Kettle River Resources Ltd.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

1st quarter
July 31, 2015

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), 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 unedited interim financial statements of the Company 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 financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statement by an entity's auditor.

KETTLE RIVER RESOURCES LTD.

Statement 1

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

Canadian Funds

Unaudited – Prepared by Management

	July 31, 2015	April 30, 2015
ASSETS		
CURRENT ASSETS		
Cash	**$ 2,982**	$ 1,650
Accrued interest and other amounts receivable	**8,547**	10,827
Investments (Note 4)	**-**	-
Prepaid expenses	**2,413**	4,453
	13,942	16,930
Reclamation Bond	**5,000**	5,000
Property, Plant and Equipment (Note 5)	**457**	485
Exploration and evaluation assets (Note 6)	**3**	3
	$ 19,402	$ 22,418
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**33,527**	30,191
Cheques written in excess of funds on hand	**-**	-
Due to related parties (Note 8)	**20,775**	18,900
Loan payable (Note 8)	**411,900**	406,900
	466,202	455,991
SHAREHOLDERS' EQUITY		
Deficit	**(14,495,753)**	(14,482,526)
Accumulated Other Comprehensive Income	**-**	-
Capital stock (Note 7)	**13,141,642**	13,141,642
Reserves (Note 7)	**907,311**	907,311
	(446,800)	(433,573)
	$ 19,402	$ 22,418

Approved by the Board of Directors and authorized for issue on September 28, 2015.

ON BEHALF OF THE BOARD:

"Ellen Clements"

Ellen Clements, Director

"John Jewitt"

John Jewitt, Director

See accompanying notes to financial statements

KETTLE RIVER RESOURCES LTD.

Statement 2

(An Exploration Stage Company)

Condensed Interim Statement of Loss and Comprehensive Loss

Canadian Funds

Unaudited – Prepared by Management

	For Three months ended July 31, 2015	2014
MINERAL EXPLORATION ACTIVITIES		
Exploration costs (Note 6) *	**$ 2,822**	$ 6,559
Less: Government assistance	**-**	(6,310)
	2,822	249
ADMINISTRATIVE COSTS		
Accounting, audit & legal	**4,065**	4,092
Advertising, promotion & printing	**200**	200
Depreciation	**19**	24
Licenses, insurance, and transfer agent fees	**1,472**	2,384
Management, salary & wages (net of recoveries)	**2,850**	1,486
Office, interest & sundry ** (Note 8)	**359**	9,550
Office building expenses	**721**	1,857
Telephone	**734**	633
	10,420	20,226
OTHER INCOME		
Interest and US Exchange adjustment	**(15)**	(79)
	(15)	(79)
NET INCOME (LOSS) FOR THE PERIOD	**$ (13,227)**	$ (20,396)
OTHER COMPREHENSIVE INCOME (LOSS)		
Net Income (Loss) for the Period	**(13,227)**	(20,396)
Unrealized Gain (Loss) on Available-for-sale Marketable Securities (Note 4)	**-**	(17,171)
	$ (13,227)	(37,567)
Comprehensive Income (Loss) per share, basic and diluted	**$ 0.00**	$ 0.00
Weighted average number of Shares outstanding	**27,716,711**	27,716,711
Basic and diluted income (loss) per share	**$0.00**	$0.00

* Exploration costs-adjusted to correct a previous error.

** A director has agreed to waive and forgive accumulated interest on loan effective January 1, 2014.

See accompanying notes to financial statements.

KETTLE RIVER RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Canadian Funds

Unaudited – Prepared by Management

	Number of shares	Share capital	Accumulated Other Comprehensive Income	Reserve	Deficit	Total Deficiency
		$	$		$	$
May 1, 2014	27,716,711	13,141,642	(79,771)	907,311	(14,473,843)	(504,661)
Unrealized loss on available -for-sale investments			(17,171)			(17,171)
Net loss for the period					(20,396)	(20,396)
July 31, 2014	27,716,711	13,141,642	(96,942)	907,311	(14,494,239)	(542,228)
May 1, 2015	**27,716,711**	**13,141,642**	**-**	**907,311**	**(14,482,526)**	**(433,573)**
Unrealized loss on available -for-sale investments					**-**	**-**
Net income (loss) for the period					**(13,227)**	**(13,227)**
July 31, 2015	**27,716,711**	**13,141,642**	**-**	**907,311**	**(14,495,753)**	**(446,800)**

KETTLE RIVER RESOURCES LTD. Statement 3

(An Exploration Stage Company)

Condensed Interim Statement of Cash Flows

Canadian Funds

Unaudited – Prepared by Management

	For Three months ended July 31, 2015	2014
Cash Flows from Operating Activities		
Net Income (Loss) for the period	**$ (13,227)**	$ (20,396)
Add (Deduct): Items not involving cash		
Depreciation	**28**	440
Share-based compensation	**-**	-
Gain on option of exploration and evaluation asset	**-**	-
	(13,199)	(19,956)
Changes in non-cash working capital:		
Prepaid expenses	**2,040**	1,186
Accrued interest and other amounts receivable	**2,280**	(7,522)
Amounts due to directors	**1,875**	11,465
Accounts payable and accrued liabilities	**3,336**	(4,598)
	(3,668)	(19,425)
Financing Activities		
Loan payable advances	**5,000**	16,000
Loan payable repayments	**-**	-
Due to related parties	**-**	-
	1,332	16,000
Increase (decrease) in Cash	**1,332**	(3,425)
Cash, and cash equivalents, beginning of period	**1,650**	(8,597)
Cash and cash equivalents, end of period	**$ 2,982**	$ (12,022)
Cash and Term deposits represent by		
Cash on hand	**2,982**	1,103
Cheques written in excess of funds on hand	**-**	(13,125)
	2,982	(12,022)
Supplementary Schedule		
Amortization of capital assets to mineral properties	**19**	416
Interest paid	**-**	8,662

See accompanying notes to financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities and commitments in the normal course of business. The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements. The Company has working capital deficiency of $452,260 as at July 31, 2015 and has accumulated losses of $14,495,753. Since inception, the Company has been successful in funding its operations and to date has net issued shares of 27,716,711 for net proceeds of $13,141,642 averaging $0.47 per share. The share price at July 31, 2015 was $0.005 Cdn.

Management plans to continue to pursue equity financing or other avenues to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going concern will be impaired. The outcome of these matters cannot be predicted at this time.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board, and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. Results for the period ended July 31, 2015, are not necessarily indicative of future results.

These are the Company's first IFRS condensed interim financial statements for part of the period covered by the first IFRS consolidated annual financial statements to be presented in accordance with IFRS for the year ending April 30, 2015. Previously, the Company prepared its annual and interim financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which are stated at their fair value. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening balance sheet at May 1, 2010 (note 11) for purposes of transition to IFRS. The accounting policies have been applied consistently by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of receivables, valuation of inventories, valuation and depreciation of property, plant and equipment and mining interests, valuation of share-based payments, recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Mineral properties

Once a license to explore an area has been secured, expenditures on mineral properties are capitalized to exploration and classified as a non-current asset.

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

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

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

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

Equipment

Equipment is recorded and amortized on a declining-balance basis at an annual rate of 20% for office equipment and on-site exploration equipment, 30% for computer equipment and vehicles, and 100% for computer software. Amortization for exploration-related equipment is recorded as a deferred property cost. Amortization in the year of acquisition is recorded at one half of its normal rate.

Impairment

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

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

Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the agreement to issue shares was concluded.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments

Financial assets

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

i. **Financial assets at fair value through profit or loss**
Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents, are included in this category of financial assets.

ii. **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Loans and receivables comprise trade and other receivables.

iii. **Available-for-sale financial assets**
Available-for-sale (AFS) financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

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

Financial liabilities

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

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

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include trade accounts payable, due to directors and loan payable.

Share-based payments

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

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

4. INVESTMENTS

Company Name	Number of Shares	**Carrying Value July 31, 2015**	Carrying Value April 30, 2015
Publicly traded			
New Nadina Explorations Limited	1,782,582	**$ -**	**$ -**
Taseko Mines Limited	4,676	**-**	**-**
Golden Dawn Minerals Inc.	167,500	**-**	**-**
		$ -	**$ -**

	April 30, 2015	April 30, 2014
Available-for-sale:		
Opening balance - cost	**$ 131,529**	$ 128,154
Securities acquired – cost	**-**	3,375
Securities disposed	**(131,529)**	**-**
Closing balance – cost	**-**	131,529
Unrealized loss	**-**	(79,771)
Closing balance –market price	**$ -**	$ 51,758

During the year ended April 30, 2015, all shares in New Nadina Explorations, Golden Dawn Minerals and Taseko have been sold. The securities were disposed of in that year as follows:

Name of Security	**Number of shares**	**Proceeds**	**Cost of share**	**Gain (Loss)**
New Nadina Explorations Limited	1,782,582	$ 17,746	$ 74,097	$ (56,351)
Taseko Mines Ltd	4,676	4,970	-	4,970
Golden Dawn Minerals Inc	167,500	14,869	57,432	(42,563)
		$ 37,585	**$ 131,529**	**$ (93,944)**

5. PROPERTY, PLANT AND EQUIPMENT

	Land	**Paving**	**Buildings**	**Mining Equipment**	**Office equipment**	**Trailer**	**Total**
	$	$	$	$	$	$	$
Depreciation rate - Cost	-	8%	4%	30%	20%	30%	
Balance as at April 30, 2014	10,000	4,861	86,401	117,557	53,972	8,890	281,681
Balance as at April 30, 2015	-	-	-	117,557	53,972		171,529
Additions during the period	-	-	-	-	-	-	-
Balance as at July 31, 2015	-	-	-	**117,557**	**53,972**	-	**171,529**
Accumulated depreciation							
Balance as at April 30, 2014	-	3,660	48,304	117,406	53,498	-	231,758
Balance as at April 30, 2015	-	-	-	117,451	53,593		171,044
Depreciation for the period	-	-	-	**9**	**19**	-	**28**
Balance as at July 31, 2015				**117,460**	**53,612**		**171,072**
Net book value							
At April 30, 2014	10,000	1,201	38,097	151	474	-	49,923
At April 30, 2015	-	-	-	106	379		485
Balance as at July 31, 2015	-	-	-	**98**	**359**	-	**457**

6. MINERAL PROPERTIES

Acquisition costs and exploration expenditures relating to mineral properties are written off as incurred. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Ongoing reclamation and site restoration costs including site maintenance and caretaking are expensed when incurred.

	2015	2014
Acquisition Costs		
Greenwood Area	**1**	1
Arcadia (Skylark) – Greenwood Area	**1**	1
DHK Diamonds Inc. – NWT	**1**	1
Silica Quarry - Saskatchewan	**Nil**	Nil
Total exploration and evaluation assets	**$ 3**	$ 3

Exploration Expenditures by Property For the period ended July 31, 2015	**Greenwood Area**	**DHK NWT**	**Silica Quarry 50%**	**Total**
Depreciation	**$ 8**	**$ -**	**$ -**	**$ 8**
Direct charges – wages	**275**	**-**	**-**	**275**
Exploration costs 1)	**585**	**50**	**-**	**635**
Storage (samples& equipment)	**735**	**-**	**-**	**735**
Property and Mineral taxes	**1,169**	**-**	**-**	**1,169**
TOTAL:	**$ 2,772**	**$ 50**	**$ -**	**$ 2,822**
Less government assistance:				
	$ 2,772	**$ 50**	**$ -**	**$ 2,822**

Exploration Expenditures by Property For the period ended July 31, 2014	Greenwood Area	DHK NWT	Silica Quarry 50%	Total
Depreciation	$ 416	$ -	$ -	$ 416
Direct charges – wages	-	-	-	-
Exploration costs 1)	1,122	50	-	1,172
Storage (samples& equipment)	784	-	-	784
Property and Mineral taxes	4,187	-	-	4,187
TOTAL:	$ 6,509	$ 50	$ -	$ 6,559
Less government assistance:	(6,310)			(6,310)
	$ 199	$ 50	$ -	$ 249

1) Exploration costs include equipment costs; freight/delivery expense; geology/geophysics/geochemical expenses; physical work, sampling, reclamation costs and allocation of office and overhead expenses relating to exploration activities.

DHK NWT costs represent all related exploration program costs plus its proportionate share of invoices to DHK.

a) GREENWOOD AREA - Southern BC:

The Company owns a 100% interest in certain properties comprising approximately 10,000 hectares of mineral tenure of which a portion is inclusive of surface rights in the Greenwood Mining Division of British Columbia. The Company is actively exploring for gold, silver, other base metals and industrial mineral potential. Properties within the Greenwood Area include Phoenix (Battle Zone), Bluebell (Minnie Moore), Phoenix Tailings, Haas Creek, Rad group, Arcadia (Skylark), Tam O'Shanter and Niagara.

6. MINERAL PROPERTIES – continued

a) GREENWOOD AREA - Southern BC: – continued

Tam O'Shanter: Since 2011, the company entered into two separate agreements with Golden Dawn Minerals Inc. ("Golden Dawn"). The first agreement was in 2011 and terminated in 2014 with the company receiving $85,000 of the $240,000 payments. The property was returned being in good standing until January 31, 2023. The second on July 6, 2015 allowing them to earn 100% interest in the Tam O Shanter property by making cash payments of $150,000 subject to a three per-cent net smelter return (NSR) royalty giving the right to purchase two per-cent of the NSR for $2-million. See Subsequent and other Events - This agreement was terminated by Golden Dawn on September 11, 2015.

b) DHK DIAMONDS INC. – Northwest Territories:

DHK Diamonds Inc. ("DHK") is a private company incorporated and registered in the Northwest Territories, owned by Kettle River Resources Ltd. (43.37%), Dentonia Resources Ltd. ("Dentonia") (43.37%), and Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) (13.26%.)

Operations and funding provisions of DHK are governed by a 1992 Shareholders' Agreement where each shareholder appoints two directors to the board and certain activities require 75% board approval. At this time, both Dentonia and Cosigo have delisted from the TSX venture exchange leaving Kettle River to fund operations.

WO Joint Venture - As of March 17, 2015, DHK has a 10.326% contributing interest in the WO Joint Venture operated by Peregrine Diamonds Ltd. ("Peregrine"). Should DHK reduce to less than a 4% participating interest, they revert to a 0.25% Gross Overriding Royalty.

c) Monument Property (formerly DHK Claim Block) south shore of Lac de Gras

Through an agreement dated October 24, 2003 DHK holds a 1% gross overriding royalty on three leases explored for diamond potential, owned (57.49%) and operated by New Nadina Explorations Limited.

d) SILICA QUARRY - Saskatchewan:

The Company holds a 50% interest in a quarry lease that expires in December 2019. New Nadina Explorations Limited holds the other 50%.

7. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued and fully paid:

	2015	
	Number of Shares	**Value**
Balance at April 30, 2013	**27,716,711**	**$ 13,141,642**
Balance at April 30, 2014 and July 31, 2015	**27,716,711**	**$ 13,141,642**

c) Warrants:

As at April 30, 2015 and July 31, 2015, the Company has no warrants outstanding.

d) Share purchase options:

The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date and subject to the approval of the TSX Venture Exchange. The options vest as determined by the Board of Directors.

7. SHARE CAPITAL - continued

d) Share purchase options: - continued

The continuity of share purchase options is as follows at July 31, 2015:

	Number of Shares	Exercise Price $	Weighted average years to expiry	Expiry date
Options – April 30, 2013	1,600,000	0.10		July 20, 2015
Cancelled (former director)	**(225,000)**	0.10		July 20, 2015
Options – April 30, 2014 and 2015	**1,375,000**	**0.10**	**0.22**	**July 20, 2015**
Opening balance	**1,375,000**	**0.10**		**July 20, 2015**
Expired – July 20, 2015	**(1,375,000)**	**0.10**		**July 20, 2015**
Closing balance	-			

Weighted average years to expiry	**0**

As at July 31, 2015, there are no options outstanding and exercisable (July 31, 2014 – 1,600,000).

e) Reserves
Reserves consist of amounts recorded for the value of stock options issued.

8. RELATED PARTY TRANSACTIONS

Related party transactions and balances not disclosed elsewhere in these statements are as follows:

As at July 31, 2015 unsecured advances of $20,775 (2014 - $17,162) were due to directors, $2,415 (2014 - $4,347) was due from New Nadina for office expense reimbursements and $5,487 (2014 - $3,383) was due from DHK for reimbursement of expenses in maintaining the company.

Related party transactions:

The Company incurred the following transactions with directors and officers of the Company.

	2015	2014
	$	$
Storage of equipment and samples	**675**	675
Loan interest (Note 8)	**-**	8,662
	675	9,337

Key management personnel compensation:

	2015	2014
	$	$
Directors fees	**1,200**	1,200
	1,200	1,200

During the current year a total of $7,190 (2014 - $11,165) was recovered from New Nadina for office, secretary expenses and reimbursement of expenses.

All advances, unless otherwise noted, are unsecured, bear no interest and have no fixed terms of repayment.

8. RELATED PARTY TRANSACTIONS - continued

On January 20, 2009, a loan agreement was approved by the TSX Venture Exchange whereby the President of the Company would advance up to $75,000, increased by verbal agreement, to be secured by a first mortgage on the Company's property located at 1215 Greenwood Street, Greenwood, BC and bearing interest at CIBC prime plus 3%. This loan had a term of 3 years and subsequently extended to six years by Board approval and became due January 11, 2015.

During the year ending April 30, 2015, the loan debt was reduced by $178,600 (being fair and assessed market value) from the transfer of the building and land located at 1215 Greenwood Street in Greenwood, BC. The transfer was made to the loan holder's company who assumed the same amount payable.

During the current period, the Company received further advances $5,000 (2014 - $16,000) related to this loan. On agreement with the loan holder, interest backdated to January 1, 2014 of $10,984 was forgiven and the current loan is interest free.

As at July 31, 2015 the unpaid loan balance is $411,900 (2014 - $577,000 plus interest arrears of $2,938).

9. SEGMENTED INFORMATION

No segmented information is presented because the Company has no recent logging or other operations and the Company is solely involved in mineral exploration.

10. SUBSEQUENT AND OTHER EVENTS

a) On September 11, 2015 Golden Dawn announced they were not proceeding with the Tam O' Shanter agreement announced July 6, 2015.

b) In a news release dated July 20, 2015, the company announced that they entered into a letter of intent (the "LOI") pursuant to which it is contemplated that New Nadina Explorations Limited will acquire all of the outstanding common shares of Kettle River.

A subsequent news release dated August 17, 2015 stated – "Further to their joint news release dated July 20, 2015 New Nadina (NNA) and the company have executed a binding arrangement agreement (the "Arrangement") whereby NNA will acquire all of the outstanding common shares of Kettle River by way of a plan of arrangement under the Business Corporations Act (British Columbia). Upon completion of the Arrangement, it is anticipated that approximately 27,716,711 common shares of NNA will be issued to former Kettle River shareholders and as a result, Kettle River will become a wholly-owned subsidiary of New Nadina. Under the terms of the Arrangement, on the effective date of the Arrangement the shareholders of Kettle River will receive one (1) NNA common share for each Kettle River common share held (the "Share Exchange Ratio"). Based on the 27,716,711 common shares of Kettle River outstanding on the date hereof, Kettle River shareholders will receive under the Arrangement approximately 27,716,711 common shares of New Nadina representing approximately 24.7% of NNA's outstanding shares on completion of the Arrangement (based on NNA's 84,486,568 outstanding common shares on the date hereof).

The Arrangement has been reviewed by the independent special committees of the company, and was approved unanimously by the independent directors of both companies. The directors and officers of Kettle River have also entered into voting support agreements with New Nadina under which they have agreed to vote all their Kettle River shares in favour of the Arrangement representing approximately 28% of the shares entitled to vote at the Kettle River annual general and special meeting, currently scheduled to be held on October 16, 2015.

The special committee and Board of Directors of Kettle River have received a Fairness Opinion from Stephen W. Semeniuk, CFA that the New Nadina share consideration is fair from a financial perspective, to the shareholders of Kettle River. The Board of Directors of Kettle River unanimously recommends that the shareholders vote in support of the Arrangement."

DIRECTORS AND POSITIONS:

Ellen Clements, * President and CEO

John W. Jewitt, retired P.Eng. * - director

Arlene Ashton, Officer and CFO

Stephen Levano, BA, MBA * - director

* Members of the Audit Committee