KazaX Minerals Inc.

Condensed Consolidated Interim Financial Statements
For the nine-month period ended September 30, 2015
(expressed in thousands of U.S. dollars, except where indicated)

KAZAX MINERALS INC.
Room 1120, Arman Business Center, 6 Saryarka Avenue
Astana, Kazakhstan, 010000

NOTICE

RE: CONDENSED CONSOLIDATED INTERIM FINANCIALS STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

The accompanying unaudited condensed consolidated interim financial statements of KazaX Minerals Inc. have been prepared by and are the responsibility of the Company's management.

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

Kazax Minerals Inc.

Condensed Consolidated Interim Statement of Financial Position

As of September 30, 2015 and December 31, 2014

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

	Note	September 30, 2015	December 31, 2014 (Restated)
ASSETS			
Current assets			
Cash and cash equivalents	5	**4,101**	7,990
Other receivables and prepaid expenses	5	**115**	215
Other current assets		**60**	68
		4,276	8,273
Non-current assets			
Property and equipment	6	**14**	28
Exploration and evaluation assets	3	**83,083**	80,975
Other long term assets	5, 9 (ii)	**99**	171
		83,196	81,174
TOTAL ASSETS		**87,472**	89,447
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,082**	634
Convertible debentures – current	8	**20,000**	19,659
Derivative liability	8	**16**	16
Payable to Safin – LLLP acquisition – current portion	3	**19,435**	12,500
Loan to Safin	3	**–**	–
Asset retirement obligation – current	9	**–**	–
Payable to Tobol – LLLP acquisition	3	**2,347**	2,012
		42,880	34,821
Non-current liabilities			
Convertible debentures	8	**20,682**	18,709
Payable to Safin – LLLP acquisition – non-current portion	3	**–**	6,677
Asset retirement obligation	9	**65**	146
		20,747	25,532
TOTAL LIABILITIES		**63,627**	60,353
EQUITY			
Share capital	10	**37,769**	37,769
Reserves		**16,690**	16,827
Deficit		**(30,615)**	(25,503)
Total equity for owners		**23,844**	29,093
Non-controlling interest (“NCI”)	3	**1**	1
TOTAL EQUITY		**23,845**	29,904
TOTAL LIABILITIES AND EQUITY		**87,472**	89,447

Approved on behalf of the Directors:

“Daniel Kunz” Director
Daniel Kunz

“Mohamad Chafic” Director
Mohamad Chafic

Kazax Minerals Inc.

Condensed Consolidated Interim Statement of Net Loss and Comprehensive Loss

For the nine-month period ended September 30, 2015 and 2014

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

	Notes	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014 (Restated)	Three-month period ended September 30, 2015	Three-month period ended September 30, 2014 (Restated)
General and administrative expenses					
Amortization	6	**(28)**	(6)	(23)	(2)
Professional fees		**(224)**	(904)	(17)	(330)
Investor relations and marketing		**—**	(28)	—	—
Travel and entertainment		**(75)**	(181)	(3)	(51)
Wages and benefits		**(59)**	(447)	(51)	(150)
Management fees	11	**(303)**	(31)	(15)	—
Stock based compensation expense	11	**—**	(26)	—	—
Directors fees	11	**(41)**	(23)	(14)	(15)
Other general and administration		**(229)**	(260)	(51)	(15)
		(959)	(1,906)	(174)	(563)
Other (expenses) income, net					
Finance income		**489**	12	245	
Finance cost	10, 3	**(4,536)**	(3,767)	(637)	(1,707)
Gain on debt settlement		**—**	5,503	—	5,503
Foreign exchange (loss) gain		**(106)**	514	(87)	254
Net (loss) / income before income tax		**(5,112)**	356	(653)	3,487
Deferred tax on convertible debt		**—**	—	—	—
Net (loss) / income		**(5,112)**	356	(653)	3,487
Other comprehensive (loss) / income					
Cumulative translation adjustment		**(137)**	1	(125)	1
Comprehensive (loss) / income		**(5,249)**	357	(778)	3,487
(Loss) / income per share					
Basic & diluted		**(0.02)**	0.00	(0.00)	0.02
Weighted average shares outstanding (000's)					
Basic & diluted		**218,058**	212,160	212,160	218,058
Total shares issued and outstanding (000's)		**218,058**	218,058	218,058	218,058

Kazax Minerals Inc.

Condensed Consolidated Interim Statement of Changes in Equity

For the nine-month period ended September 30, 2015 and 2014

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

	Notes	Shares ('000)	Share capital	Foreign translation reserves	Convertible debenture reserves	Other reserves	Deficit	Total for owners	NCI	Total Equity
Balance at December 31, 2014		**218,058**	**38,925**	**(1,324)**	**5,919**	**12,232**	**(30,330)**	**25,422**	**1**	**25,423**
Restatement		—	***(1,156)***	—	—	—	***4,827***	***3,671***	-	***3,671***
Balance at December 31, 2014 (Restated)		**218,058**	**37,769**	**(1,324)**	**7,107**	**11,044**	**(25,503)**	**29,093**	**1**	**29,094**
Net loss – nine-month period ended		—	—	—	—	—	**(5,112)**	**(5,112)**	—	**(5,112)**
Cumulative translation adjustment		—	—	—	—	—	—	—	-	—
Stock based compensation expense	11	—	—	**(137)**	—	—	—	**(137)**	—	**(137)**
Balance at September 30, 2015		**218,058**	**37,769**	**(1,461)**	**7,107**	**11,044**	**(30,615)**	**23,844**	**1**	**23,845**

	Notes	Shares ('000)	Share capital	Foreign translation reserves	Convertible debenture reserves	Other reserves	Deficit	Total for owners	NCI	Total Equity
Balance at December 31, 2013		178,788	35,355	(1,234)	4,897	257	(22,725)	16,550	15,792	32,342
Net income – nine-month period ended		—	—	—	—	—	356	356	—	356
Issuance of convertible debentures		—	—	—	1,798	—	—	1,798	—	1,798
Cumulative translation adjustment		—	—	1	—	—	—	1	—	1
Share issued for mineral property acquisitions - Restated	3	39,270	3,201	—	—	—	—	3,201	—	3,201
Stock based compensation expense	11	—	—	—	—	26	—	26	—	26
Balance at September 30, 2014 (Restated)		218,058	38,556	(1,233)	6,695	283	(22,369)	21,932	15,792	37,724

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

Kazax Minerals Inc.

Condensed Consolidated Interim Statement of Cash Flows

For the nine-month period ended September 30, 2015 and 2014

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

	Notes	**Nine-month period ended September 30, 2015**	Nine-month period ended September 30, 2014 (Restated)	**Three-month period ended September 30, 2015**	Three-month period ended September 30, 2014 (Restated)
Cash used from operating activities:					
Net (loss) / income		**(5,112)**	356	**(653)**	(522)
Items not affecting cash:					
Amortization	6	**28**	6	**23**	2
Accreted interest – convertible debt		**3,556**	1,616	**1,424**	974
Accreted interest – other current liabilities		**1,767**	2,031	**—**	(75)
Accreted interest – other long term liabilities		**—**	—	**—**	—
Stock based compensation expense	11	**—**	26	**—**	—
Deferred income tax recovery		**—**	—	**—**	—
Gain on debt settlement		**—**	(5,503)	**—**	(776)
Loss on equipment disposal		**—**	54	**—**	—
Foreign exchange		**201**	(333)	**182**	(73)
		440	(1,747)	**976**	(470)
Change in non-cash operating working capital:					
Change in accounts receivable, deposits, and prepaid expenses		**108**	(696)	**217**	(32)
Change in accounts payable and accruals		**238**	(1,046)	**(262)**	514
		786	(3,489)	**931**	12
Cash flows from financing activities:					
Proceeds from warrants exercised	10	**—**	—	**—**	—
Proceeds from convertible debentures	8	**—**	5,248	**—**	2,984
Proceeds from loans	8	**—**	20,000	**—**	20,000
Payment of asset retirement obligation	9	**—**	—	**—**	—
Novation of Safin loan to LLLP	3	**—**	—	**—**	—
Settlement of Safin loan	3	**(1,735)**	(23)	**—**	—
Payment of Safin SPA cash consideration	3	**—**	—	**—**	—
		(1,735)	25,225	**—**	22,984
Cash flows used in investing activities:					
Equipment expenditure		**—**	(3)	**—**	—
Exploration and evaluation asset expenditure		**(2,940)**	(5,466)	**(1,384)**	(3,218)
Acquisition of LLLP, net of cash acquired		**—**	—	**—**	—
		(2,940)	(5,469)	**(1,384)**	(3,218)
Decrease in cash and cash equivalents:		**(3,889)**	16,268	**(453)**	19,778
Foreign exchange impact on cash and cash equivalents		**—**	170	**—**	155
Cash and cash equivalents - beginning of period		**7,990**	3,640	**4,554**	144
Cash and cash equivalents - end of period		**4,101**	20,077	**4,101**	20,077

Currency (expressed in USD)	**Notes**	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Canadian Dollars		**35**	10	**35**	10
US Dollars		**3,936**	20,056	**3,936**	20,056
British Pound		**16**	—	**16**	—
European Euro		**—**	10	**—**	10
Kazakhstan Tenge		**114**	1	**114**	1
		4,101	20,077	**4,101**	20,077

1. Nature of operations

KazaX Minerals Inc. (formerly Newbridge Capital Inc.) (the "Company" or "Kazax") was incorporated under the Business Corporations Act of British Columbia on September 12, 2005. The Company's shares are listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol KZX. The address of the Company's corporate office and principal place of business is 11th Floor, Arman Business Center, 6 Saryarka Avenue, Astana, Kazakhstan, 010000.

These condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is primarily involved in the acquisition, exploration and development of mineral properties.

On February 15, 2013, the Group completed the acquisition of a 74.99% interest in Lomonosovskoye Limited Liability Partnership ("LLLP"), a legal entity existing under the laws of the Republic of Kazakhstan from Safin Element GmbH ("Safin"). LLLP holds the exploration and production rights to the Lomonosovskoye iron ore project (the "Lomonosovskoye Project" or "Project") located in the northwest of the Republic of Kazakhstan. On November 24, 2014 the Group completed the acquisition of a 25.0% interest in LLLP from the Kazakhstan state agency Tobol. See Note 3 for details of these acquisitions, following which, the Group currently holds a 99.9% interest in LLLP, with Safin holding the remaining 0.01%.

2. Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions exist which may cast significant doubt on the ability of the Group to continue as a going concern. During the nine-month period ended September 30, 2015 the Group incurred a net loss of $5,112 (nine-month period ended September 30, 2014: $3,653) and as at September 30, 2015 had negative working capital of $38,604 (December 31, 2014 - $26,548) and an accumulated deficit of $30,841 (December 31, 2014 - $26,517). The Company has limited financial resources, has no source of operating cash flow, and no assurances that sufficient funding will be available to conduct further exploration and development of its Project or to complete the significant commitments in respect of its purchase of the Project (see Note 3).

The Company announced on April 15, 2015 that it is in discussions and negotiations with Safin in respect to the non-payment of USD 4,000 thousand due under the LLLP Sale and Purchase Agreement (the "SPA") on January 15, 2015. Pursuant to the SPA, Safin agreed not to enforce this payment until such amount is overdue by 90 days.

The Company does not generate cash flow from operations and has therefore relied principally upon the issuance of securities to, and loans from, two of the Company's directors for financing. In April 2014, two of the Company's directors advanced $2,260 (equivalent to CDN$ 2,500) through completion of a private placement of convertible debentures, in July 2014 they advanced $2,980 (equivalent to CDN$ 3,200) through completion of a private placement of convertible debentures and in September 2014, they advanced $20,000 on terms that were subsequently renegotiated in October 2014 by way of issuance of convertible debentures (see note 10).

The Directors expect to be able to obtain further funding for the Group. However, there can be no guarantee that the required funds will be raised within the necessary timeframe or on terms that will be acceptable to the Company. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities and/or debt financing to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these condensed consolidated interim financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition.

3. Acquisition of LLLP

i) Overview

On February 15, 2013, the Group completed the acquisition of a 74.99% interest in LLLP from Safin (the "Acquisition"). Pursuant to the terms of the SPA, the Group agreed to make certain cash payments and issue common shares (the "Consideration Shares") to Safin as consideration for the Acquisition. To date, the Group has made the following payments to Safin in connection with the Acquisition:

a) at the closing of the Acquisition (February 15, 2013), the Group made an initial payment to Safin of $6.933 million in cash (the "First Instalment Cash") and the Company issued approximately 23.1 million Consideration Shares to Safin (the "First Instalment Consideration Shares");
b) on May 28, 2013, the Company issued a further approximately 13.1 million Consideration Shares to Safin;
c) on October 2, 2013 the Group made a further cash payment to Safin of $2.0 million ("Second Instalment Cash payment");
d) on February 10, 2014 the Company issued a further approximately 39.3 million Consideration Shares to Safin (the "Third Instalment Consideration Shares");
e) on October 14¸ 2014, the Group made a further cash payment to Safin of $2.125 million and on December 23, 2014, the Group made a further cash payment to Safin of $1.275 million, totalling $3.400 million ("Third Instalment Cash payment");
f) on April 16, 2015 a further cash payment to Safin of $1,735,084 was made by way of assigning to Safin a Capital Gains Tax ("CGT") remittance; and
g) on July 30, 2015 a further cash payment to Safin of $218,572 was made by way of assigning to Safin a CGT remittance.

Under the terms of the SPA, the future cash consideration remaining to be paid totals approximately $22.848 million (gross and including amounts to be deducted from the gross sum and paid by the Group to the government of Kazakhstan in respect of Safin's CGT liability). No further Consideration Shares are due to be issued under the terms of the SPA.

Under the terms of the SPA, the Group is required to pay Safin's CGT liability on the cash and share consideration to the Kazakhstan tax authorities, without deduction from the consideration payable to Safin. Following the initial cash payment and share issuance in February 2013, the Group made a CGT payment of $2.0 million to the Kazakhstan tax authorities in April 2013 in respect of Safin's CGT liability for the First Instalment Cash and First Instalment Consideration Shares. In accordance with the terms of the SPA, the application for refund of the CGT paid in respect of the First Instalment Cash and First Instalment Consideration Shares having been successful with the Kazakh tax authorities, the refund of these CGT funds has been made to Safin. Pursuant to the SPA, all other successful CGT refunds in respect to the consideration payable to Safin, will be to the benefit of the Group subject to due payments being made to Safin by the Company as per the SPA schedule. The second refund application has been approved by the Kazakh- tax authorities and payment is pending.

All of the Consideration Shares issued to Safin were subject to resale restrictions for four months and a day from the date of issuance. In addition, under the terms of the SPA, the parties agreed that 25% of the Consideration Shares have an additional hold period expiring 12 months from issuance, 25% of the Consideration Shares have an additional hold period expiring 18 months from issuance and 25% of the Consideration Shares have an additional hold period expiring 24 months from issuance.

On September 17, 2014, the Company and Safin agreed to amendments to the SPA and entered into an amending agreement (the "Amendment Agreement") for the rescheduling of the outstanding consideration due to Safin under the terms of the SPA. Under the terms of the Amendment Agreement, $2.125 million was paid to Safin on October 14¸ 2014 and $1.275 million was paid to Safin on December 23, 2014. In October 2014, $1.884 million of CGT was paid by the Group, bringing all outstanding CGT payment obligations at that time, up to date. In January 2015, $0.225 million was paid by the Group. Pursuant to the terms of the Amendment Agreement, the remaining $22.848 million cash consideration payable to Safin and in respect of CGT is scheduled to be paid as follows:

a) $4.0 million due for payment by January 15, 2015 (pursuant to the SPA Safin agreed not to enforce this payment until such amount is overdue by 90 days). The Company announced on April 15, 2015 that it is in discussions with Safin to reschedule this payment;
b) $8.5 million due for payment by October 11, 2015; and
c) $10.348 million due for payment by February 11, 2016.

On August 21, 2015, Safin agreed to extend the remaining balance $20,894 million payment dates to beyond June 2016, the terms of which have been finalized in relevant agreement signed on August 31, 2015.

From each of the payments shown above, the Group will deduct such amount as is due to the Republic of Kazakhstan in respect of CGT and all risk relating to such tax shall be borne by Safin. The estimated future CGT payable by the Group on behalf of Safin in respect of future SPA consideration payments is $3.427 million.

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

3. Acquisition of LLLP (continued)

i) Overview (continued)

In the event the Group does not complete any of the above payments to Safin, in full or in part, in accordance with the terms of the SPA, the Group is required to transfer back to Safin the unpaid portion of its interest in LLLP on a pro rata basis.

Under the terms of the Amendment Agreement, the Company also remitted $1.0 million to Safin on October 9¸ 2014 and, at the same time, Safin novated to a wholly-owned subsidiary of the Company an outstanding loan of approximately $1.3 million owed by LLLP to Safin. As well, under the terms of the Amendment Agreement, the obligation on the part of Safin to pay certain agricultural losses pursuant the SPA was removed.

As a condition to the effectiveness of the Amendment Agreement, the Company obtained a release in respect of the remaining finder's fee of $0.97 million that was payable to an arm's length party in connection with the Acquisition.

A further condition to the effectiveness of the Amendment Agreement, was the execution by Tobol of a purchase and sale agreement pursuant to which Tobol would agree to sell its 25% interest in LLLP (the "Tobol Interest") on certain terms and conditions outlined in the Amendment Agreement and on terms otherwise acceptable to the Company (the "Tobol Condition").

Finally, under the terms of the Amendment Agreement, the parties also agreed to co-operate with each other in respect of certain matters, including satisfaction of the Tobol Condition, the further development of the LLLP business and certain matters pertaining to the Company.

The Tobol SPA

In satisfaction of the Tobol Condition, on September 17, 2014, the Group executed a share purchase agreement with Tobol (the "Tobol SPA") pursuant to which it acquired the Tobol Interest for a purchase price of $5.03 million, payable pursuant to the terms of the Tobol SPA. On October 31, 2014, the Group received consent from the Ministry of Investments and Development of Kazakhstan ("MID") for the acquisition of the Tobol Interest and the re-registration by the Kazakh authorities of the transfer of the Tobol Interest to the Group was completed on November 24, 2014. In respect of the purchase price for the acquisition of the Tobol Interest, USD 3 million has been paid in November 2014 and the final payment of USD 2 million is due for payment by May 2015. As announced on November 28, 2014, the interest in the Project is now held 99.99% by the Group and 0.01% by Safin. On July 31, 2015, Tobol agreed to defer the final payment of approximately $2 million due on May 28, 2015 to May 31, 2016 without penalty. Official confirmation from Tobol was received on August 5, 2015.

Acquisition accounting

The Company's acquisition of the controlling shareholding in LLLP on February 15, 2013 has been accounted for as an acquisition of a group of assets and liabilities.

The gross consideration agreed to in exchange for the acquisition of LLP, before factoring the time value of money is as follows:

Gross purchase consideration paid and accrued	Notes	Amount
Advance loan to Safin forgiven		1,235
Settlement of existing advances in lieu of initial cash payment		454
Cash payments		31,300
Capital gains taxes paid on behalf of Safin		7,678
Shares		11,510
Finder's fees		2,636
Total		**54,813**

The Third Finder's Fee installment of $966,000 was subsequently forgiven.

The following summarizes the purchase consideration transferred / payable based on the above payment terms, and the recognized amounts of assets acquired and the liabilities assumed at the acquisition date.

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

3. Acquisition of LLLP (continued)

Acquisition accounting (continued)

Purchase consideration paid and accrued	Notes	Amount
Paid		
Advance loan to Safin forgiven		1,235
Settlement of existing advances in lieu of first initial cash payment		454
First Installment Cash payment		6,480
First Installment Shares (23,076 thousand common shares) issued	(i)	5,526
Initial payment of Finder's Fee		704
First payment of capital gains taxes on behalf of Safin		2,038
Second Instalment Shares (13,086 thousand common shares)	(i)	3,201
Second Finder's Fee installment		966
		20,604
Accrued		
Third Installment Shares		2,783
Second Installment Cash payment		10,897
Second payment of capital gains taxes on behalf of Safin		2,527
Third Installment of Cash payment		9,924
Third payment of capital gains taxes on behalf of Safin		2,283
Third Finder's Fee installment		609
		29,023
Total purchase consideration		**49,627**

The fair value of the First Instalment Shares of 23,076 thousand common shares was based on the discounted fair value of the market price at the Acquisition date of $0.24 per share. The fair value of the Second Instalment Shares of 13,086 thousand common shares was based on the discounted fair value of the market price on issuance date of $0.24 per share. Upon the settlement of the Second Instalment Shares, the Company recognized an accreted interest of $369.

The outstanding third tranche of consideration shares ("Third Instalment Shares") with value of $3,570.0 was issued on February 10, 2014. A total of 39,270.0 million common shares with a fair value of CDN$0.10 per share were issued to Safin. Following this issue of common shares, Safin had direct ownership and direction or control over 75,652.9 common shares of the Company, representing.

The purchase consideration, which is payable over the next 14 months, is recognized as current and non-current liabilities on the statement of financial position. The non-current financial liability is $19,435 as at September 30, 2015 due to the agreed rescheduled due dates.

Payable to Safin	Amount
Balance, December 31, 2013	30,989
Accreted interest (Restated)	2,915
Gain on extinguishment (Restated)	(4,727)
Settled balance	(10,000)
Balance, December 31, 2014 (Restated)	**19,177**
Accreted interest	1,993
Settled balance	(1,735)
Balance, September 30, 2015	**19,435**

Identifiable assets acquired and liabilities assumed:	Amount
Cash and cash equivalents	37
Property, plant and equipment and inventory	5
Exploration and evaluation assets	67,038
Safin loan	(1,539)
Accounts payable and accrued liabilities	(122)
NCI	(15,792)
	49,627

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

3. Acquisition of LLLP (continued)

Acquisition accounting (continued)

Details of Exploration and evaluation assets recognized as at September 30, 2015 are as follows:

Exploration and evaluation assets recognized comprised of:	**Nine-month period ended September 30, 2015**	Twelve-month period ended December 31, 2014
Opening balance	**80,975**	76,264
Identifiable assets acquired in LLLP	**—**	—
Exploration and evaluation costs post acquisition	**2,108**	4,711
Acquisition costs (professional fees directly related to the acquisition)	**—**	—
Foreign exchange impact (cumulative translation adjustment)	**—**	—
	83,083	80,975

Details of exploration and evaluation costs post Acquisition to September 30, 2015 are as follows:

Exploration and evaluation assets incurred comprised of:	**Nine-month period ended September 30, 2015**	Twelve-month period ended December 31, 2014
Exploratory drilling and engineering	**2,108**	3,918
Wages and benefits	**—**	649
Other direct overhead	**—**	144
	2,108	4,711

4. Basis of preparation

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting, on a basis consistent with the most recent annual consolidated financial statements. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and accordingly should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2014.

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on November 30, 2015.

5. Financial instruments

i) Fair values of financial instruments

	September 30, 2015		December 31, 2014 (Restated)	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets				
Loans and receivables				
Cash and cash equivalents	**4,101**	**4,101**	7,990	7,990
Other receivables	**239**	**239**	38	38
	4,340	**4,340**	8,028	8,028
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities*	**1,082**	**1,082**	634	634
Convertible debentures	**40,682**	**40,682**	38,368	38,368
Derivative liability	**16**	**16**	16	16
Loan to Safin	**—**	**—**	—	—
Payable to Safin – LLLP acquisition**	**19,436**	**19,436**	19,177	19,177
Payable to Tobol – LLLP acquisition	**2,347**	**2,347**	2,012	2,012
	63,563	**63,563**	60,207	60,207

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

5. Financial instruments (continued)

i) Fair values of financial instruments (continued)

* On April 29, 2014, the Company announced the amicable settlement with LogiCamms Limited ("LogiCamms"), with legal proceedings to be withdrawn, subject to payment of USD 645 thousand (AUD$700.) by the Company to LogiCamms in 4 instalments, which was completed by the Company during the reporting period.

** The loan obligation of LLLP to Safin in the amount of approximately $1.3 million was novated to the Group in October 2014 in consideration of the payment to Safin of USD$1.0 million (refer Note 3).

ii) Fair value measurements

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The fair values of the convertible debentures are estimated using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market interest rates of similar loans with similar risk.

The fair value of the conversion feature classified as a derivative financial liability is estimated using an option pricing model adjusted for the impact of the non-functional currency feature.

The following table sets forth the Company's assets and liabilities measured or disclosed at fair value by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1	**Level 2**	**Level 3**	**September 30, 2015**
Payable to Safin – LLLP acquisition	–	19,435	–	19,435
Payable to Tobol – LLLP acquisition	–	2,347	–	2,347
Convertible debentures	–	–	40,682	40,682
Derivative liability	–	–	16	16

	Level 1	**Level 2**	**Level 3**	**December 31, 2014**
Payable to Safin – LLLP acquisition - Restated	–	19,177	–	19,177
Payable to Tobol – LLLP acquisition	–	2,012	–	2,012
Convertible debentures	–	–	38,368	38,368
Derivative liability	–	–	16	16

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting its cash flows from operations and anticipating investing and financing activities. Senior management is actively involved in the review and approval of planned expenditures. Management believes that the ability to fund operations through cash generated from financing activities should be sufficient to meet the ongoing capital and operating requirements (see Note 2). As at September 30, 2015, the Company's working capital deficit of $38,604 (December 31, 2014: $26,548).

In the normal course of business the Company enters into contracts and conducts business activities that give rise to commitments for future minimum payments.

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

5. Financial instruments (continued)

iv) Currency risk

The Company operates in Canada, Austria and Kazakhstan and is exposed to foreign exchange risk arising from transactions denominated in foreign currencies.

In August 2015 the Government and the National Bank of the Republic of Kazakhstan ceased regulating the exchange rate of the national currency and shifted to a freely floating rate model. As a result the Kazax group of companies operating in Kazakhstan land (EMM, Lomo) with functional currency of tenge reported foreign exchange losses due to related devaluation of tenge.

The operating results and the financial position of the Company are reported in United States dollars. Fluctuations of the operating currencies in relation to the United States dollar will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company's financial assets and liabilities as at September 30, 2015 are denominated in United States Dollars, Canadian Dollars, European Euro, and Kazakstan Tenge set out in the following table:

September 30, 2015	**Canadian Dollars**	**US Dollars**	**British Pounds**	**European Euro**	**Kazakhstan Tenge**	**Total**
Financial assets						
Cash and cash equivalent	**127**	**3,956**	**16**	**–**	**3**	**4,101**
Accounts receivable	**36**	**–**	**–**	**–**	**79**	**115**
	162	**3,956**	**16**	**–**	**82**	**4,216**
Financial liabilities						
Accounts payables and accrued liabilities	**–**	**(1,082)**	**–**	**–**	**–**	**(1,082)**
Payable – Safin SPA - LLLP acquisition	**–**	**(19,435)**	**–**	**–**	**–**	**(19,435)**
Convertible debentures	**(20,682)**	**(20,000)**	**–**	**–**	**–**	**(40,682)**
Derivative liability	**–**	**(16)**	**–**	**–**	**–**	**(16)**
Payable to Tobol – LLLP acquisition	**–**	**(2,347)**	**–**	**–**	**–**	**(2,347)**
	(20,682)	**(43,106)**	**–**	**–**	**–**	**(63,562)**
Net financial assets (liabilities)	**(20,520)**	**(38,924)**	**16**	**–**	**82**	**(59,346)**

December 31, 2014	**Canadian Dollars**	**US Dollars**	**British Pounds**	**European Euro**	**Kazakhstan Tenge**	**Total**
Financial assets						
Cash and cash equivalent	144	6,939	–	8	899	7,990
Accounts receivable	38	–	–	–	–	38
	182	6,939	–	8	899	8,028
Financial liabilities						
Accounts payables and accrued liabilities	–	(548)	–	–	(86)	(634)
Payable – Safin SPA - LLLP acquisition - Restated	–	(19,177)	–	–	–	(19,177)
Convertible debentures	(18,709)	(19,659)	–	–	–	(38,368)
Derivative liability	–	(16)	–	–	–	(16)
Payable to Tobol – LLLP acquisition	–	(2,012)	–	–	–	(2,012)
	–	(41,412)	–	–	(86)	(60,207)
Net financial assets (liabilities)	(18,527)	(34,473)	–	8	813	(52,179)

The Company's reported results will be affected by changes in the US dollar to Kazakstan Tenge exchange rate. A 10% appreciation of the Kazakhstan Tenge relative to the US dollar would have increased net financial assets by approximately $35 and a 10% depreciation of the Kazakhstan Tenge would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

5. Financial instruments (continued)

v) Credit risk

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The Company limits its exposure to credit risk on liquid assets by maintaining its cash with high-credit quality financial institutions. Management believes the risk of loss of the Company's liquid financial assets to be nominal.

vi) Interest risk

The Company invests its cash in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. Interest rate risks arising from the Company's operations are not considered material.

	Notes	September 30, 2015	December 31, 2014
Current			
Prepaid expenses		**101**	177
Other receivables		**14**	38
		115	215
Non-current			
Long term deposits (see Note 9 (ii))		**82**	84
Other long term assets		**70**	87
		152	171

6. Property and Equipment

Cost	December 31, 2013	Additions	Disposals	December 31, 2014	Additions	September 30, 2015
Computer equipment	**53**	–	(33)	**20**	–	**20**
Office Furniture & other	**86**	3	(50)	**39**	–	**39**
	139	3	(83)	**59**	–	**59**

Accumulated Depreciation	December 31, 2013	Depreciation & Amortization	Disposals	December 31, 2014	Depreciation & Amortization	September 30, 2015
Computer equipment	**(21)**	(10)	15	**(16)**	(2)	**(18)**
Office Furniture & other	**(20)**	(10)	15	**(15)**	(12)	**(27)**
	(41)	(20)	30	**(31)**	(14)	**(45)**

Carrying amount	September 30, 2015	December 31, 2014
Computer equipment	**2**	4
Office Furniture & other	**12**	24
	14	28

7. Safin loan

The loan obligation of LLLP to Safin in the amount of approximately $1.3 million was novated to the Group in October 2014 in consideration of the payment to Safin of USD$1.0 million (refer Note 3). The loan tranches are drawn in USD and interest bearing at a fixed rate of 5% per annum calculated once per annum at the end of every year. Repayment is in Kazakhstan Tenge upon maturity of each loan using the exchange rate set by the National Bank of the Republic of Kazakhstan on maturity.

8. Convertible debentures

September 2013 Issuance

On September 26, 2013 the Company completed a private placement of convertible unsecured non-interest bearing debentures (the "First Debenture") for aggregate proceeds of $19.0 million (CAD$19.57 million).

The Debentures will mature and become payable on September 26, 2016 (the "First Maturity Date") and are direct, unsecured obligations of the Company, ranking equally with all other unsecured indebtedness of the Company. Upon receipt of all necessary approvals from the Kazakhstan Ministry of Industry and New Technologies of the Republic of Kazakhstan ("MINT"), the principal amount of the First Debentures will automatically be converted into units of the Company (the "First Units") on or before the First Maturity Date, at a conversion price of CAD$0.15 per Unit.

Each First Unit will be comprised of one common share of the Company (a "Share"), and one-half of one share purchase warrant with each whole warrant exercisable to purchase an additional Share until the First Maturity Date at an exercise price of CAD$0.35 ("First Warrant"). In the event that the closing price of the Share on the Exchange is equal to or exceeds $1.00 for a period of 10 consecutive trading days ("Acceleration Event"), the First Warrants will expire 90 calendar days after the Company provides notice that the Acceleration Event has occurred.

The Company used the residual value method to allocate the principal amount of the First Debenture between its liability and equity components. The Company valued the liability component of the First Debenture by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the First Debenture comprises the value of the conversion option, being the difference between the face value of the First Debenture and the liability component calculated above. Based on this calculation, the liability component was $12,499 and the residual amount of $6,501 was recorded as equity. An accretion charge attributable to the First Debenture for the nine-month period ended September 30, 2015 was $1,646. This amount is added to the liability component on the consolidated statement of financial position and is included in finance cost on the consolidated statement of loss and comprehensive loss.

April 2014 Issuance

On April 25, 2014 the Company completed a private placement of convertible unsecured non-interest bearing debentures ("Second Debenture") for aggregate proceeds of $2.26 million (CAD$2.50 million).

The Second Debenture will mature and become payable on April 25, 2017 ("Second Maturity Date") and are direct, unsecured obligations for the Company, ranking equally with all other unsecured indebtedness of the Company. Upon receipt of all necessary approvals from the MID on or before the Second Maturity Date for the Second Convertible Debenture, the principal amount of the Second Debenture will automatically be converted into units of the Company ("Second Units"); provided, however that the Second Debenture will only be converted into Second Units where such conversion would not result in a reduction in the existing percentage of Shares held by persons other than insiders or their associates and affiliates and not subject to resale restriction.

The conversion of the Second Debenture into Second Units shall be at a conversion price of:

(i) CAD$0.05 per Second Unit if conversion occurs by April 25, 2015;
(ii) CAD$0.10 per Second Unit if conversion occurs within the following two years; and
(iii) in certain circumstances, the conversion price may be greater than CAD$0.05 or CAD$0.10, if the Company has announced a positive change concerning its resources prior to conversion.

Each Second Unit will be comprised of one Share and one-half of one share purchase warrant, with each whole warrant exercisable to purchase one additional Share of the Company at an exercise price of CAD $0.10 until the Second Maturity Date ("Second Warrant"). In the event of an Acceleration Event, the Second Warrants will expire 90 calendar days after the Company provides notice that the Acceleration Event has occurred.

The Second Debenture and any Shares and Second Warrants issued upon conversion of the Second Debentures will be subjected to a hold period expiring August 26, 2014.

8. Convertible debentures (continued)

April 2014 Issuance (continued)

The Company used the residual value method to allocate the principal amount of the Second Debenture between its liability and equity components. The Company valued the liability component of the Second Debenture by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the Second Debenture comprises the value of the conversion option, being the difference between the face value of the Second Debenture and the liability component calculated above. Based on this calculation, the liability component was $1,489 and the residual amount of $775 was recorded as equity. An accretion charge attributable to the Second Debenture for the year ended December 31, 2014 was $153. This amount is added to the liability component on the consolidated statement of financial position and is included in finance cost on the consolidated statement of loss and comprehensive loss.

July 2014 Issuance

On July 14, 2014 the Company completed a private placement of convertible unsecured non-interest bearing debentures ("Third Debenture") for aggregate proceeds of $2.98 million (CAD$3.2 million) ("Third Private Placement").

The July Debenture will mature and become payable on July 14, 2017 ("Third Maturity Date") and are direct, unsecured obligations of the Company, ranking equally with all other unsecured indebtedness of the Company. Upon receipt of (i) all necessary approvals from the MID; and (ii) approval by the requisite majority of shareholders of the Company on or before the Third Maturity Date for the Third Debentures, the principal amount of the Third Debentures will automatically be converted into units of the Company (the "Third Units"); provided, however, (iii) that the Debentures will only be converted into Third Units where such conversion would not result in a reduction in the existing percentage of common shares of the Company held by persons other than insiders or their associates and affiliates and not subject to resale restrictions.

The conversion of the Third Debentures into Third Units shall be at a conversion price of: (i) CAD$0.05 per Third Unit if conversion occurs by July 14, 2015; and (ii) CAD$0.10 per Third Unit if conversion occurs within the following two years.

Each Third Unit will be comprised of one Share and one-half of one share purchase warrant, with each whole warrant exercisable to purchase one additional Share until July 14, 2017 at an exercise price of CAD$0.10 ("Third Warrant"). In the event of an Acceleration Event, the Third Warrants will expire 90 calendar days after the Company provides notice that the Acceleration Event has occurred.

The Third Debentures, and any Shares issued upon conversion of the Third Debentures or exercise of the Third Warrants, will be subject to a hold period expiring November 15, 2014.

The proceeds of the Third Private Placement were to be used for general working capital purposes.

The Company used the residual value method to allocate the principal amount of the Third Debenture between its liability and equity components. The Company valued the liability component of the Third Debenture by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the Third Debenture comprises the value of the conversion option, being the difference between the face value of the Third Debenture and the liability component calculated above. Based on this calculation, the liability component was $1,962 and the residual amount of $1,022 was recorded as equity. An accretion charge attributable to the Third Debenture for the nine-month period ended September 30, 2015 was $231 (nine-month period ended September 30, 2014: nil). This amount is added to the liability component on the consolidated statement of financial position and is included in finance cost on the consolidated statement of loss and comprehensive loss.

September 2014 USD $20.0 million debt financing

On September 25, 2014, in conjunction with the foregoing, and in furtherance of the Company's work on its Bankable Feasibility Study for the Project, the Company and two of the its directors (the "Holders"), entered into agreements (the "Loan Agreements") to each advance USD 10 million to the Company for a total of USD 20 million in debt financing. These loans were set to mature on October 31, 2014 (the "Maturity Date"), are unsecured and bear interest at a rate of 12.5% per annum. Prior to the Maturity Date, the Company negotiated further loan terms with the Holders (as set out below).

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

8. Convertible debentures (continued)

October 2014 USD $20.0 million debt financing terms renegotiated

On October 27, 2014, the Company amended the terms of the Loan Agreements. The amendments were made by way of the issuance to the Holders, on a non-brokered private placement basis (the "October Private Placement"), of USD 20 million in an aggregate principal amount of convertible secured debentures (the "October Debentures") and an aggregate of 100,000,000 warrants ("October Warrants", and together with the October Debentures, the "Securities") to purchase Shares.

The October Debentures are direct obligations of the Company which will, following receipt of necessary approvals by MID, be secured (up to such amount as is approved by MID) by all of the shares of a wholly-owned subsidiary of the Company (the "Security"). The annual interest rate on the October Debentures will be 12.5 per cent. Interest will be payable at maturity in cash or, at the election of the Company and subject to certain conditions, in Shares, in accordance with applicable rules of the TSX-V.

The October Debentures will mature on and become payable on December 31, 2015, following an agreement with the debenture holders to extend the due date from the initial due date of April 14, 2015. The new due date is subject to an extension of such date to December 31, 2016 which is subject to receipt of MID approval of the Security and for the conversion features (the "October Maturity Date"). The Holders will have the option to require the Company to repay the October Debenture earlier than the October Maturity Date upon the occurrence of (i) a sale for consideration by the Company of at least 50% of its shareholdings in LLLP or (ii) a change of control of the Company.

The principal amount owing under the October Debentures will be convertible into Shares at the option of each Holder at a price of CAD$0.20 at any time following satisfaction of the following conditions: (i) receipt of all necessary approvals from MID; (ii) approval by the requisite majority of shareholders of the Company; and (iii) where such conversion would not result in a reduction in the existing percentage of common shares of the Company held by persons other than insiders or their associates and affiliates and not subject to resale restrictions (collectively, the "Conversion Conditions").

Subject to satisfaction of the Conversion Conditions, the October Warrants will be exercisable to purchase one common share of the Company at an exercise price of CAD$0.10 until December 31, 2016, provided however on an Acceleration Event, the October Warrants will expire on the date which is 90 calendar days after the Company provides notice that the Acceleration Event has occurred

Where additional instruments are issued in conjunction with the convertible debenture or where the conversion component of the convertible debenture does not meet the definition of equity as a fixed amount of non-functional currency is not considered to represent a fixed amount of cash, the Company allocates the proceeds between liabilities including derivative liabilities and equity using valuation techniques. The valuation techniques selected are based on the characteristics of each instrument, with the overall objective of maximising the use of observable inputs including discount rates derived from interest rates of similar loans with similar risk.

The Company valued the liability component of the October Debentures by calculating the present value of the principal and interest payments, discounted at a rate of 29%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear for the April 14, 2015 maturity date. The conversion feature of the October Debentures (the derivative liability component) comprises the value of the conversion option based on an option pricing model that reflects the foreign exchange feature using inputs that are consistent with the terms of the instrument. The warrant feature (the equity component) was determined as the residual of the proceeds of issuance and liability components. Based on these calculations, the liability components were $18,797 debt and $16 derivative liability and the residual amount of $1,188 was recorded as equity. An accretion charge attributable to the October Debentures for the year ended December 31, 2014 was $862. This amount is added to the liability component on the consolidated statement of financial position and is included in finance cost on the consolidated statement of loss and comprehensive loss

	Notes	**Nine-month period ended September 30, 2015**	Twelve-month period ended December 31, 2014
Opening balance		**38,368**	12,949
Convertible debt issued- Restated		**–**	22,240
Allocation of equity portion		**–**	(2,986)
Accreted interest and foreign exchange impact		**2,314**	6,165
		40,682	38,368

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

9. Asset retirement obligation

	Notes	September 30, 2015	December 31, 2014
Social Sphere Provision	(i)	86	89
Liquidation Fund Provision	(ii)	57	57
		143	146
Current portion		–	–
Non-current portion		143	146
		143	146

i) Social Sphere Provision

Pursuant to the Subsoil Use Contract between the Company and the Ministry of Industry and New Technologies of the Republic of Kazakhstan (the “Competent body”) dated March, 20, 2009 and as amended on July 31, 2009 and December 28, 2010 (the “Contract”), the Company holds unrestricted exploration and production rights to the LLLP’s iron ore deposit (the “Deposit”), located in Kostanay Oblast, the Republic of Kazakhstan. The term of the Contract is 21 years including 7 years of exploration period and 14 years of production period. In 2013 the exploration period was extended until March 19, 2016.

Pursuant to the Contract on exploration and production of iron ore the Company is obliged to make an annual allocation to the social infrastructure of the region in the amount of $48.0 during the exploration period. In 2013 the Company extended the exploration period until March 20, 2016. The provision is recognized at amortized cost using a discount rate of 5.5%, which is LLLP’s borrowing rate.

ii) Liquidation Fund Provision

Pursuant to the Contract the Company is obliged to make annual allocations to the liquidation fund. These funds are accumulated in a special bank account and are restricted for use until the Competent body provides permission for expenditure. The provision is recognized at amortized cost using a discount rate of 5.5%, which is LLLP’s borrowing rate. As at September 30, 2015, the Company has deposited $71 in the Liquidation Fund.

10. Share capital

Authorized unlimited common shares without par value.

Warrants

	Nine-month period ended September 30, 2015		Twelve-month period ended December 31, 2014	
	Number of warrants (000’s)	**Weighted average exercise price (CDN$)**	Number of warrants (000’s)	Weighted average exercise price (CDN$)
Outstanding - beginning of period	**100,000**	**0.1**	–	–
Granted	–	–	100,000	0.1
Expired	–	–	–	–
Outstanding - end of period	**100,000**	**0.1**	100,000	0.1

Stock option

	Nine-month period ended September 30, 2015		Twelve-month period ended December 31, 2014	
	Number of options (000’s)	**Weighted average exercise price (CDN$)**	Number of options (000’s)	Weighted average exercise price (CDN$)
Outstanding - beginning of period	–	–	4,000	0.17
Granted	–	–	–	–
Expired	–	–	–	–
Outstanding - end of period	–	–	4,000	0.17

The options expired on July 15, 2014.

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

10. Share capital (continued)

On July 15, 2013, the Company granted 4,000 stock options with an exercise price of CDN$0.17 to management. The options are valuated through the Black-Scholes model with the following assumptions: 111.29% volatility, 0% annual rate of dividends, 1.82% annual risk free rate, and an expected life of option of 1 year.

On July 15, 2014, the incentive stock options granted to Mr. Campbell Smith to purchase up to 4,000.0 common shares in its capital stock at a price of CDN$0.17 per share (subject to receipt of approval from MINT) expired.

11. Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The Company incurred the following expenses with related parties:

	Nine-month period ended September 30, 2015	Nine-month period ended September 30, 2014
Stock based compensation (non-cash)	–	26
Directors fees	41	23

Directors fees include compensation to Mr. Mark Midgley in the amount of USD 18 thousand (Director, not a holder of shares in Kazax group entities) and Mr. Daniel Kunz in the amount of USD 23 thousand (Director, not a holder of shares in Kazax group entities).

The Company's directors do not provide any other additional services to the Group other than being members of the Board of Directors of the Company.

In addition to the foregoing related party transactions the Company incurred the following:

The Company does not generate cash flow from operations and has therefore relied principally upon the issuance of securities to, and loans from, two of the Company's directors for financing. In April 2014, two of the Company's directors advanced $2,260 (equivalent to CDN$2,500) through completion of a private placement of convertible debentures, in July 2014 they advanced $2,980 (equivalent to CDN$3,200) through completion of a private placement of convertible debentures and in September 2014, they advanced $20,000 on terms that were subsequently renegotiated in October 2014 by way of issuance of convertible debentures (see note 10).

Amounts due to and from related parties are unsecured and non-interest bearing and no set terms of repayment.

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

12. Restatement

During the nine-month period ended September 30, 2015, the Company identified certain accounting differences necessitating restatement of previously issued financial statements. The nature of the accounting differences are as follows:

a) Pursuant to the terms of the SPA (Note 3) and completion of the acquisition of a 74.99% interest in LLP on February 15, 2013, the Company agreed to make cash payments and issue common shares to Safin as consideration for the acquisition. Installment two and three were erroneously accounted for as shares payable rather than as share capital which is required as the acquisition was accounted for as an acquisition of assets.

b) As summarized in Note 3, the Company agreed to amendment to the SPA on September 17, 2014. The amendment should have been accounted for as an extinguishment and recognized at fair value as ta the date of the amendment resulting in a gain equal to the difference between the carrying value of the payable to Safin and the fair value of the new liability.

A further adjustment was made to the restatement in the third quarter of 2015 to reclassify amounts between liability and equity and to correct fiscal 2014 opening deficit for finance costs relating to fiscal 2013. The nature of these accounting differences relates to the items discussed above.

The impact of above to the 2014 consolidated financial statements is as follows:

Statement of financial position	As reported Dec 31, 2014	Adjustment	As restated Dec 31, 2014
Payable to Safin – LLLP acquisition – non-current portion	10,348	(3,671)	6,677
Share capital	38,925	(1,156)	37,769
Deficit	(30,330)	4,827	(25,503)
Total equity for owners	25,422	3,671	29,093
TOTAL EQUITY	25,423	3,671	29,094

Statement of Net Loss and Comprehensive Loss	As reported Nine-month period ended September 30, 2014	Adjustment	As restated Nine-month period ended September 30, 2014
Finance cost	(3,418)	(349)	(3,767)
Gain on debt settlement	776	4,727	5,503
Net loss before income tax	(4,022)	4,378	356
Net loss	(4,022)	4,378	356
Comprehensive loss	(4,021)	4,378	357

Statement of Cash Flows	As reported Nine-month period ended September 30, 2014	Adjustment	As restated Nine-month period ended September 30, 2014
Net (loss) / income	(4,022)	4,378	356
Accreted interest – other current liabilities	1,682	349	2,031
Gain on debt settlement	(776)	(4,727)	(5,503)

The impact of above to the 2013 consolidated financial statements is as follows:

Statement of financial position	As reported Dec 31, 2013	Adjustment	As restated Dec 31, 2013
Payable to Safin – LLLP acquisition – current portion	30,989	(2,863)	28,126
Share capital	35,355	2,414	37,769
Deficit	(22,725)	450	(22,275)
Total equity for owners	16,550	450	17,000
TOTAL EQUITY	32,342	450	32,792

(expressed in thousands of U.S. dollars, except where indicated; common shares balances are expressed in thousands)

13. Subsequent events

An initial draft of the Bankable Feasibility Report of Project Infrastructure was received from GBM Minerals Engineering Consultants Limited.

Addendum #6 to the Exploration Works Plan of the Project was reviewed by the Kazakhstan Central Committee of Exploration and Development and recommended for approval by Committee of Geology.