FARAFINA GOLD GROUP

GROUP CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

(Expressed in American Dollars)

Approved

Chairman — Ilia Karas

Prepared
Accountant — *Mamadi KABA*

Reviewed
Member of the board — Numukeh TUNKARA

FARAFINA GOLD GROUP

BALANCE SHEET

(Unaudited - Expressed in American Dollars)

ASSETS		December 31, 2014
Current		
Cash and cash equivalents (Note 3)	$	218,000
Investments (Note 4)		10,250
Receivables		-
Differed capital expenditures (Note 5)		1,968,600
Total current assets		2,196,850
Non-current		
Restricted cash		-
Property and equipment (Note 6)		4,000
Investment in associated companies		-
Strategic investments		-
Exploration and evaluation assets		-
Mineral reserves and Royalty interest (Note 7)		13,760,000
Reclamation bonds		-
Goodwill		-
Other assets		-
Total non-current assets		13,764,000
TOTAL ASSETS	$	15,960,850
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	$	319,000
Advances from joint venture partners		-
Total current liabilities		319,000
Non-current		
Deferred income tax liability		-
TOTAL LIABILITIES		319,000

SHAREHOLDERS' EQUITY		2,012,421
Capital stock (Note 9)		
Commitment to issue shares		-
Profit attributed to proved Reserves (Note 10)		13,781,111
Deficit		(151,683)
TOTAL SHAREHOLDERS' EQUITY		**15,641,850**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**15,960,850**

Nature of operations and going concern (Note 1)

The accompanying notes are an integral part of these GROUP CONSOLIDATED FINANCIAL STATEMENTS.

FARAFINA GOLD GROUP

PROFIT&LOSS STATEMENT

(Unaudited - Expressed in American Dollars)

	Period ended December 31, 2014
ROYALTY INCOME	$ -
Cost of sales	
Gold tax	-
Depletion	-
Net royalty income	-
EXPLORATION EXPENDITURES	-
Less: recoveries	-
Net exploration expenditures	-
GENERAL AND ADMINISTRATIVE EXPENSES	
Administrative and office	4,000
Depreciation	-
Investor relations and shareholder information	-
Professional fees (Note 11)	10,250
Salaries and consultants (Note 12)	36,000
Share-based payments	-
Transfer agent and filing fees	726
Travel (Note 13)	100,707
Total general and administrative expenses	151,683
Loss from operations	**(151,683)**
Change in fair value of fair value through profit or loss investments	-
Gain on acquisition and sale of exploration and evaluation assets	-
Equity loss in associated companies	-
Foreign exchange gain (loss)	-
Realized loss on sale of investments	-
Writedown of goodwill	-
Gain on derecognition and sale of property and equipment	-
Loss before income taxes	**(151,683)**
Deferred income tax recovery	-
Loss for the period	$ **(151,683)**

The accompanying notes are an integral part of these GROUP CONSOLIDATED FINANCIAL STATEMENTS.

FARAFINA GOLD GROUP

GROUP CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in American Dollars)

		Period ended December 31, 2014
Loss for the period	$	(151,683)
Other comprehensive gain (loss)		
Change in fair value of available-for-sale investments		-
Currency translation adjustment		-
Comprehensive loss for the period	$	(151,683)

The accompanying notes are an integral part of these GROUP CONSOLIDATED FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOWS

	USD
Cash flows from operating activities	(100 707)
License fees	(3 000)
legal fées	(7 250)
Cash paid to employees	(36 000)
PN - administrative expenses	70 000
Net cash from operating activities	**(76 957)**
Purchase of geological data	(1 968 600)
PN payables	0
Account payable *(for Faralako and Konguela data)*	49 000
Equipment purchasing *(yours 1.4k and my around the same)*	(4 000)
Proceeds from sale of equipment	
Cash flows from investing activities	**(1 923 600)**
Proceeds from issuance of common stock	2 012 421
Proceeds from issuance of short-term debt *(PN from IK, paid in May)*	200 000
Principal payments under capital lease obligation	
Cash flows from financing activities	**2 212 421**
Net increase in cash	103 000
Net increase in cash equivalents	115 000
Cash and cash equivalents at beginning of period	0
Cash and cash equivalents at the end of period	**218 000**
Adjustments due to Currency translation operations	**(6 136)**

1. NATURE OF OPERATIONS AND GOING CONCERN

FARAFINA GOLD GROUP (the "Group" or "Company" or "Farafina") is a consortium of three (3) limited companies : Farafina Minerals, Farafina Ressources and Lions Head Resources Guinea. The Group and its subsidiaries are engaged in the acquisition, exploration and evaluation of mineral assets in Guinea and intended to extend to West Africa Region. The Group's head office is located at Miniere, Commune de Dixinn, Conakry, Guinea.

These GROUP CONSOLIDATED FINANCIAL STATEMENTS have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Group will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these GROUP CONSOLIDATED FINANCIAL STATEMENTS, the Group will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Group's ability to continue as a going concern.

Most of the Group's activities for exploration and evaluation assets are located in Guinea (non-developed country in West Africa Region) and, consequently, may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights and the recoverability of investments in non-developed nations can be affected by changing economic, legal, regulatory and political situations.

At the date of these consolidated financial statements, the Group has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Group to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Group identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets.

These consolidated financial statements of the Group are presented in American Dollars.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These GROUP CONSOLIDATED FINANCIAL STATEMENTS have been prepared in accordance with International Accounting Standard using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These results include all the information required for the full annual financial statements, and should be read as the consolidated financial statements of the Group for the year ended December 31, 2014.

Summary of Significant Accounting Policies

The accounting policies applied by the Group in these unaudited GROUP CONSOLIDATED FINANCIAL STATEMENTS are consistent with those applied in the previous years if any.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (continued)

Accounting pronouncements not yet effective

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Group is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. The IASB has determined that the revised effective date for IFRS 9 will be January 1, 2018. The Group is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Significant Judgments and Estimates

The critical judgments and estimates applied in the preparation of the Group's unaudited consolidated financial statements for the twelve months ended December 31, 2014 are consistent with those applied in the Group's previous audited consolidated financial statements, if any.

3. CASH AND CASH EQUIVALENT

At December 31, 2014, the balance of cash and cash equivalent is as follows:

December 31, 2014		Cost
Balance at the beginning of the period		
Net increase in cash	$	103,000
Net increase in cash equivalent		115,000
Total net increase		218,000
Balance at the end of the period	$	218,000

4. OTHER INVESTMENTS

The Group had the following other investments as of December 31, 2014:

		Cost
Legal fees	$	7,250
Licenses fees		3,000
Total investments	$	10,250

5. DIFFERED CAPITAL EXPENDITURES

At December 31, 2014, the Group had the following differed capital expenditures per associated company:

Associated Company		Paid		Prepaid	Total
Farafina Ressources (Faralako & Nzima)	$	467,150	$	639,450	1,106,600
Farafina Minerals (Kankan & Kojaran)		193,800		129,200	323,000
Lions Head Resources (Kanguela & Paramangui)		393,000		146,000	539,000

Total Differed Capital expenditures	**$**	**1,053,950**	**$ 914,650**	**1,968,600**

6. PROPERTY AND EQUIPMENT

During the period ended December 31, 2014, Company acquired certain assets for a net gain of $4,000.

	Computer	Field	Office	Vehicles	Building	Land	Total
Cost							
As at December 31, 2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	-	-	4,000	-	-		- -
Disposals and derecognition		- -	-	-		-	- -
As at December 31, 2014	**$ -**	**$ -**	**$ 4,000**	**$ -**	**$ -**	**$ -**	**$ -**

7. MINERALS RESERVES AND ROYALTY INTEREST

At December 31, 2014, the Mineral reserves & Royalty Interest is comprised of the following proved reserves:

Sites	Proved	Evaluation	Value
Nzima	t 150,000 OZ	43	$ 6,450,000
Wodokodoni	t 90,000 OZ	43	$ 3,870,000
Paramangui	t 80,000 OZ	43	$ 3,440,000
Total Minerals reserves and royalty interest	**t 320,000 OZ**	**43**	**$ 13,760,000**

8. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

At December 31, 2014, the balances of Account payables & Accrued Liabilities are as follows:

Title		Balance
Management fees	$	70,000
Short-term debt		200,000
Other payables		49,000
Total Account payable & Accrued liabilities	**$**	**319,000**

9. CAPITAL STOCK

As at December 31, 2014, capital stock is comprised of:

Title		Balance
Investment Ilia Karas	$	1,012,421
Investment Numukeh Tunkara		1,000,000
Other		-
Total Capital stock	**$**	**2,012,421**