OBAN
MINING CORPORATION

Consolidated Financial Statements

For the year ended December 31, 2015 and 2014

Presented in Canadian dollars

OBAN
MINING CORPORATION

March 15, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Oban Mining Corporation (“Oban” or the “Corporation”) were prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Management is responsible for ensuring that these consolidated financial statements, which include amounts based upon estimates and judgments, are consistent with other information and operating data contained in the annual financial review and reflect Oban’s business transactions and financial position.

Management is also responsible for the information disclosed in Oban’s management’s discussion and analysis including responsibility for the existence of appropriate information systems, procedures and controls to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects.

In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The internal control system includes a code of conduct and ethics, which is communicated to all levels in the organization and requires all employees to maintain high standards in their conduct of the corporation's affairs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that Oban’s assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. The Audit Committee also reviews Oban’s management’s discussion and analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Oban’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) “John Burzynski”	(Signed) “Blair Zaritsky”
President and Chief Executive Officer	Chief Financial Officer

March 10, 2016

Independent Auditor's Report

To the Shareholders of
Oban Mining Corporation

We have audited the accompanying consolidated financial statements of Oban Mining Corporation and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers LLP
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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Oban Mining Corporation and its subsidiaries as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter
The financial statements of Oban Mining Corporation as at and for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on March 10, 2015.

(Signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

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Consolidated Statements of Financial Position
(In Canadian dollars)

As at,		December 31, 2015		December 31, 2014
Assets				
Current assets				
Cash and cash equivalents	**$**	**55,985,912**	$	10,998,647
Other receivables		**364,070**		43,705
Advances and prepaid expense		**199,485**		94,185
Taxes recoverable (note 7)		**1,109,197**		71,085
Marketable securities (note 9)		**8,707,396**		31,820
Current assets		**66,366,059**		11,239,442
Non-current assets				
Restricted cash		**-**		69,833
Reclamation deposit (note 6)		**968,023**		-
Long-term investment (note 10)		**300,000**		-
Non-current asset held for sale (note 11)		**647,000**		-
Plant and equipment (note 12)		**1,001,117**		54,806
Exploration and evaluation assets (note 13)		**50,056,191**		7,454,324
Total non-current assets		**52,972,331**		7,578,963
Total assets	**$**	**119,338,390**	$	18,818,405
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**2,696,819**	$	486,703
Total current liabilities		**2,696,819**		486,703
Non-current liabilities				
Flow-through premium liability (note 16(a))		**2,091,975**		-
Asset retirement obligation (note 14)		**873,341**		-
Total non-current liabilities		**2,965,316**		**-**
Total liabilities		**5,662,135**		486,703
Equity				
Share capital (note 16(a))		**150,989,118**		52,139,580
Contributed surplus (note 16(d))		**5,759,370**		3,444,416
Warrants (note 16(e))		**6,787,186**		-
Accumulated other comprehensive income		**649,395**		253,805
Deficit		**(50,508,813)**		(37,506,099)
Total equity attributed to equity holders of the Corporation		**113,676,256**		18,331,702
Total liabilities and equity	**$**	**119,338,390**	$	18,818,405

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

Commitments (note 22)
Subsequent Events (note 23)

On behalf of the Board:

(Signed) "Keith McKay" — Keith McKay, Director

(Signed) "Sean Roosen" — Sean Roosen, Director

Consolidated Statements of Loss and Comprehensive Loss
(In Canadian dollars)

For the year ended,		**December 31, 2015**		December 31, 2014
Expenses from continuing operations				
Compensation (note 8)		**4,000,445**	$	1,821,693
General and administration expenses (note 8)		**2,180,040**		882,434
General exploration (note 8)		**191,307**		122,751
Exploration and evaluation assets written off (note 13)		**1,194,406**		-
Flow-through premium income (note 16(a))		**(436,275)**		-
Unrealized (gain)/loss from marketable securities (note 9)		**(634,039)**		14,200
Realized gain from marketable securities (note 9)		**(742,350)**		-
Foreign currency exchange (gain)/loss (note 8)		**(279,984)**		2
Operating loss from continuing operations		**5,473,550**		2,841,080
Finance income		**(271,072)**		(106,747)
Finance costs		**14,819**		6,976
Net finance income from continuing operations		**(256,253)**		(99,771)
Loss for the year from continuing operations		**5,217,297**		2,741,309
Loss for the year from discontinued operations (note 15)		**7,785,417**		16,595,224
Total loss for the year	**$**	**13,002,714**	$	19,336,533
Other comprehensive (income)				
Items that may be reclassified subsequently to profit and loss	**$**	**(395,590)**	$	3,938
Comprehensive loss (income) for the year		**(395,590)**		3,938
Total comprehensive loss	**$**	**12,607,125**	$	19,340,471
Basic loss per share (note 16(b))				
From continuing operations	**$**	**0.24**	$	0.70
From discontinued operations		**0.35**		4.22
Total basic loss per share	**$**	**0.59**	$	4.92
Basic weighted average number of shares (note 16(b))		**22,174,697**		3,929,402

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

OBAN
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Consolidated Statements of Changes in Equity
(In Canadian dollars)

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Accumulated other comprehensive income/(loss)	Deficit and Accumulated Deficit	Total
Balance January 1, 2014	93,767,786	$ 26,859,121	$ -	$ 2,502,411	$ 257,743	$ (18,169,566)	$ 11,449,709
Loss for the year from continuing operations	-	-	-	-	-	(19,336,533)	(19,336,533)
Foreign currency translation adjustment	-	-	-	-	(3,938)	-	(3,938)
Stock-based compensation (note 16(d))	-	-	-	942,005	-	-	942,005
Consolidation of shares (note 16(a))	(63,905,433)	-	-	-	-	-	-
Issuance of shares for purchase of assets (notes 5(c), 16(a))	70,019,208	25,280,459	-	-	-	-	25,280,459
Balance December 31, 2014	99,881,561	$ 52,139,580	$ -	$ 3,444,416	$ 253,805	$ (37,506,099)	$ 18,331,702

Attributable equity to owners of the Corporation

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Accumulated other comprehensive income	Deficit and Accumulated Deficit	Total
Balance January 1, 2015	**99,881,561**	**$ 52,139,580**	**$ -**	**$ 3,444,416**	**$ 253,805**	**$ (37,506,099)**	**$ 18,331,702**
Loss for the year from continuing operations	**-**	**-**	**-**	**-**	**-**	**(5,217,297)**	**(5,217,297)**
Loss for the year from discontinued operations	**-**	**-**	**-**	**-**	**-**	**(7,785,417)**	**(7,785,417)**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**395,590**	**-**	**395,590**
Stock-based compensation (note 16(d))	**-**	**-**	**-**	**2,314,954**	**-**	**-**	**2,314,954**
Private placements (note 16(a))	**20,000,000**	**1,906,620**	**-**	**-**	**-**	**-**	**1,906,620**
Issuance of shares on acquisition (note 5(a))	**643,701,492**	**64,977,410**	**-**	**-**	**-**	**-**	**64,977,410**
Issuance of warrants on acquisition (note 5(a))	**-**	**-**	**6,506,629**	**-**	**-**	**-**	**6,506,629**
Private placement - Osisko Gold Royalties (note 16(a))	**161,750,984**	**17,677,346**	**-**	**-**	**-**	**-**	**17,677,346**
Consolidation of shares (note 16(a))	**(879,067,335)**	**-**	**-**	**-**	**-**	**-**	**-**
Private placement (note 16(a))	**8,427,500**	**9,768,162**	**-**	**-**	**-**	**-**	**9,768,162**
Issuance of shares on acquisition (note 5(b))	**4,000,000**	**4,520,000**	**-**	**-**	**-**	**-**	**4,520,000**
Issuance of warrants on acquisition (note 5(b))	**-**	**-**	**280,557**	**-**	**-**	**-**	**280,557**
Balance December 31, 2015	**58,694,202**	**$ 150,989,118**	**$ 6,787,186**	**$ 5,759,370**	**$ 649,395**	**$ (50,508,813)**	**$ 113,676,256**

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

Consolidated Statements of Cash Flows
(In Canadian dollars)

For the year ended		**December 31, 2015**		December 31, 2014
Cash flows used in operating activities				
Loss from continuing operations for the year	**$**	**(5,217,297)**	$	(2,741,309)
Adjustments for:				
Stock-based compensation (note 16(d))		**2,189,855**		942,005
Exploration and evaluation of assets write off (note 13(c))		**1,194,406**		-
Depreciation (note 12)		**23,234**		7,568
Flow-through premium income (note 16(a))		**(436,275)**		-
Unrealized gain from marketable securities (note 9)		**(634,039)**		14,200
Gain from collection of VAT receivable		**-**		(123,980)
Write-off of plant and equipment		**6,162**		17,302
Accretion on asset retirement obligation (note 14)		**5,852**		-
Interest income		**(250,881)**		(106,747)
		(3,118,983)		(1,990,961)
Change in items of working capital:				
Change in other receivables		**535,425**		66,133
Change in prepaid expenses and advances		**(105,300)**		36,075
Change in accounts payable and accrued liabilities		**(822,541)**		269,530
Change in taxes recoverable (note 7)		**(1,089,774)**		(162,736)
Change in restricted cash		**69,833**		59,667
Net cash used in operating activities from continuing operations		**(4,531,340)**		(1,722,292)
Cash flows provided by investing activities				
Interest received		**250,881**		105,109
Addition to exploration and evaluation expenditures (note 13)		**(3,704,373)**		(622,527)
Proceeds on sale of discontinued operations (note 15)		**-**		41,266
Acquistion of plant and equipment		**(89,086)**		(1,747)
Proceeds on disposition of marketable securities (note 9)		**1,341,398**		-
Net cash and cash equivalents received from acqusitions (note 5)		**29,116,127**		4,398,693
Repayment of Northern Gold debt (note 5(b))		**(5,113,699)**		-
Net cash received from Northern Gold acquisition (note 5(b))		**(390,601)**		-
Proceeds from collection of VAT receivable		**-**		123,980
Acquisition of long-term investment (note 5(b))		**(300,000)**		-
Acquisiton of marketable securities (note 9)		**(3,043,619)**		(31,019)
Net cash provided by investing activities from continuing operations		**18,067,028**		4,013,755
Cash flows provided by financing activities				
Cash received from private placement (note 16)		**1,906,620**		-
Cash received from Osisko Gold Royalties private placement (note 16)		**17,677,346**		-
Cash received from private placement (note 16)		**12,296,412**		-
Net cash provided by financing activities from continuing operations		**31,880,378**		-
Increase in cash and cash equivalents from continuing operations		**45,416,066**		2,291,463
Decrease in cash and cash equivalents from discontinued operations (note 15)		**(428,801)**		(2,347,745)
Increase (decrease) in cash and cash equivalents		**44,987,265**		**(56,282)**
Cash and cash equivalents, beginning of year		**10,998,647**		**11,054,929**
Cash and cash equivalents, end of year	**$**	**55,985,912**	**$**	**10,998,647**
Interest income received	**$**	**250,881**	$	105,109

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

1) Reporting entity

Oban Mining Corporation ("**Oban**" or the "**Corporation**") is a Canadian Corporation domiciled in Canada and was incorporated on February 26, 2010 under the Ontario Business Corporations Act. The address of the Corporation's registered office is 155 University Ave, Suite 1440, Toronto, Ontario, Canada. The consolidated financial statements of the Corporation at December 31, 2015 include the Corporation and its subsidiaries, Braeval Mexico S.A. de CV., Braeval Peru S.A.C, Oban Exploration Ltd., Oban Peru S.A.C, Oban Exploration (Barbados) Ltd., 2407574 Ontario Inc., Eagle Hill Exploration Corporation, Ryan Gold Corp., Ryan Gold USA Inc., Minera Valdez Gold S.A. de C.V., Corona Gold Corporation and Northern Gold Mining Inc. (together the "Group" and individually as "Group entities"). The Corporation is primarily in the business of acquiring, exploring and developing mineral deposits in Canada. On December 22, 2015, the Corporation completed the acquisition of Northern Gold Mining Inc. On August 25, 2015 the Corporation completed the acquisitions of Eagle Hill Exploration Corporation, Ryan Gold Corp. and Corona Gold Corporation and on April 14, 2014 the Corporation also completed the acquisition of Oban Exploration Limited. Refer to note 5 for details on these transactions.

The business of exploring and mining for minerals involves a high degree of risk. Oban is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively Oban's ability to dispose of its interest on an advantageous basis; as well as global economic and commodity price volatility; all of which are uncertain. There is no assurance that Oban's funding initiatives will continue to be successful. The underlying value of the mineral properties is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of mineral properties and deferred exploration.

2) Basis of preparation

a) *Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") and are presented in Canadian dollars.

These consolidated financial statements were authorized for issuance by the Corporation's Board of Directors on March 15, 2016.

b) *Functional and presentation currency*

These financial statements are presented in Canadian dollars, which is Oban's functional currency. The functional currency of all of the Corporation's foreign subsidiaries is the United States dollar, which is the currency of the primary economic environment in which those entities operates. The Corporation's Canadian subsidiaries functional currency is the Canadian dollar. The financial information has been rounded to the nearest dollar.

c) *Use of estimates and judgements*

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

2) Basis of preparation (continued)

c) *Use of estimates and judgements (continued)*

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

i) Significant judgments in applying accounting policies

The areas that require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include, but are not limited to:

Taxes:

The Corporation is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Acquisitions:

The Corporation uses significant judgment to conclude whether an acquired set of activities and assets are a business. The acquisition of a business is accounted for as a business combination. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition. Management is of the view that the assets acquired in 2015 do not meet the definition of a business based on the lack of mineral reserves acquired as well as the acquired inputs and personnel. There are differences in accounting for a business combination versus an asset acquisition including the potential recognition of goodwill and deferred tax amounts, and the initial measurement of certain assets and liabilities and the accounting for transaction costs. These differences not only affect the accounting as at the acquisition date, but will also affect future depreciation, depletion and possible impairment analysis.

Determination of significant influence over equity investments:

Judgment is needed to assess whether the Corporation's interest in a marketable security meets the definition of significant influence and therefore would be accounted for under the equity method as opposed to fair value through profit and loss. Management makes this determination based on its legal ownership interest, board representation and through an analysis of the Corporation's participation in entities' policy making process. Management is of the view at December 31, 2015 that for each of the investments held they do not meet the criteria to exert significant influence over the investee and therefore have recorded the investment at fair value through profit and loss.

ii) Significant Accounting Estimates and Assumptions

The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

2) Basis of preparation (continued)

c) Use of estimates and judgements (continued)

ii) Significant Accounting Estimates and Assumptions (continued)

Impairment of non-financial assets:

The Corporation assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of share-based payments:

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly. The Corporation has applied a forfeiture rate in arriving at the fair value of stock-based compensation to be recognized, reflecting historical experience. Historical experience may not be representative of actual forfeiture rates incurred.

Several other variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model:

- **Dividend yield:** The Corporation has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant operating income. Also, the Corporation does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options and warrants.
- **Volatility:** The Corporation uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options and warrants were granted and the year of historical information examined, the degree of volatility can be different when calculating the value of different stock options and warrants.
- **Risk-free interest rate:** The Corporation used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options and warrants. The risk-free interest rate will vary depending on the date of the grant of the stock options and warrants and their expected term.

3) Significant accounting policies

The accounting policies set out below are in accordance with IFRS and have been applied consistently to the 2015 and 2014 years presented in these consolidated financial statements.

a) Basis of consolidation

The financial statements of Oban consolidate the results of the Corporation and its wholly owned subsidiaries: Braeval Mexico S.A. de CV, Braeval Peru S.A.C, Oban Exploration Ltd., Oban Peru S.A.C, Oban Exploration (Barbados) Ltd., 2407574 Ontario Inc., Eagle Hill Exploration Corporation, Ryan Gold Corp., Ryan Gold USA Inc., Minera Valdez Gold S.A. de C.V., Corona Gold Corporation and Northern Gold Mining Inc. A subsidiary is an entity controlled by the Corporation.

3) Significant accounting policies (continued)

a) Basis of consolidation (continued)

Control exists when an investor is exposed or has rights to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which the Corporation obtains control and are de-consolidated from the date that control ceases to exist. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

b) Foreign currency

i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Corporation's entities using the exchange rates prevailing at the dates of the transactions or an appropriate average exchange rate. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the Corporation's functional currency are recognized in the statement of loss.

ii) Functional and presentational currency

Items included in the financial statements of each consolidated entity of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of entities that have a functional currency different from that of the Corporation are translated into Canadian dollars as follows: assets and liabilities are translated at the closing rate at the date of the statement of financial position, and income and expenses are translated at the average rate during an appropriate year. Equity transactions are translated using the exchange rate at the date of the transaction and all resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

c) Discontinued operations

A discontinued operation is a component of the Corporation that either has been disposed of or abandoned, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Assets, liabilities, comprehensive income, and cash flows relating to a discontinued operation of the Corporation are segregated and reported separately from the continuing operations of the Corporation in the year of reclassification, without restatement or re-presentation of comparative years prior to the reporting year in which the reclassification occurs. Losses of discontinued operations are disclosed separately from continuing operations with comparatives being represented in the statement of loss and comprehensive loss.

d) Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit and loss, directly attributable transaction costs. Measurement of financial assets in subsequent year depends on whether the financial instrument has been classified into one of four categories: fair value through profit and loss ("FVTPL"), held-to-maturity, available-for-sale ("AFS") and loans and receivables. The classification is determined at initial recognition and depends on the nature and the purpose of the financial asset. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as fair value through profit and loss or other financial liabilities.

As of December 31, 2015 and 2014 there were no assets designated as held-to-maturity or AFS.

3) Significant accounting policies (continued)

d) Financial instruments (continued)

i) Fair value through profit and loss

The Corporation has classified cash and cash equivalents as FVTPL and measures it at cost, which approximates fair value. Cash and cash equivalents include cash on hand, deposits with banks, and other short-term highly liquid investments with original maturities of three months or less. Deposits with banks with maturities greater than twelve months are classified as non-current assets. Marketable Securities are also classified as FVTPL and measured at the value determined on the quoted active market where they are traded.

ii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Corporation has designated other receivables and loan receivable as loans and receivables.

iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting year-end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The criteria that the Corporation uses to determine if there is objective evidence of an impairment loss includes:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding other receivables, is directly reduced by the impairment loss. The carrying amount of other receivables is reduced through the use of an allowance account. When a receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent year, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment been recognized. A financial asset is derecognized when: the contractual right to the asset's cash flows expire; or if the Corporation transfers the financial asset and substantially all risks and rewards of ownership to another entity.

3) Significant accounting policies (continued)

d) Financial instruments (continued)

iii) Impairment of financial assets (continued)

Where the Corporation holds an investment in a privately-held entity for which there is no active market and for which there is no reliable estimate of fair value, the investment is carried at cost less any provision for impairment.

e) Exploration and evaluation assets

Exploration and evaluation costs, including the cost of acquiring licenses, are capitalized as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project.

Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognized in the statement of loss.

Option-out agreements are accounted for as farm-out arrangements. The Corporation, as the farmor, does not record any expenditures made by the optionee on its behalf, does not recognize any gain or loss on the option-out arrangement, but rather re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained, any cash consideration received is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the Corporation as a gain on disposal.

Exploration and evaluation assets are assessed for impairment if (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) sufficient data exists to determine technical feasibility and commercial viability, and (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment of non-financial assets).

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets. Expenditures deemed to be unsuccessful are recognized in profit or loss immediately.

f) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss during the year in which they are incurred.

3) Significant accounting policies (continued)

f) Equipment (continued)

The major categories of equipment are depreciated on a declining or straight-line basis as follows:

Office equipment	20%
Computer equipment	30%
Exploration equipment	20%
Automobiles	30%
Leasehold Improvements	Term of the lease

The Corporation allocates the amount initially recognized in respect of an item of equipment to its material significant parts and depreciates each separately. Residual values, method of depreciation and useful lives of the asset are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying value of the asset and are included as part of other gains and losses in the statement of loss.

g) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior years are assessed at each reporting year for any indications that the loss decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying value amount does not exceed the carrying amount that would have been determined, net of depreciation of amortization, if no impairment loss had been recognized.

h) Financial liabilities and equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement. 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 Corporation are recorded at the proceeds received, net of direct issue costs.

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

i) Other financial liabilities

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

3) Significant accounting policies (continued)

i) Other financial liabilities (continued)

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding year. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. The Corporation has classified accounts payable and accrued liabilities as financial liabilities.

j) Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

k) Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to the previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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.

l) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

m) Related party transactions

A related party is a person or entity that is related to the Corporation; that has control or joint control over the Corporation; that has significant influence over the Corporation; or is a member of the key management personnel of the Corporation.

3) Significant accounting policies (continued)

m) Related party transactions (continued)

An entity is related to a Corporation if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

A related party transaction is a transfer of resources, services or obligations between a Corporation, and a related party, regardless of whether a price is charged. All transactions with related parties are in the normal course of business and are measured at fair value.

n) Basic and diluted loss per share

The Corporation presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic earnings per share are calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares with respect to options, warrants and restricted shares is computed using the treasury stock method. As at December 31, 2015 and 2014, the Corporation did not have any dilutive instruments that would dilute the EPS.

o) Segmented reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Corporation’s other components. All operating segments are reviewed regularly by management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Each segment is divided up by geographical location and the results that are reported to management including items directly attributable to each segment.

p) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Corporation performs evaluations each reporting year to identify potential obligations.

q) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss. Finance costs comprise interest expense on borrowing, changes in the fair value of financial assets at FVTPL, impairment losses recognized on financial assets. Foreign currency gains and losses are reported on a net basis.

r) Asset retirement obligation

An asset retirement obligation is recognized for the expected costs of reclamation at mineral properties where the Corporation is legally or contractually responsible for such costs. Asset retirement obligations arise from the Corporation’s obligation to undertake site reclamation and remediation in connection with the exploration of mineral properties. The Corporation recognizes the estimated reclamation costs when environmental disturbance occurs but only when a reasonable estimate can be made.

3) Significant accounting policies (continued)

r) Asset retirement obligation (continued)

The asset retirement obligation recognized is estimated on the risk adjusted costs required to settle present obligations, discounted using a pre-tax risk free discount rate consistent with the expected timing of expected cash flows. Changes in the estimated undiscounted cash flows and risk-free discount rate used in calculating the present value of the asset retirement obligation are offset to the reclamation cost asset previously recognized for the specific property. Actual reclamation expenditures incurred reduce the carrying value of the reclamation provision.

s) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Corporation separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Corporation's common shares and the issue price of the flow through share and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

t) Stock based compensation

The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Corporation.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

Cancelled options are accounted for as an acceleration of vesting and the amount that otherwise would have been recognized for services received over the vesting period is recognized immediately.

4) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2015. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the summary below.

International Financial Reporting Standard 15, "Revenue from Contracts with Customers" ("IFRS 15")

In May 2014, the IASB issued IFRS 15. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. This standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

4) Changes in IFRS accounting policies and future accounting pronouncements (continued)

IFRS 15, "Revenue from Contracts with Customers" (continued)

The Corporation has evaluated the requirements of the new standard and does not expect any material impact from the adoption of this standard.

International Financial Reporting Standard 9, "Financial Instruments" ("IFRS 9")

In July 2014, the IASB issued IFRS 9 to replace IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. This standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation has evaluated the requirements of the new standard and does not expect any material impact from the adoption of this standard.

International Financial Reporting Standard 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019. Early adoption is permitted if IFRS 15 has also been adopted. he Corporation has evaluated the requirements of the new standard and does not expect any material impact from the adoption of this standard.

5) Acquisitions

a) Acquisition of Eagle Hill Exploration Corporation, Ryan Gold Corp. and Corona Gold Corporation

On August 25, 2015 the Corporation completed the acquisition (the "Arrangement") of Eagle Hill Exploration Corporation ("EAG" or "Eagle Hill"), Ryan Gold Corp. ("RYG" or "Ryan Gold") and Corona Gold Corporation ("CRG" "Corona Gold") by way of a court approved plan of arrangement. In connection with the Arrangement, the Corporation amended its articles to consolidate the common shares of Oban ("Common Shares") on the basis of one post-consolidation Common Share for every 20 pre-consolidation Common Shares.

Under the terms of the Arrangement, Oban acquired all of the common shares of each of Eagle Hill ("Eagle Hill Shares"), Ryan ("Ryan Shares") and Corona ("Corona Shares") under a plan of arrangement under Section 182 of the Business Corporations Act (Ontario). Under the Arrangement: each holder of Eagle Hill Shares (each an "Eagle Hill Shareholder") (other than Oban or any Eagle Hill Shareholders validly exercising their dissent rights) received ten common shares of Oban (each an "Oban Share") and five warrants entitling the holder to acquire one Oban Share (each an "Oban Warrant") at $0.15 per Oban Share for a year of three years following closing, in exchange for each Eagle Hill Share held; each holder of Ryan Shares (each a "Ryan Shareholder") (other than Oban or any Ryan Shareholders validly exercising their dissent rights) received 1.880 Oban Shares in exchange for each Ryan Share held; and each holder of Corona Shares (each a "Corona Shareholder") (other than Oban or any Corona Shareholders validly exercising their dissent rights) received 7.671 Oban Shares in exchange for each Corona Share held.

(In Canadian dollars)

5) Acquisitions (continued)

a) Acquisition of Eagle Hill Exploration Corporation, Ryan Gold Corp. and Corona Gold Corporation (continued)

This Arrangement has been accounted for as an acquisition of assets and liabilities as none of the Corporations meet the definition of a business under IFRS 3. The acquisition of the assets of EAG was recorded at the fair value of the assets acquired of $36,804,534. The acquisition of the assets of RYG was recorded at the fair value of the assets acquired of $22,135,709. Since RYG did not have exploration properties at the time of the acquisition all transaction costs have been accounted for as share issuance costs. The acquisition of the assets of CRG was recorded at the fair value of the assets acquired of $14,101,449. Since CRG did not have exploration properties at the time of the acquisition all transaction costs have been accounted for as share issuance costs.

Consideration Paid for Companies	Ryan Gold	Corona Gold	Eagle Hill	Total
Share consideration	$ 24,224,503	$ 17,842,627	$ 28,740,252	$ 70,807,382
Share issuance costs	(2,088,794)	(3,741,178)	-	(5,829,972)
Transaction costs	-	-	1,557,653	1,557,653
Warrants	-	-	6,506,629	6,506,629
	$ 22,135,709	$ 14,101,449	$ 36,804,534	$ 73,041,692

Net assets acquired	Ryan Gold	Corona Gold	Eagle Hill	Total
Cash	$ 21,287,343	$ 8,985,073	$ 401,362	$ 30,673,778
Current assets	69,300	483	733,271	803,054
Long-term investment	378,405	5,326,873	-	5,705,278
Plant and equipment	5,047	-	66,194	71,241
Exploration and evaluation assets	647,000	-	36,638,816	37,285,816
Reclamation deposit	-	-	570,000	570,000
Current liabilities	(251,386)	(210,980)	(1,015,152)	(1,477,518)
Long-term liabilities	-	-	(589,957)	(589,957)
Total net assets acquired	$ 22,135,709	$ 14,101,449	$ 36,804,534	$ 73,041,692

b) Acquisition of Northern Gold Mining Inc.

On December 22, 2015 the Corporation completed the acquisition (the "Arrangement Agreement") of Northern Gold Mining Inc. ("NGM" or "Northern Gold") by way of a court approved plan of arrangement under Section 182 of the Business Corporations Act (Ontario).

Under the terms of the Arrangement Agreement, Northern Gold shareholders received, in aggregate, 4,000,000 Common Share's. In addition, each common share purchase warrant of Northern Gold that remained unexercised was exchanged for a warrant to purchase a Common Share ("Replacement Oban Warrant") at an adjusted exercise price. All other terms and conditions of the Replacement Oban Warrant remained the same.

This Arrangement Agreement has been accounted for as an acquisition of assets and liabilities as the Corporation does not meet the definition of a business under IFRS 3. The acquisition of the assets of NGM was recorded at the fair value of the assets acquired of $10,308,382.

(In Canadian dollars)

5) Acquisitions (continued)

b) Acquisition of Northern Gold Mining Inc. (continued)

Consideration Paid		
Share consideration	$	**4,520,000**
Repayment of debt		**5,113,699**
Transaction costs		**394,126**
Warrants		**280,557**
	$	**10,308,382**

Net assets acquired		
Cash	$	**3,525**
Current assets		**45,470**
Plant and equipment		**826,914**
Exploration and evaluation assets		**9,547,578**
Reclamation deposit		**398,023**
Current liabilities		**(269,722)**
Long-term liabilities		**(243,406)**
Total net assets acquired	**$**	**10,308,382**

c) Acquisition of Oban Exploration Ltd.

On April 14, 2014 the Corporation completed the acquisition (‘the Acquisition”) of Oban Exploration Ltd. (“OEL”), by way of a three-cornered amalgamation, whereby OEL amalgamated with a wholly owned subsidiary of the Corporation. In connection with the Acquisition, the Corporation amended its articles to consolidate the Common Shares on the basis of one post-consolidation Common Share for every 3.14 pre-consolidation Common Shares and changed its name to "Oban Mining Corporation". The Common Shares commenced trading on the Toronto Stock Exchange (“TSX”) on a consolidated basis under the new symbol “OBM” on April 22, 2014.

Under the terms of the Acquisition, the holders of the Common Shares of OEL received 0.914 of a Common Share (on a post-consolidation basis) for each Common Share of OEL so held, for an aggregate of 70,019,211 Common Shares.

This transaction has been accounted for as an acquisition of assets and liabilities as neither the Corporation nor OEL meet the definition of a business under IFRS 3. The acquisition of the assets of OEL was recorded at the fair value of the assets acquired of $25,280,459, plus directly attributable transactions costs of $505,577. Additional transactions costs incurred by OEL in the amount of $160,373 were also incurred, which have been capitalized to the exploration and evaluation assets acquired.

(In Canadian dollars)

5) Acquisitions (continued)

c) Acquisition of Oban Exploration Ltd.

The following table describes the estimated fair value of assets acquired and liabilities assumed as at the date of the Acquisition:

Net Assets Acquired	
Cash	**4,904,270**
Current assets	**79,387**
VAT receivable	**1,148,186**
Plant and equipment	**59,167**
Exploration and evaluation assets	**19,875,430**
Current liabilities	**(280,404)**
Total Net Assets acquired	**25,786,036**

Consideration	
Share capital	**25,280,459**
Transaction costs	**505,577**
Total Net Assets acquired	**25,786,036**

6) Reclamation deposit

Reclamation deposits are held as security for the estimated cost of reclamation of the Corporation's land and unproven mineral interests. Once reclamation of the properties is complete, the deposits will be returned to the Corporation.

The following table summarizes information regarding the Corporation's reclamation deposits as at December 31, 2015 and 2014:

For the year ended December 31,	**2015**	2014
Windfall Lake (a)	**$ 570,000**	$ -
Garrison (b)	**240,558**	-
Buffonta (b)	**157,465**	-
Total Reclamation deposits	**$ 968,023**	**$ -**

a) Windfall Lake

The Corporation has a reclamation deposit of $570,000 with the Quebec Ministry of Energy and Natural Resources as a financial guarantee covering the cost of mine reclamation related to the Corporation's Windfall Lake Property which was acquired as a result of the acquisition of Eagle Hill.

b) Garrison and Buffonta

The Corporation has two reclamation deposits of $240,558 and $157,465 with the Ministry of Northern Development and Mines as a financial guarantee covering the cost of mine reclamation related to the Corporation's Garrison and Buffonta Properties, respectively, which were acquired as a result of the acquisition of Northern Gold. Interest is earned on these deposits at a rate of 0.3%.

(In Canadian dollars)

7) Taxes recoverable

As at December 31, 2015, taxes recoverable consist of harmonized sales taxes ("HST"), Quebec sales tax ("QST") and income tax receivable from Canadian taxation authorities. During the year ended December 31, 2015, the Corporation wrote off $51,662 of Value Added Tax ("VAT") receivable from the government of Peru (2014 - $1,320,135) as the Corporation determined that the recoverability of the VAT in Peru was not likely (note 15).

8) Expenses from continuing operations

The following table summarizes information regarding the Corporation's expenses from continuing operations for the years ended December 31, 2015 and 2014:

For the year ended		**December 31, 2015**		December 31, 2014
Compensation expense				
Stock-based compensation (note 16(d))	**$**	**2,189,855**	$	942,005
Salaries and benefits		**1,810,590**		879,688
Total compensation expenses	**$**	**4,000,445**	$	1,821,693
General and administration expense				
Shareholder and regulatory expense	**$**	**209,079**	$	53,071
Administrative services (note 17)		**672,114**		40,020
Travel expense		**138,075**		178,028
Professional fees		**523,687**		372,472
Office expense		**637,085**		238,843
Total general and administration expenses	**$**	**2,180,040**	$	882,434
General exploration				
Latin America	**$**	**-**	$	16,094
Canada		**191,307**		82,857
Other jurisdictions		**-**		23,800
Total exploration expenses	**$**	**191,307**	$	122,751
Marketable securities (gain)/loss				
Realized gain from marketable securities (note 9)	**$**	**(742,350)**	$	-
Unrealized (gain)/loss from marketable securities (note 9)		**(634,039)**		14,200
Total marketable securities gain	**$**	**(1,376,389)**	$	14,200
Foreign currency exchange				
Realized Foreign currency exchange loss	**$**	**(145,812)**	$	173,642
Unrealized Foreign currency exchange gain		**(134,172)**		(173,640)
Total foreign exchange loss/(gain)	**$**	**(279,984)**	$	2

(In Canadian dollars)

9) Marketable Securities

The Corporation holds shares and warrants in various public companies, the majority of which were acquired as part of the acquisition that took place on August 25, 2015 (note 5(a)). These shares and warrants are marked-to-market which resulted in an unrealized gain of $634,039 and an unrealized loss of $14,200 for the years ended December 31, 2015 and 2014, respectively. The Corporation sold shares during the year ended December 31, 2015 which resulted in a realized gain of $742,350 (2014 - $nil).

The following table summarizes information regarding the Corporation's marketable securities as at December 31, 2015 and December 31, 2014:

For the year ended	**December 31, 2015**	December 31, 2014
Balance, beginning of year	**$ 31,820**	$ 15,000
Additions	**2,935,307**	31,020
Acquisitions (note 5(a))	**5,705,278**	-
Disposals	**(1,341,398)**	-
Realized gain on disposal	**742,350**	-
Unrealized gain (loss) on mark-to-market	**634,039**	(14,200)
Balance, end of year	**$ 8,707,396**	$ 31,820

10) Long-term Investment

As of December 31, 2015, the investment consists of 3,000,000 shares of Northstar Gold Corporation ("Northstar"), acquired on March 3, 2015, in connection with an option agreement entered for the Miller property, with a value of $0.10 per common share based on the company's' most recent financing, for an aggregate value of $300,000.

11) Non-current asset held for sale

Effective December 7, 2015, Oban entered into an agreement to sell its Yukon properties to IDM Mining Ltd. At December 31, 2015 the Yukon properties were classified as held for sale as it was highly probable that the carrying value would be received through a sales transaction rather than through continued use. The sale closed on February 1, 2016 (note 23).

(In Canadian dollars)

OBAN
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12) Plant and Equipment

The following table summarizes information regarding the Corporation's plant and equipment as at December 31, 2015 and December 31, 2014:

December 31, 2015										
	Cost					Accumulated Depreciation				
Class	Opening Balance	Additions	Acquisitions in the year	Write-off / Disposals	Closing Balance	Opening Balance	Depreciation expense	Write-off / Disposals	Closing Balance	Net book value
Computer Equipment	$ 105,394	$ 14,535	$ -	$ (63,149)	$ 56,780	$ 70,654	$ 12,127	$ (52,441)	$ 30,340	$ 26,440
Office Equipment	22,137	-	-	(3,040)	19,097	7,107	2,808	(1,100)	8,815	10,282
Exploration Equipment	-	74,550	830,933	-	905,483	-	6,689	-	6,689	898,794
Automobiles	-	-	62,175	-	62,175	-	-	-	-	62,175
Leasehold Improvements	8,060	-	-	-	8,060	3,024	1,610	-	4,634	3,426
	$ 135,591	$ 89,085	$ 893,108	$ (66,189)	$ 1,051,595	$ 80,785	$ 23,234	$ (53,542)	$ 50,478	$ 1,001,117

December 31, 2014										
	Cost					Accumulated Depreciation				
Class	Opening Balance	Additions	Acquisitions in the year	Write-off / Disposals	Closing Balance	Opening Balance	Depreciation expense	Write-off / Disposals	Closing Balance	Net book value
Computer Equipment	$ 47,719	$ -	$ 59,555	$ (1,880)	$ 105,394	$ 22,319	$ 48,335	$ -	$ 70,654	$ 34,740
Office Equipment	10,983	1,747	31,337	(21,930)	22,137	2,112	15,106	(10,111)	7,107	15,030
Leasehold Improvements	4,030	-	14,443	(10,413)	8,060	739	5,990	(3,705)	3,024	5,036
	$ 62,732	$ 1,747	$ 105,335	$ (34,223)	$ 135,591	$ 25,170	$ 69,431	$ (13,816)	$ 80,785	$ 54,806

13) Exploration and evaluation assets

	December 31, 2014	Acquisitions in the year	Additions in the year	Write offs in the year	December 31, 2015
Canadian properties					
Urban Barry	$ 98,420	$ -	$ 373,726	$ -	$ 472,146
Windfall Lake	-	36,638,816	2,464,886	-	39,103,702
Ogima - Catharine Fault	123,611	-	770,204	-	893,815
Garrcon - Garrison	-	9,547,578	34,426	-	9,582,004
Gold Pike - Garrison	-	-	-	-	-
Buffonta - Garrison	-	-	4,524	-	4,524
Northstar Miller - Catharine Fault	-	-	1,073,071	(1,073,071)	-
Golden Dawn - Catharine Fault	-	-	83,288	(83,288)	-
Ashley Gold - Catharine Fault	-	-	38,049	(38,049)	-
Peru properties					
Arcopunco	330,157	-	66,650	(396,807)	-
Marcahui	6,463,933	-	14,316	(6,478,249)	-
Magdalena	224,175	-	31,243	(255,418)	-
Generative properties					
Peru - Lithocaps	99,677	-	129,732	(229,409)	-
Peru - Low Capex	114,351	-	19,209	(133,560)	-
Total exploration and evaluation assets	$ 7,454,324	$ 46,186,394	$ 5,103,324	$ (8,687,851)	$ 50,056,191

(In Canadian dollars)

13) Exploration and evaluation assets (continued)

	December 31, 2013	Acquisitions in the year	Additions / (recoveries) in the period	Write offs in the period	December 31, 2014
Canadian prospects					
Urban Barry	$ -	$ -	$ 98,420	$ -	$ 98,420
Catherine Fault	-	-	123,611	-	123,611
Peru properties					
Arcopunco	196,880	-	133,277	-	330,157
Antamayo	-	11,803,165	1,555,518	(13,358,683)	-
Marcahui	-	6,412,333	51,600	-	6,463,933
Magdalena	-	289,183	(65,008)	-	224,175
Bermejo	-	41,958	-	(41,958)	-
Chosicano	-	950,367	-	(950,367)	-
Generative properties					
Peru - Lithocaps	-	115,678	36,700	(52,701)	99,677
Peru - Low Capex	-	171,268	214,185	(271,102)	114,351
Peru - Deep Target	-	91,478	-	(91,478)	-
Total exploration and evaluation assets	$ 196,880	$ 19,875,430	$ 2,148,303	$ (14,766,289)	$ 7,454,324

Canadian properties

a) Urban Barry

As of December 31, 2015, the Corporation had staked claims in the Urban Barry area of Quebec. The exploration expenditures on the property were for the cost of staking the land and geological mapping. In order to maintain the claims, the Corporation is required to spend $1,504,800 within two years from the date of staking of which is due November of 2016.

b) Windfall Lake Property

The Corporation acquired the Windfall Lake Property through the Arrangement, which took place on August 25, 2015. The Windfall Lake Property is 100% owned is located in the prolific Abitibi Greenstone Belt in Quebec, Canada. The majority of the property is subject to the following residual net smelter royalties ("NSR").

Location	NSR	Buyback option
Centre of property, hosting the majority of the mineral resource	1.5%	Buyback 1% NSR for $1 million
North of the majority of the mineral resource, hosting small portion of the mineral resource	1%	Buyback 1% NSR for $1 million ($500,000 for each 0.5% NSR)
Northern part of property	2%	Buyback 2% NSR for $1 million ($500,000 for each 1% NSR)
Southeast of the mineral resource	2%	Buyback 1% NSR for $500,000
Eastern edge of property	2%	Buyback 1% NSR for $1 million, right of first refusal for remaining 1% NSR

13) Exploration and evaluation assets (continued)

c) Catherine Fault

i) Ogima Project

On November 28, 2014 the Corporation signed a letter of agreement with a non-related titleholder to acquire the undivided 100% interest of the Cote property, located in northern Ontario. The definitive option agreement was executed on December 23, 2014, with an option payment of $60,000 paid on signing. Additional option payments of $75,000 are due upon the first anniversary date after signing, $85,000 on the second anniversary date after signing, $100,000 on the third anniversary date after signing and $140,000 upon the fourth anniversary date after signing. The agreement is also subject to a 2% NSR, which can be purchased for $1,000,000 per 1% NSR.

On February 23, 2015, the Corporation signed an agreement with a non-related company to acquire the undivided 100% interest of the Olsen property, located in northern Ontario, for an aggregate payment of $50,000, which was completed upon signing. The agreement is also subject to a 1% NSR, which can be purchased for $500,000 for each of the patented land that conforms the property. Given the geographical location of this project, the property is included within the Ogima project.

On March 10, 2015, the Corporation signed a purchase agreement with a non-related private individual for 100% of a patent lot referred to as the Roach Property, for a single payment of $45,000. The patent lot is on the Catharine Township, south of Kirkland Lake with a legal description of PIN 61250-0087, Parcel 3653 SEC NND, N ½ Lot 12 Con 4, Township of Catharine, District of Timiskaming.

ii) Northstar Miller Project

On February 22, 2015, the Corporation entered into the Miller Agreement with Northstar to acquire up to 70% undivided interest of the Miller Property, located in north-eastern Ontario. Under the terms of the Miller Agreement, the Corporation can earn up to a 51% interest in the Miller Property by subscribing for $310,000 in common shares of Northstar at $0.10 per share, and making payments of $510,000 and incurring exploration expenditures of $2,490,000 over three years. The Corporation can earn a further 9% interest by making a payment of $310,000 and incurring expenditures equal to $1,700,000 by the fifth anniversary, and a further 10% by the sixth anniversary for payment of $700,000 and expenditures equal to a further $1,310,000 and at the option of the Corporation, make either a $1,310,000 payment or commitment to fund the Miller Property through to completion of a pre-feasibility study. The Corporation can form a joint venture at anytime after it has acquired 51% interest in the Miller Property.

Once the joint venture is formed simple dilution will take place until one party has been diluted to 10% or less, at which time the remaining 10% interest will be converted to a 2% NSR of which 1% can be purchased for $2,000,000 and the remaining 1% will have the right of first refusal to purchase. The Corporation completed the acquisition of Northstar common shares on March 3, 2015 (note 10).

As at December 31, 2015, a triggering event was identified for the Northstar Miller Project. The exploration and evaluation assets of the Northstar Miller Project were written off for $1,073,071. This write off was recognized on the consolidated statement of comprehensive loss. The write off was triggered as a result of managements decision to cease exploration of this project.

iil) Golden Dawn Project

On February 2, 2015, the Corporation signed an agreement with a non-related third party to acquire the undivided 100% interest of the Kirkland Lake property, located in northern Ontario, for a payment of $131,000. The Corporation made a first option payment of $65,000 upon signing, with an additional option payment of $65,000 due on the first anniversary date of signing.

13) Exploration and evaluation assets (continued)

c) Catherine Fault (continued)

iil) Golden Dawn Project (continued)

The property is also subject to an existing royalty granted to a third party for certain claims, which can be purchased for $500,000, as well as another 2% NSR granted to another known entity.

As at December 31, 2015, a triggering event was identified for the Golden Dawn Project. The exploration and evaluation assets of the Golden Dawn Project were written off for $83,288. This write off was recognized on the consolidated statement of comprehensive loss. The write off was triggered as a result of managements decision to cease exploration of this project.

iv) Ashley Gold Project

On February 4, 2015, the Corporation signed an agreement with a non-related third party to acquire an undivided 100% interest in the Hunter property, located in northern Ontario, for an aggregate payment of $150,000. The Corporation made a first option payment of $20,000 upon signing, with additional option payments due of $30,000 on the first anniversary date of signing, $45,000 on the second anniversary date of signing, and $55,000 on the first anniversary date of signing. The agreement also provides for the grant of a 2% NSR, which can be purchased for $1,000,000 per 1%.

As at December 31, 2015, a triggering event was identified for the Ashley Gold Project. The exploration and evaluation assets of the Ashley Gold Project were written off for $38,049. This write off was recognized on the consolidated statement of comprehensive loss. The write off was triggered as a result of managements decision to cease exploration of this project.

d) Garrison Properties

i) Garrcon Project

The Corporation acquired the Garrcon Project through the Agreement with Northern Gold, which took place on December 22, 2015. The Garrcon Project is 100% owned is located in the prolific Abitibi Greenstone Belt in Quebec, Canada. The property consists of 66 contiguous mining claims with NSR's ranging from 1% to 2%.

ii) Jonpol Project

The Corporation acquired the Jonpol Project through the Agreement with Northern Gold which was completed on December 22, 2015. The Jonpol Project is 100% owned and is located on the same property as the Garcon Project in the prolific Abitibi Greenstone Belt in Ontario, Canada.

iii) Buffonta Project

The Corporation acquired the Buffonta Project through the Agreement with Northern Gold which was completed on December 22, 2015. The Buffonta Project is 87.5-100% owned and is located in the prolific Abitibi Greenstone Belt in Ontario, Canada. The property consists of 120 contiguous mining claims. The Buffonta Project is subject to a 3% NSR of which 0.5% can be purchased for $1,000,000.

Peru properties

During the year ended December 31, 2015, the Corporation decided to not continue pursuing the Peruvian properties and wrote-off all its Peruvian exploration assets. Further, the Corporation classified the Peruvian subsidiaries as discontinued operations, in accordance to IFRS 5 (note 15).

(In Canadian dollars)

14) Asset Retirement Obligation

The Company's asset retirement obligation is estimated based on the Corporation's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The total undiscounted amount of cash flows required to settle the Company's asset retirement obligation is approximately $927,380.

The following table summarizes the Company's asset retirement obligation:

	Amount
Balance December 31, 2014	**$ -**
Acquisition of EAG (note 5(a))	589,957
Acquisition of NGM (note 5(b))	243,406
Accretion	5,852
Change in estimate	34,126
Balance December 31, 2015	**$ 873,341**

The following are the assumptions used to estimate the provision for asset retirement obligation:

For the year ended December 31,	2015
Total undiscounted value of payments	**$ 927,380**
Weighted average discount rate	**0.95%**
Weighted average expected life	**8 years**
Inflation rate	**2.10%**

15) Discontinued operations

During the year ended December 31, 2015, the Corporation decided to not continue with the mining interests held in Peru and to initiate the liquidation of the Peruvian subsidiaries. Therefore, the Corporation classified these subsidiaries as discontinued operations, as required per IFRS 5. The following table summarizes the results of discontinued operations for the years ended December 31, 2015 and 2014:

For the year ended	**December 31, 2015**	December 31, 2014
Peru		
Compensation expense	**$ 30,938**	$ 144,382
General administrative expense	**250,831**	248,664
General exploration expense	**1,538**	27,497
Exploration and evaluation assets written-off	**7,441,782**	14,766,289
VAT receivable written-off (note 7)	**51,662**	1,320,135
Foreign currency exchange loss	**6,500**	86,590
Finance costs	**2,166**	1,667
Total loss from discontinued operations	**$ 7,785,417**	$ 16,595,224

(In Canadian dollars)

15) Discontinued operations (continued)

The following table summarizes the results of cash flows from discontinued operations included in the consolidated statements of cash flows for the years ended December 31, 2015 and 2014**:**

For the year ended	**December 31, 2015**	December 31, 2014
Cash flows used in by operating activities		
Loss from discontinued operations	**$ (7,785,417)**	$ (16,595,224)
Adjustments for:		
Exploration and evaluation assets written-off	**7,441,782**	14,766,289
VAT receivable written-off	**51,662**	1,320,135
Write-off of plant and equipment	**4,122**	4,688
Depreciation	**2,363**	15,695
	(285,488)	(488,417)
Change in items of working capital:		
Change in other receivables	**(7,266)**	7,958
Change in other receivables - Colombia, Nicaragua and Honduras	**-**	13,572
Change on accounts payable and accrued liabilities - Colombia, Nicaragua and Honduras	**-**	(45,973)
Change in other payables and accrued liabilities	**(265,724)**	(52,346)
Net cash used in operating activities from discontinued operations	**(558,478)**	(565,206)
Cash flows (used in)/provided by investing activities		
Net additions to exploration and evaluation assets	**129,677**	(1,750,128)
Net cash (used in)/provided by investing activities from discontinued operations	**129,677**	(1,750,128)
Decrease in cash and cash equivalents from discontinued operations	**$ (428,801)**	$ (2,315,334)

16) Capital and other components of equity

a) Share capital - Authorized

	Number of Common Shares	**Amount**
Balance, January 1, 2014	93,767,786	26,859,121
Consolidation of shares	(63,905,433)	-
Issuance of shares on acquisition of Oban Exploration Ltd. (note 5(c))	70,019,208	25,280,459
Balance December 31, 2014	**99,881,561**	**$ 52,139,580**
Private placement (net of transaction costs $93,380)	20,000,000	1,906,620
Issuance of shares on acquisition of EAG, RYG and CRG (note 5(a))	643,701,492	64,977,410
Private placement - Osisko Gold Royalties	161,750,984	17,677,346
Consolidation of shares	(879,067,335)	-
Private placement (net of transaction costs $766,213)	8,427,500	9,768,162
Issuance of shares on acquisition of NGM (note 5(b))	4,000,000	4,520,000
Balance December 31, 2015	**58,694,202**	**$ 150,989,118**

The authorized capital of Oban consists of an unlimited number of common shares. The holders of common shares are entitled to one vote per share at shareholder meetings of the Corporation. All shares rank equally with regard to the Corporation’s residual assets.

16) Capital and other components of equity (continued)

a) Share capital – Authorized (continued)

On April 14, 2014, as described in note 5(c), the Corporation consolidated the common shares on the basis of one post-consolidation common share for every 3.14 pre-consolidation common shares. Furthermore, in consideration for the acquisition of OEL, the Corporation issued 0.914 of a common share (on a post-consolidation basis) for each common share of OEL so held, for an aggregate of 70,019,208 post-consolidation common shares.

On April 24, 2015, the Corporation completed a non-brokered private placement of 5,000,000 common shares of the Corporation at a price of $0.10 per Common Share and 15,000,000 Common Shares issued as "flow-through shares" within the meaning of the Income Tax Act (Canada) ("Flow Through Shares") at a price of $0.10 per Flow-Through Share for aggregate gross proceeds of $2,000,000. The transaction costs amounted to $93,380 and have been netted against the gross proceeds on closing.

On August 25, 2015, as described in note 5(a), the Corporation acquired Eagle Hill, Ryan Gold and Corona Gold. In consideration for the acquisition of Eagle Hill, the Corporation issued 10 shares of a common share for each common share of Eagle Hill so held, for an aggregate of 261,272,640 pre-consolidation common shares. In consideration for the acquisition of Ryan Gold, the Corporation issued 1.880 shares of a common share for each common share of Ryan Gold so held, for an aggregate of 220,223,087 pre-consolidation common shares. In consideration for the acquisition of Corona Gold, the Corporation issued 7.671 shares of a common share (on a post-consolidation basis) for each common share of Corona Gold so held, for an aggregate of 162,205,765 pre-consolidation common shares.

On August 25, 2015, the Corporation completed a non-brokered private placement of 161,750,984 pre-consolidated common shares of the Corporation at a price of $0.11 per common share for aggregate gross proceeds of $17,792,608 to a related party. Furthermore, the Corporation consolidated the common shares on the basis of one post-consolidation common share for every 20 pre-consolidation common share. The transaction costs amounted to $115,262 and have been netted against the gross proceeds on closing.

On September 30, 2015, the Corporation completed a private placement of 8,427,500 post-consolidation common shares of the Corporation at a price of $1.55 per Common Share issued as flow-through shares for aggregate gross proceeds of $13,062,625. The flow-through shares were issued at a $0.31 premium to the current market price of the Corporations shares at the day of issue. The premium was recognized as a long-term liability for $2,528,250 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. Flow-through premium income of $436,275 was recognized for the year ended December 31, 2015 (2014 - $nil). The transaction costs amounted to $766,213 and have been netted against the gross proceeds on closing.

On December 22, 2015, as described in note 5(b), the Corporation acquired Northern Gold. In consideration for the acquisition of Northern Gold, the Corporation issued 4,000,000 common shares.

(In Canadian dollars)

16) Capital and other components of equity (continued)

b) Basic loss per share

The calculation of basic loss per share for the years ended December 31, 2015 and 2014 was based on the loss attributable to common shareholders and a basic weighted average number of common shares outstanding, calculated as follows (prior year numbers have been adjusted to reflect the two share consolidations of 20:1 on August 25, 2015 and 3.14:1 on April 14, 2014):

For the year ended	**December 31,2015**			December 31, 2014		
	Pre-consolidation shares		**Post-consolidation weighted average shares**	Pre-consolidation shares		Post-consolidation weighted average shares
Common Shares outstanding, at beginning of the year	**99,881,561**		**4,994,078**	93,767,786		1,493,118
Consolidation of Common Shares	**(879,067,334)**		**-**	(63,905,433)		-
Common Shares issued during the year	**837,879,976**		**17,180,619**	70,019,208		2,436,285
Basic weighted average number of Common Shares	**N/A**		**22,174,697**	N/A		3,929,402
Net loss for the year from continuing operations		**$**	**5,217,297**		$	2,741,309
Net loss for the year from discontinued operations (note 15)			**7,785,417**			16,595,224
Net loss for the year		**$**	**13,002,714**		$	19,336,533
Basic loss per share from continuing operations		**$**	**0.24**		$	0.70
Basic loss per share from discontinued operations			**0.35**			4.22
Basic loss per share for the year		**$**	**0.59**		$	4.92

c) Diluted loss per share

There were no other instruments which would result in the issuance of common shares whose effect would be dilutive on loss per share.

d) Contributed surplus

On June 25, 2015, the Board of Directors re-issued an incentive stock-option plan to provide additional incentive to its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the incentive stock option plan is 10% of the issued and outstanding Common Shares. The options issued under the Plan may vest at the discretion of the board of directors and are exercisable for a year of up to 5 years from the date of grant.

The following table summarizes the stock option transactions for the years ended December 31, 2014 and 2015:

	Number of stock options		**Weighted-average exercise price**
Outstanding at January 1, 2014	5,950,000	$	0.60
Forfeited (pre-consolidation)	(50,000)		0.60
Cancelled (pre-consolidation)	(5,900,000)		0.60
Balance pre-consolidation	-		
Granted	7,040,000		0.22
Outstanding at December 31, 2014	**7,040,000**	**$**	**0.22**
Forfeited (pre-consolidation)	(7,500)		0.22
Cancelled (pre-consolidation)	(6,688,000)		0.22
Balance post-consolidation	344,500		4.40
Granted	4,525,000		1.19
Outstanding at December 31, 2015	**4,869,500**	**$**	**1.42**

(In Canadian dollars)

16) Capital and other components of equity (continued)

d) Contributed surplus

On February 28, 2014, 50,000 options granted to an employee were forfeited.

On April 22, 2014, the 5,900,000 stock options outstanding were cancelled and replaced with 7,040,000 new stock options issued to directors, management and employees, at an exercise price of $0.22 for a period of 5 years. The options have been fair valued at $0.16 per option using the Black-Scholes option-pricing model. One third of these options vest immediately with the remaining thirds each vesting on the first and second anniversaries from the date of grant.

On July 7, 2015, 7,500 options granted to employees were forfeited.

On August 25, 2015 the outstanding stock-options were consolidated using the same share consolidation ratio as the common shares of 20:1.

On August 27, 2015, 3,925,000 new stock options issued to directors, management and employees, at an exercise price of $1.20 for a period of 5 years. The options have been fair valued at $0.90 per option using the Black-Scholes option-pricing model. One third of these options vest immediately with the remaining thirds each vesting on the first and second anniversaries from the date of grant.

On November 19, 2015, 600,000 new stock options were issued to consultants, at an exercise price of $1.16 for a period of 5 years. The options have been fair valued at $0.92 per option using the Black-Scholes option-pricing model. One third of these options vest immediately with the remaining thirds each vesting on the first and second anniversaries from the date of grant.

The total recognized expense for stock options for the year ended December 31, 2015 was $2,189,855 (2014 - $942,005), from which $125,098 (2014 - $nil) was capitalized to the Canadian projects.

The following table summarizes the assumptions used for the valuation of the stock options issued during the year:

For the year ended December 31,	2015	2014
Fair value at grant date	$ 0.91	$ 3.26
Forfeiture rate	0.0%	0.0%
Share price at grant date	$ 1.19	$ 4.40
Exercise price	$ 1.19	$ 4.40
Expected volatility	104%	100%
Dividend yield	0.0%	0.0%
Option life (weighted average life)	5 years	5 years
Risk-free interest rate (based on government bonds)	0.75%	1.59%

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at December 31, 2015:

Weighted-Average Exercise Price	Number of Stock Options Outstanding	Weighted-Average Remaining periods of Contractual Life	Number of Stock Options Exercisable	Weighted Average Exercisable Price
1.16	600,000	4.9	199,998	1.16
1.20	3,925,000	4.7	1,308,329	1.20
4.40	344,500	3.3	229,670	4.40
$ 1.42	**4,869,500**	**4.6**	**1,737,997**	**$ 1.62**

(In Canadian dollars)

16) Capital and other components of equity (continued)

e) Warrants

The following table summarizes information regarding the Corporation's outstanding warrants as at December 31, 2015:

	Number of warrants		Weighted-average exercise price
Outstanding at December 31, 2014	-	$	-
Former EAG warrants acquired (i)	7,120,692		1.85
Issuance of warrants on acquisition of EAG (ii)	130,132,585		0.15
Former NGM warrants acquired (iii)	696,048		5.27
Outstanding at December 31, 2015	137,949,325	$	0.26

i) Former EAG warrants acquired

In connection with the Arrangement (note 5(a)), consent was received from each EAG warrant holder that, subsequent to the Arrangement, each warrant will be exercisable for 0.5 post-consolidation Common Shares upon payment of the historical exercise price.

The following table summarizes the assumptions used for the valuation of the 7,120,692 warrants replaced during the year:

For the year ended December 31,		2015
Fair value at grant date	$	0.40
Forfeiture rate		0.0%
Share price at grant date	$	1.40
Exercise price	$	3.69
Expected volatility		119%
Dividend yield		0.0%
Warrant life (weighted average life)		1.41 years
Risk-free interest rate (based on government bonds)		0.36%

ii) Issuance of warrants on acquisition of EAG

On August 25, 2015, in connection with the Arrangement (note 5(a)) the Corporation issued 130,132,585 warrants at an average exercise price of $0.15 with an expiry date of 3 years. The warrants are exercisable at the rate of 20 warrants for one common share of the Corporation with an average strike price of $3.00 per common share with an estimated fair value of $0.78 using the Black-Scholes pricing model.

(In Canadian dollars)

16) Capital and other components of equity (continued)

e) Warrants (continued)

ii) Issuance of warrants on acquisition of EAG (continued)

The following table summarizes the assumptions used for the valuation of the 130,132,585 warrants issued during the year:

For the year ended December 31,		**2015**
Fair value at grant date	**$**	**0.78**
Forfeiture rate		**0.0%**
Share price at grant date	**$**	**1.40**
Exercise price	**$**	**3.00**
Expected volatility		**116%**
Dividend yield		**0.0%**
Warrant life (weighted average life)		**3 years**
Risk-free interest rate (based on government bonds)		**0.39%**

iii) Former NGM warrants acquired

In connection with the Arrangement Agreement (note 5(b)), consent was received from each NGM warrant holder that, subsequent to the Arrangement Agreement, each warrant will be exercisable for 1 Common Share upon payment of the historical exercise price.

The following table summarizes the assumptions used for the valuation of the 696,048 warrants replaced during the year:

For the year ended December 31,		**2015**
Fair value at grant date	**$**	**0.40**
Forfeiture rate		**0.0%**
Share price at grant date	**$**	**1.13**
Exercise price	**$**	**5.27**
Expected volatility		**119%**
Dividend yield		**0.0%**
Warrant life (weighted average life)		**2.21 years**
Risk-free interest rate (based on government bonds)		**0.56%**

17) Related party transactions

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Corporation and other related parties are disclosed below.

On April 14, 2014, the Corporation completed the acquisition of OEL (note 5(c)), which, was a related party to the Corporation due to having common directors and officers with the Corporation, being Mr. Jose Vizquerra, Mr. Blair Zaritsky, Mr. Gernot Wober, and Mr. John Burzynski.

(In Canadian dollars)

17) Related party transactions (continued)

During the year ended December 31, 2015, management fees, rent and legal fees of $140,944 (2014 - $nil) were incurred with Osisko Gold Royalties ("Osisko"), a company related to Mr. John Burzynski, President and CEO of the Corporation, as well as Mr. Sean Roosen, Co-Chairman of the Board. Additionally, Osisko has a one-time right, should the Corporation seek financing in debt or equity markets, to provide first financing to the Corporation equal to $5 million in exchange for the granting by the Corporation of a 1% NSR over such properties wholly-owned by the Corporation. These services and rights were provided as part of the private placement agreement that was entered into with Osisko on August 25, 2015.

During the year ended December 31, 2015, financial advisory service fees of $609,083 were incurred with Dundee Capital Markets ("Dundee"), a company related to a Director (note 8). On October 1, 2015, the Corporation signed an agreement with Dundee whereas Dundee will provide financial advisory services for the Corporation at a cost of $28,000 per month plus a non-refundable retainer fee of $500,000. The agreement expires September 1, 2017.

The following table summarized remuneration attributable to key management personnel for the years ended December 31, 2014 and 2015:

For the year ended	**December 31, 2015**	December 31, 2014
Salaries expense of key management	**$ 1,454,151**	$ 576,889
Directors' fees	**235,137**	189,437
Stock-based compensation	**1,944,482**	921,985
	$ 3,633,770	$ 1,688,311

18) Capital risk factors

The Corporation manages its capital structure and makes adjustment to it, based on the funds available to the Corporation, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business.

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Corporation will spend its working capital and raise additional amounts as needed.

The Corporation will continue to assess new properties and seek to acquire an interest in additional properties if it is deemed there is sufficient geological or economic potential and if adequate financial resources are available. Management reviews its capital management approach on an ongoing basis and believes this approach, given the size of the Corporation, is reasonable. Neither the Corporation nor its subsidiaries are subject to externally imposed capital requirements.

19) Financial instruments

The Corporation has designated its cash and cash equivalents and marketable securities as FVTPL, and its other receivables as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Where the Corporation holds an investment in a privately-held entity for which there is no active market and for which there is no reliable estimate of fair value, the investment is carried at cost less any provision for impairment. As at December 31, 2015 and 2014, the carrying and fair value amounts of the Corporation's financial instruments are approximately the same.

(In Canadian dollars)

19) Financial instruments (continued)

The Corporation values instruments carried at fair value using quoted market prices, where applicable. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

As at December 31, 2015 and 2014 the Corporation classified cash and cash equivalents and marketable securities as Level 1, and other receivables, reclamation deposit and long-term investment as Level 2.

	December 31, 2015			December 31, 2014		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 55,985,912	-	-	$ 10,998,647	-	-
Marketable securities	7,890,669	$ 816,726	-	31,820	-	-
Other receivables	-	364,070	-	-	$ 43,705	-
Reclamation deposit	-	968,023	-	-	-	-

Financial risk factors

The Corporation’s financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, commodity price risk, credit risk and liquidity risk. The Corporation’s exposure to these risks and its methods of managing the risks remain consistent. There have been no changes in the risks, objectives, policies and procedures from the previous year.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet contractual obligations, and arises principally from the Corporation’s other receivables. The carrying value of the financial assets represents the maximum credit exposure.

The Corporation's credit risk is primarily attributable to receivables included in other receivables. The Corporation has no significant concentration of credit risk. Financial instruments included in other receivables consist of receivables from unrelated companies. Management believes that the credit risk receivables concentration with respect to financial instruments included in other receivables is remote.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation’s normal operating requirements on an ongoing basis and its expansionary plans.

The Corporation ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at December 31, 2015, the Corporation had a cash balance of $55,981,968 (2014 - $10,998,647) to settle current liabilities of $2,977,465 (2014 - $486,703).

The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation has financial commitments outstanding as at December 31, 2015 (note 22).

19) Financial instruments (continued)

Financial risk factors (continued)

c) Commodity price risk

Commodity price risk arises from the possible adverse effect on current and future earnings due to fluctuations in commodity prices. The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to these prices. The Corporation does not enter into any derivative financial instruments to manage exposures to price fluctuations.

d) Market risk

i) Interest rate risk

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 Corporation monitors its exposure to interest rate and has not entered into any derivative financial instruments to manage this risk. The Corporation has a cash balance and no interest-bearing debt. The Corporation holds cash and cash equivalents in deposit form in a major Chartered Canadian bank.

If market interest rates for the year ended December 31, 2015, had increased or decreased by 0.1%, with all variables held constant, the loss for the year ended December 31, 2015, would have been approximately $55,985 lower/higher, as a result of higher/lower interest income from cash and cash equivalents. Similarly, as at December 31, 2014, shareholders' equity would have been approximately $10,500 lower/higher because of higher/lower interest income from cash and cash equivalents due to a 0.1% increase/decrease in interest rates.

ii) Foreign exchange risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Corporation's presentational currency is the Canadian dollar and major purchases are transacted in Canadian dollars and US dollars (there are no longer significant payments in either Peruvian Nuevo Sol or Mexican peso). The Corporation funds certain operations, exploration and administrative expenses on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts. The Corporation currently does not enter into financial instruments to manage foreign exchange risk. Fluctuations in the exchange rates may, consequently, have an impact upon the reported operations of the Corporation and may affect the value of the Corporation's assets and liabilities.

Financial instruments denominated in Peruvian Nuevo Sol, Mexican peso and United States dollar are subject to foreign currency risk. As at December 31, 2015, had the Peruvian Nuevo Sol, Mexican peso and United States dollar weakened/strengthened by 10% against the Canadian dollar, with all other variables held constant, the Corporation's loss for the year ended December 31, 2015, would have been approximately $345,079 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

Similarly, as at December 31, 2014, shareholders' equity would have been approximately $4,380 higher/lower had the Peruvian Nuevo Sol, Mexican peso and United States dollar weakened/strengthened by 10% as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

(In Canadian dollars)

19) Financial instruments (continued)

Financial risk factors (continued)

d) Market risk (continued)

ii) Foreign exchange risk (continued)

The following table summarizes the Canadian dollar average exchange rate for the years ended December 31, 2015 and 2014:

Currency	December 31, 2015	December 31, 2014
United States dollar (USD)	**0.783**	0.906
Peruvian Nuevo Sol (PEN)	**2.456**	2.532

20) Income taxes

The reconciliation of the effective tax expense or recovery to the tax recovery computed using the Canadian statutory rate of 26.5% is as follows:

For the years ended December 31,		2015		2014
Loss from continuing operations before income taxes	$	(5,217,297)	$	(19,336,533)
Income tax recovery computed at Canadian statutory tax rate		(1,382,584)		(5,124,181)
Permanent items		743,507		3,907,672
Foreign rate differential		(528)		(559,714)
Change in unrecognized deferred tax assets		641,894		1,796,454
Change in unrecognized deferred tax asset related to discontinued operations		-		-
Other reconciling items		(2,289)		(20,231)
Income tax expense (recovery)	$	-	$	-

Deferred tax assets have not been recognized in respect of the following temporary differences, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

For the years ended December 31,		2015		2014
Non-capital losses	$	38,923,006	$	18,750,153
Property and equipment		978,272	$	1,664
Exploration and evaluation		37,619,502		-
Share issue costs		2,649,643		589,207
Investment tax credits		548,289		-
Total deductible temporary differences	$	80,718,713	$	19,341,024

(In Canadian dollars)

20) Income taxes (continued)

The amounts and expiry dates of unused tax losses for which no deferred tax asset is recognized in the consolidated statements of financial position are as follows:

	2024	2025	2026	2027	2028	2029 onwards	TOTAL
Canada	$ 11,597	$ 549,287	$ 433,702	$ 995,685	$ 2,420,461	$ 34,512,274	$ 38,923,006
	$ 11,597	$ 549,287	$ 433,702	$ 995,685	$ 2,420,461	$ 34,512,274	$ 38,923,006

The amounts and expiry dates of unused investment tax credits for which no deferred tax asset is recognized in the consolidated statements of financial position are as follows:

	2029	2030	2031	2032	2033	TOTAL
Canada	$ 38,048	$ 217,338	$ 75,860	$ 178,633	$ 38,410	$ 548,289
	$ 38,048	$ 217,338	$ 75,860	$ 178,633	$ 38,410	$ 548,289

21) Segmented information

The Corporation is involved in the exploration and development of mineral deposits. Segmented information is provided on the basis of geographical segments as the Corporation manages its business and exploration activities through geographical regions which in 2015 consist of Canada and Mexico. However, during the year ended December 31, 2015, the Corporation decided to leave Peru which as at December 31, 2015 has been classified as discontinued operations.

The business segments presented reflect the management structure of the Corporation and the way in which the Corporation's management reviews business performance.

The Corporation evaluates performance of its operating segments as follows:

For the year ended December 31, 2015	**Assets**	**Loss for the year**
Canada	**$ 119,920,392**	**$ 5,217,297**
Discontinued Operations	**64,969**	**7,785,417**
Total	**$ 119,985,361**	**$ 13,002,714**

For the year ended December 31, 2014	Assets	Loss for the year
Canada	$ 11,662,180	$ 3,145,081
Mexico	131,819	41,873
Discontinued operations	7,024,406	16,149,579
Total	$ 18,818,405	$ 19,336,533

(In Canadian dollars)

22) Commitments

The Corporation has the following exploration commitments as at December 31, 2015:

	Total	2016	2017	2018	2019	2020
Catharine Fault - Ogima Project (note 13(c))	$ 400,000	$ 160,000	$ 100,000	$ 140,000	$ -	$ -
Catharine Fault - Golden Dawn Project** (note 13(c))	$ 65,000	$ 65,000	$ -	$ -	$ -	$ -
Catharine Fault - Ashley Gold Project** (note 13(c))	$ 130,000	$ 30,000	$ 45,000	$ 55,000	$ -	$ -
Urban Barry Project - exploration commitment* (note 13(a))	$ 1,504,800	$ 1,504,800	$ -	$ -	$ -	$ -
Total	**$ 2,099,800**	**$ 1,759,800**	**$ 145,000**	**$ 195,000**	**$ -**	**$ -**

** Quebec Prospects minimum exploration commitment of $1,200 per claim (1,254 ha) to be made within two years from the date of grant.*

*** Subsequent to year end, the Corporation gave notice to the titleholders of the Golden Dawn Project and the Ashley Gold Project that it will no longer be pursuing these two option agreements and therefore are no longer committed to the $195,000 option payments.*

In addition to the option payments, on October 1, 2015, the Corporation signed an agreement with Dundee whereas Dundee will provide financial advisory services for the Corporation at a cost of $28,000 per month. The agreement expires September 1, 2017.

As of December 31, 2015, the Corporation has a total of $258,513 remaining to be spent of the Ontario flow through funds raised in April 2015 and $10,808,540 remaining to be spent on the Quebec flow through funds raised in September 2015.

23) Subsequent events

On January 11, 2016, Oban and NioGold Mining Corporation (TSX-V: NOX) ("NioGold") announced that they have entered into a definitive arrangement agreement dated January 11, 2016 (the "Arrangement Agreement") pursuant to which Oban has agreed to acquire all of the issued and outstanding common shares of NioGold ("NioGold Shares"). The acquisition by Oban of all of the issued and outstanding NioGold Shares is expected to be completed by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"). In connection with the Arrangement, Oban had also entered into an agreement with a syndicate of investment dealers led by Dundee Securities Ltd. ("Dundee"), and including Beacon Securities Limited, Medalist Capital Ltd., Cormark Securities Inc. ("Cormark"), Haywood Securities Inc. and M Partners Inc. (collectively, the "Agents") pursuant to which the Agents have agreed to offer for sale, on a "best efforts" private placement basis, 8,333,333 subscription receipts of Oban ("Oban SRs") at a subscription price of $1.20 per Oban SR for total gross proceeds of $10 million (the "Offering"). In addition, Oban has granted the Agents an option to offer for sale up to an additional 8,333,333 Oban SRs at a subscription price of $1.20 per Oban SR exercisable in whole or in part at any time for a period of up to 48 hours prior to the closing of the Offering.

On February 1, 2016, Oban announced that it has completed its previously announced transaction with IDM Mining Ltd ("IDM"), further to its press release dated December 7, 2015 (the "Transaction"). Pursuant to the Transaction, Oban acquired ownership of 18,300,000 common shares in the capital of IDM (the "Acquired Shares") in exchange for consideration of $1,000,000 in cash and 100% of Oban's Yukon properties (being the property acquired by Oban on August 25, 2015 from Ryan Gold Corp. and its subsidiaries, the "Property Transfer"). In addition, Oban has been granted a 1% NSR over the Yukon properties transferred to IDM pursuant to the Property Transfer.

On February 3, 2016, Oban announced that the Company has signed a binding letter of intent (the "Agreement") to acquire 100% of the Souart property, located in the Urban Barry greenstone belt, in Souart and Barry Townships, Québec (the "Acquisition"). The Souart property is currently held by Multi-Ressources Boréal ("M-R Boréal").

23) Subsequent events (continued)

On February 3, 2016, Oban announced that it has completed its previously announced subscription receipt offering (which includes the partial exercise of the over-allotment option) (the "Offering"), pursuant to which it has issued and sold 10,521,700 subscription receipts ("Subscription Receipts") at a subscription price of $1.20 per Subscription Receipt for gross proceeds of $12,626,040. The Offering was completed on a private placement basis through a syndicate of agents led by Dundee Securities Ltd. ("Dundee"), and including Beacon Securities Limited, Medalist Capital Ltd., Cormark Securities Inc., Haywood Securities Inc. and M Partners Inc. (collectively, the "Agents").

On March 11, 2016, the Corporation completed its previously announced business combination with Niogold Mining Corp, pursuant to which Oban acquired all of the common shares of Niogold by way of a court approved plan of arrangement. Under the terms of the arrangement, each former shareholder of Niogold received 0.4167 common share of Oban in exchange for each common share of Niogold held, and holders of options and warrants to acquire Niogold shares received replacement options and warrants, respectively, entitling the holder thereof to receive Oban shares, based on the terms of such options and warrants of Niogold, as adjusted by the plan of arrangement.