of \$0.46 (2013 - \$0.47) and remaining contractual life of 6.8 years (2013 – 7.8 years).

9. MANAGEMENT OF CAPITAL

The Company manages its capital with the goal to safeguard the Company's ability to continue as a going concern and ensure its ability to further explore and develop its mineral property holdings. The Company includes cash and the components of shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There were no changes in the Company's approach to capital management in 2014 and the Company is not exposed to externally imposed capital requirements.

10. RISK MANAGEMENT

In the normal course of business, the Company is exposed to a number of risks that can materially affect its operating performance.

a) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Colombia, and Brazil and as a result, a portion of the Company's expenditures are in Colombian Pesos and Brazilian Reals. The risk from a significant change in the exchange rate of the Canadian dollar relative to the foreign currencies

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could have an effect on the Company's results of operations, financial position or cash flows. However, management believes that the Company's foreign currency exchange risk is not significant at this time. The Company has not hedged its exposure to currency fluctuations.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and causes the other party to incur a financial loss. The Company's credit risk consists primarily of cash held at the Company's bank accounts.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has sufficient cash to meet its obligations and liquidity risk is therefore considered minimal. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

d) Interest Rates

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because they are generally held to maturity. The Company's current policy is to invest excess cash in investment-grade short term deposit certificates issued by financial institutions. Interest rate risk is not significant to the Company as it has no cash equivalents at year end. As at June 30, 2015, with other variables unchanged, a 1% change in the variable interest rates would not have had a significant impact on the loss of the Company.

11. COMPARATIVE NUMBERS

Certain comparative numbers were reclassified to conform with the financial statement presentation adopted for 2015.