BACANORA MINERALS LTD.
Condensed Consolidated Interim Financial Statements
March 31, 2015

(Unaudited)

Management's Comments on the Unaudited Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Bacanora Minerals Ltd. as at and for the nine months ended March 31, 2015 and 2014 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

BACANORA MINERALS LTD.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	March 31, 2015	June 30, 2014
Assets		
Current		
Cash	**$ 11,649,436**	$ 1,115,687
Cash held in a trust	**-**	1,373,750
Accounts receivable	**337,762**	544,714
Deferred costs	**19,867**	27,664
Total current assets	**12,007,065**	3,061,815
Non-current assets		
Related party receivable	**-**	5,323
Property and equipment (Note 7)	**2,060,913**	1,549,474
Exploration and evaluation assets (Note 8)	**10,282,639**	8,841,774
Total non-current assets	**12,343,552**	10,396,571
Total assets	**24,350,617**	13,458,386
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable and accrued liabilities	**827,419**	236,865
Due to related parties	**61,856**	92,564
Mineral property deposit	**-**	544,400
Total current liabilities	**889,275**	873,829
Non-current liabilities		
Rehabilitation provision	**27,400**	27,400
Deferred tax liability	**113,000**	113,000
Total non-current liabilities	**140,400**	140,400
Total liabilities	**1,128,675**	1,014,229
Shareholders' Equity		
Share capital (Note 9)	**24,253,718**	13,713,743
Contributed surplus (Note 9(e))	**712,254**	890,017
Foreign currency translation reserve	**242,342**	248,098
Deficit	**(1,232,263)**	(1,750,287)
Attributed to Shareholders of Bacanora Minerals Ltd.	**23,976,051**	13,101,571
Non-controlling interest	**(655,109)**	(657,414)
Total shareholders' equity	**23,320,942**	12,444,157
Total Liabilities and Shareholders' Equity	**$ 24,350,617**	$ 13,458,386

Approved by the Board of Directors:

(signed) "Colin Orr-Ewing"
Colin Orr-Ewing
Director

(*signed) "James Leahy"*
James Leahy
Director

See accompanying notes to the consolidated financial statements.

BACANORA MINERALS LTD.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss, Deficit and Accumulated Other Comprehensive Loss (Unaudited)
Expressed in Canadian Dollars

	Three month ended		Nine months ended	
	March 31, 2015	March 31, 2014	**March 31, 2015**	March 31, 2014
Revenue				
Interest income	**$ 18,108**	$ 5,115	**$ 52,920**	$ 9,989
Expenses				
General and administrative (Note 10)	**567,525**	122,957	**1,601,701**	370,034
Depreciation	**49,480**	41,628	**102,752**	108,498
Share based compensation (Note 9(c), 9(f))	**-**	-	**55,000**	280,869
	617,005	164,585	**1,759,453**	759,401
Loss before other items	**(598,897)**	(159,470)	**(1,706,533)**	(749,412)
Foreign exchange gain (loss)	**697,194**	(19,902)	**554,386**	(84,509)
Net loss	**98,296**	(179,372)	**(1,152,147)**	(833,921)
Foreign currency translation adjustment	**3,883**	491,774	**(35,335)**	520,449
Total comprehensive income (loss)	**$ 102,179**	$ 312,402	**$ (1,187,482)**	$(313,472)
Net loss attributable to shareholders of Bacanora Minerals Ltd.	**87,047**	(173,382)	**(1,117,163)**	(830,737)
Net income (loss) loss attributable to non-controlling interest	**11,248**	(5,990)	**(34,984)**	(3,184)
Net loss	**$ 98,296**	$ (179,372)	**$ (1,152,147)**	$(833,921)
Total comprehensive income (loss) attributable to shareholders of Bacanora Minerals Ltd.	**90,930**	318,392	**(1,152,498)**	(310,288)
Total comprehensive income (loss) attributable to non-controlling interest	**11,248**	(5,990)	**(34,984)**	(3,184)
Total comprehensive income (loss)	**102,179**	$ 312,402	**(1,187,482)**	$(313,472)
Net loss per share (basic and diluted)	**$ (0.00)**	$ (0.01)	**$ (0.02)**	$ (0.01)

See accompanying notes to the consolidated financial statements.

BACANORA MINERALS LTD.
Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Share Capital						
	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income	Deficit	Non-controlling interest	**Total**
Balance, June 30, 2013	**63,290,812**	**$13,524,583**	**$764,711**	**$158,373**	**$(2,968,231)**	**$(152,636)**	**$11,326,800**
Stock-based compensation	-	-	280,869	-	-	-	**280,869**
Foreign currency translation adjustment	-	-	-	520,450	-	-	**520,450**
Disposition of interest in subsidiary	-	-	-	-	3,175,236	-	**3,175,236**
Gain (loss) for the period	-	-	-	-	(830,737)	13,092	**(817,645)**
Balance, March 31, 2014	**63,290,812**	**$13,524,583**	**$1,045,580**	**$678,823**	**$(623,732)**	**$(139,544)**	**$14,485,710**
Shares issued for services	90,000	36,000	-	-	-	-	36,000
Share issued on exercise of options	400,000	153,160	(73,160)	-	-	-	80,000
Stock-based compensation	-	-	(82,403)	-	-	-	(82,403)
Foreign currency translation adjustment	-	-	-	(430,725)	-		(430,725)
Loss for the period	-	-	-	-	(1,126,555)	(517,870)	(1,644,425)
Balance, June 30, 2014	**63,780,812**	**$13,713,743**	**$890,017**	**$248,098**	**$(1,750,287)**	**$(657,414)**	**$12,444,157**
Brokered placement	14,393,940	7,583,281	-	-	-	-	7,583,281
Shares issued as broker's compensation	90,909	-	55,000	-	-	-	55,000
Share issued on exercise of options	900,000	585,694	(232,763)	-	-	-	352,931
Share issued on exercise of warrants	5,200,000	2,371,000	-	-	-	-	2,371,000
Foreign currency translation adjustment	-	-	-	(5,756)	-	-	(5,756)
Disposition of interest in subsidiary					1,635,187	-	1,635,187
Gain (loss) for the period	-	-	-	-	(1,117,163)	2,305	(1,114,858)
Balance, March 31, 2015	**84,365,661**	**$24,253,718**	**$712,254**	**$242,342**	**$(1,232,263)**	**$(655,109)**	**$23,320,942**

See accompanying notes to the consolidated financial statements.

BACANORA MINERALS LTD.
Condensed Consolidated Interim Statement of Cash Flows (Unaudited)
Expressed in Canadian Dollars

	Three months ended		**Nine months ended**	
	March 31, 2015	March 31, 2014	**March 31, 2015**	March 31, 2014
Cash provided by (used in)				
Operating activities:				
Net income (loss) for the period	**$ 98,296**	$ (179,372)	**$(1,152,147)**	$ (833,921)
Depreciation	**49,480**	41,628	**102,752**	108,498
Unrealized foreign exchange (loss)/gain	**3,883**	474,816	**(35,335)**	497,836
Share based compensation	**-**	-	**55,000**	280,868
	151,660	337,074	**(1,029,730)**	53,281
Changes in non-cash working capital	**587,255**	2,171	**869,425**	(22,201)
Total cash provided (used in) from operating activities	**699,915**	339,245	**(160,305)**	31,080
Financing activities				
Issue of shares, net of expenses	**-**		**7,583,281**	-
Related party (payments)/advances	**16,679**	32,482	**(30,707)**	53,506
Warrants exercise proceeds	**-**	-	**2,371,000**	2,384,775
Options exercise proceeds	**-**	-	**361,000**	-
Disposition of interest in subsidiary	**-**	-	**1,090,787**	-
Total cash provided by financing activities	**16,679**	32,482	**11,375,361**	2,438,281
Investing activities				
Additions to mineral properties	**(341,835)**	(1,342,685)	**(1,440,866)**	(2,964,253)
Additions to equipment	**(665,377)**	(108,172)	**(614,191)**	(207,660)
Total cash outflows from investing activities	**(1,007,212)**	(1,450,857)	**(2,055,057)**	(3,171,913)
Total increase (decrease) in cash and cash equivalents during the period	**(290,618)**	(1,079,130)	**9,159,999**	(702,552)
Cash and cash equivalents, beginning of the period	**11,940,054**	3,426,498	**2,489,437**	3,049,920
Cash and cash equivalents, end of the period	**$11,649,436**	$ 2,347,368	**$11,649,436**	$ 2,347,368

See accompanying notes to the consolidated financial statements.

1. CORPORATE INFORMATION

Bacanora Minerals Ltd. (the "**Company**" or "**Bacanora**") was incorporated under the *Business Corporations Act* of Alberta on September 29, 2008. The Company is listed on the TSX Venture Exchange as a Tier 2 issuer and its common shares trade under the symbol, "**BCN**". The Company's common shares are also traded on the AIM Market of the London Stock Exchange ("**AIM**"), under the symbol, "**BCN**". The address of the Company is 2204 6 Avenue NW, Calgary, AB T2N 0W9.

The Company is a development stage mining company engaged in the identification, acquisition, exploration and development of mineral properties located in Mexico. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of amounts capitalized is dependent upon the discovery of economically recoverable reserves, maintaining title in the properties and obtaining the necessary financing to complete the exploration and development of these projects and upon attainment of future profitable production. The amounts capitalized as mineral properties represent costs incurred to date, and do not necessarily represent present or future values.

The Company has generated accumulated losses of $1,232,263 (2014 - $623,732) and the shareholders' equity of its subsidiaries incorporated in Mexico have decreased to an amount less than one third of their share capital which, according to Mexican laws, may be a cause for dissolving a company at the request of any interested third party. If the Company is not able to generate income producing transactions through the identification and exploitation of ores, and continue to raise sufficient capital to continue exploration activities, there is a risk that the rights to the mining concessions could be challenged, however the board considers this normal risk for exploration companies in the region.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended June 30, 2014.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29th, 2015.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is Canadian dollars and for its subsidiaries is the US dollar.

c) New standards and interpretations not yet adopted

A number of new IFRS standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2015, and have not been applied in preparing these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note4.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, 70% of its subsidiary, Mexilit S.A. de C.V. ("**Mexilit**"), 70% of its subsidiary, Minera Megalit S.A de C.V. ("**Megalit**"), and through its wholly-owned subsidiary, Mineramex Limited, 99.9% of Minera Sonora Borax, S.A. de C.V. ("**MSB**"), and 60% of Minerales Industriales Tubutama, S.A. de C.V. ("**MIT**"). Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements in accordance with IFRS requires management to make certain judgments, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from these estimates. Information about the significant judgments, estimates, and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

a) Exploration and evaluation assets

The Company is in the process of exploring on its mineral properties and has not yet determined whether the properties contain economically recoverable mineral resource. The recoverability of carrying values for mineral properties is dependent upon the discovery of economically recoverable mineral resource, the ability of the Company to obtain the financing necessary to complete exploration and development, and the success of future operations.

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review when assessing impairment. Furthermore, the assessment as to whether an economically recoverable resource exists is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period when the new information becomes available. The carrying value of these assets is detailed in Note 8.

b) Title to mineral property interests

Although the Company has taken steps to verify the title to the exploration and evaluation assets in which it has an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

c) Rehabilitation provision

Rehabilitation or similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations.

d) Contingencies

Contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

e) Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model to estimate the fair value of stock options granted to directors, officers, employees and consultants. The use of the Black-Scholes Option Pricing Model requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

The same estimates are required for transactions with non-employees where the fair value of the goods or services received cannot be reliably determined.

f) Income taxes

The Company is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. For the current year these transactions include the transfer of properties between Mexican subsidiaries. Transactions between the Company's Mexican subsidiaries are required by Mexican tax rules to be recorded on an arms' length basis and the Company made estimates as to the measurement of these transactions. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. Despite the Company's belief that its tax return positions are supportable, the Company acknowledges that certain positions may potentially be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretation of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities, and such differences will impact income tax expense in the period in which such determination is made.

5. FINANCIAL INSTRUMENTS

This note presents information about the Company's exposure to credit, liquidity and market risks arising from its use of financial instruments and the Company's objectives, policies and processes for measuring and managing such risks.

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of accounts and related party receivables. The Company believes that the amount due from the related party is collectible, however as the amount has not been collected subsequent to year end its recoverability is uncertain as it is dependent on the outcome of future events which are inherently uncertain. Any changes in management's estimate of the recoverability of the amount due will be recognized in the period of determination and any adjustment may be significant. The carrying amount of accounts and related party receivables represents the maximum credit exposure.

The Company's cash is held in major Canadian and Mexican banks, and as such the Company is exposed to the risks of those financial institutions. Substantially all of the accounts receivables represent amounts due from the Canadian and Mexican governments and accordingly the Company believes them to have minimal credit risk.

The Board of Directors monitors the exposure to credit risk on an ongoing basis and does not consider such risk significant at this time. The Company considers all of its accounts receivables fully collectible.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they became due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. Liquidity risk arises primarily from accounts payable and accrued liabilities and commitments, all with maturities of one year or less.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the value of the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

The Company conducts exploration projects in Mexico. As a result, a portion of the Company's expenditures, accounts receivables, accounts payables and accrued liabilities are denominated in US dollars and Mexican pesos and are therefore subject to fluctuation in exchange rates.

d) Fair values

The carrying value approximates the fair value of the financial instruments due to the short term nature of the instruments.

Expressed in Canadian dollars

6. CAPITAL MANAGEMENT

The Company's objectives in managing capital are to safeguard its ability to operate as a going concern while pursuing exploration and development of its core assets. The Company defines capital as the Company's shareholders equity excluding contributed surplus, of $22,608,688 at March 31, 2015 (2014 - $13,579,674), The Company sets the amount of capital in proportion to risk and corporate growth objectives. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to any externally imposed capital requirements other than those disclosed in Note 1. The Company does not expect to enter into any debt financing at this time. The Board of Directors does not establish a quantitative return on capital criteria for management; but rather promotes year over year exploration and development growth. The Company will be meeting its objective of managing capital through its detailed review and preparation of both short-term and long-term cash flow analysis and monthly review of financial results.

7. PROPERTY AND EQUIPMENT

Cost	Building and equipment	Office furniture and equipment	Computer equipment	Transportation equipment	**Total**
Balance, June 30, 2013	$ 1,489,954	$ 3,119	$ 7,536	$ 108,710	**$ 1,609,319**
Additions	150,173	28	456	24,229	**174,886**
Balance, June 30, 2014	$ 1,640,127	$ 3,147	$ 7,992	$ 132,939	**$ 1,784,205**
Additions	603,081	25	1,342	17,564	**622,012**
Balance, March 31, 2015	**$ 2,243,208**	**$ 3,172**	**$ 9,334**	**$ 150,503**	**$ 2,406,217**

Accumulated depreciation	Building and equipment	Office furniture and equipment	Computer equipment	Transportation equipment	**Total**
Balance, June 30, 2013	$ 26,503	$ 2,118	$ 5,052	$ 63,887	**$ 97,560**
Additions	107,009	314	1,461	28,387	**137,171**
Balance, June 30, 2014	$ 133,512	$ 2,432	$ 6,513	$ 92,274	**$ 234,731**
Additions	96,525	308	353	13,387	**110,573**
Balance, March 31, 2015	**$ 230,037**	**$ 2,740**	**$ 6,866**	**$ 105,661**	**$ 345,304**

Carrying amounts	Building and equipment	Office furniture and equipment	Computer equipment	Transportation equipment	**Total**
At June 30, 2013	$ 1,463,451	$ 1,001	$ 2,484	$ 44,823	**$ 1,511,759**
At June 30, 2014	$ 1,506,615	$ 715	$ 1,479	$ 40,665	**$ 1,549,474**
At March 31, 2015	**$ 2,013,171**	**$ 432**	**$ 2,468**	**$ 44,842**	**$ 2,060,913**

8. EXPLORATION AND EVALUATION ASSETS

The Company's mining claims consist of mining concessions located in the State of Sonora, Mexico. The specific descriptions of such properties are as follows:

a) Tubutama Borate property

The Tubutama Borate project consists of six mining concessions with a total area of 1,661 hectares. The concessions are located 15 kilometres from the town of Tubutama, and are 100% owned by MIT. The project is borate focused, although there is potential for development of gypsum resources on the concessions. The Tubutama property is subject to a 3% gross overriding royalty payable to an arm's length party, and a 3% gross overriding royalty payable to Mr. Colin Orr-Ewing, Chairman of the Company, on sales of mineral products produced from this property.

Expressed in Canadian dollars

For the year ended June 30, 2014 an impairment charge of $1,220,826 was recognized in respect of the Tubutama Borate property. As a result of the Company's decision to let certain of the Tubutama concessions lapse and the Company's focus on the other mining claims an impairment test was performed. The recoverable amount is its value in use and is determined to be $nil as the Company expects no cash inflows to arise related to this property despite the potential for development of gypsum resources on the concessions.

b) Magdalena Borate property

The Magdalena Borate project consists of seven concessions, with a total area of 16,503 hectares. The concessions are located 15 kilometers from the cities of Magdalena and Santa Ana, and are 100% owned by MSB. The Magdalena property is subject to a 3% gross overriding royalty payable to an arm's length party, and a 3% gross overriding royalty payable to Mr. Colin Orr-Ewing, Chairman of the Company, on sales of mineral products produced from this property.

c) Sonora Lithium property

The Sonora Lithium Project consists of ten contiguous mineral concessions. The Company, through its wholly-owned Mexican subsidiary, MSB, has a 100% interest in two of these concessions: La Ventana and La Ventana 1, covering 1,775 hectares. Of the remaining concessions, five are owned 100% by Mexilit. The Mexilit concessions consist of El Sauz, El Sauz 1, El Sauz 2, Fleur and Fleur 2 and cover, in total 5,325 hectares. Mexilit is owned 70% by Bacanora and 30% by Rare Earth Minerals PLC ("**REM**"). REM made payment of $2,384,775 to acquire the 30% interest in Mexilit. REM's option to negotiate an interest of up to 49.9% of Mexilit under terms yet to be agreed upon expired during the period ended September 30, 2014. The remaining three concessions, Buenavista, Megalit and San Gabriel, cover 87,086 hectares, and are subject to a separate agreement between the Company and REM. At March 31, 2015, REM owns 30% of the common shares of Megalit. REM has the option to negotiate an increase to its interest of up to 49.9% of Megalit under terms and consideration yet to be agreed upon. This option is valid until January 12, 2016. The Sonora Lithium property is subject to a 3% gross overriding royalty payable to Mr. Colin Orr-Ewing, Chairman of the Company, on sales of mineral products produced from this property.

The balance of investment in mining claims as of March 31, 2015 and June 30, 2014 corresponds to concession payments to the federal government, deferred costs of exploration and paid salaries, and consists of the following:

	Tubutama Borate	Magdalena Borate	La Ventana Lithium	Mexilit Lithium	Megalit Lithium	Total
Balance, June 30, 2013	**$1,201,583**	**$4,729,885**	**$ 917,682**	**$ -**	**$ -**	**$6,849,149**
Additions:						
Concession tax	$ 13,674	$ 121,446	$ 61,080	$ 54,787	-	$ 196,200
Exploration	-	440,258	-	2,284	-	442,542
Drilling	-	155,663	(849,578)	1,555,866	-	1,179,329
Analysis and assays	-	31,081	-	176,000	-	207,081
Technical services	-	81,772	417,392	238,275	-	499,164
Travel	-	97,079	26,807	22,671	-	123,886
Office and miscellaneous	12,774	522,407	37,273	1,645	-	572,454
Impairment	(1,228,030)	-	-	-	-	(1,228,030)
Total additions	$(1,201,583)	$1,449,705	$ (307,026)	$ 2,051,528	-	$ 1,992,625
Balance, June 30, 2014	**$ -**	**$6,179,591**	**$ 610,655**	**$ 2,051,528**	**$ -**	**$ 8,841,774**

Expressed in Canadian dollars

Balance, June 30, 2014	**$ -**	**$6,179,591**	**$ 610,655**	**$ 2,051,528**	**$ -**	**$ 8,841,774**
Additions:						
Concession tax	-	$ 98,753	$ -	$ 6,092	$ -	104,845
Exploration	-	50,022	141,469	210	53,598	245,299
Drilling	-	256,492	275,710	-	232,167	764,369
Analysis and assays	-	2,077	37,008	1,497	1,068	41,650
Technical services	-	7,525	33,678	-	24,828	66,031
Travel	-	3,248	16,190	3,388	2,175	22,826
Office and miscellaneous	-	128,023	52,406	13,241	-	195,845
Total additions	-	$ 546,140	$ 556,462	$ 24,428	$ 313,836	$ 1,440,866
Balance, March 31, 2015	**-**	**$6,725,731**	**$ 1,167,117**	**$2,075,956**	**$ 313,836**	**$10,282,640**

9. SHARE CAPITAL

a) Authorized

The authorized share capital of the Company consists of an unlimited number of voting common shares without nominal or par value.

b) Common Shares Issued

	Shares	Amount
Balance, June 30, 2013	**63,290,812**	**$ 13,524,583**
Shares issued to a director for services rendered	90,000	36,000
Shares issued on exercise of options	400,000	153,160
Balance, June 30, 2014	**63,780,812**	**$ 13,713,743**
Brokered placement issued for cash[1]	14,484,849	8,708,334
Share issue costs	-	(1,125,053)
Shares issued on exercise of warrants	5,200,000	2,371,000
Shares issued on exercise of options	900,000	585,694
Balance, March 31, 2015	**84,365,661**	**$ 24,253,718**

[1]On July 25, 2014, the Company's Common Shares were admitted to the AIM Market. Concurrent with the admission, the Company also completed a brokered financing of 14,393,940 common shares at a price of $0.605 Canadian dollar equivalent per share for aggregate gross proceeds of $8,708,334. Upon completion of this offering, the Company paid cash commissions to its broker, in the amount of approximately $367,717, and issued 90,909 common shares at an ascribed price of $0.605 per share, and 390,874 non-transferrable warrants ("**Broker Warrants**"). In addition, the Company paid its Nominated Advisor, a corporate finance fee in the amount of approximately $146,720, and issued 390,874 Broker Warrants. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.605 until expiry on the date that is five years from the date of issuance, being July 25, 2019.

c) Stock options

The following tables summarize the activities and status of the Company's stock option plan as at and during the year ended June 30, 2014, and the period ended March 31, 2015.

Expressed in Canadian dollars

	Number of options	Weighted average exercise price
Balance, June 30, 2013[1]	**2,950,000**	**$ 0.35**
Exercised	(400,000)	0.20
Issued	950,000	0.30
Expired	(75,000)	0.27
Balance, June 30, 2014[1]	**3,425,000**	**$ 0.35**
Exercised	(900,000)	0.42
Expired	(50,000)	0.25
Balance, March 31, 2015[1]	**2,475,000**	**$ 0.38**

[1] All options outstanding at these dates were exercisable.

Grant date	Number outstanding at Mar. 31, 2015	Exercise price	Weighted average remaining contractual life (Years)	Expiry date	Number exercisable at Mar. 31, 2015
December 8, 2010	650,000	0.24	1.1	Dec. 8, 2015	650,000
June 29, 2011	350,000	0.44	1.7	June 29, 2016	350,000
July 19, 2011	500,000	0.50	1.7	July 19, 2016	500,000
September 28, 2012	50,000	0.25	2.9	Sept. 28, 2017	50,000
September 11, 2013	925,000	0.30	2.9	Sept. 11, 2018	925,000
	2,475,000	-	-	-	2,475,000

d) Warrants

The following tables summarize the activities and status of the Company's warrants.

	Number of warrants	Remaining contractual life (Years)	Expiry date	Weighted Average Exercise price
Balance, June 30, 2014	5,833,333	3.0	March 26, 2018	$ 0.45
Issued	781,748	4.3	July 25, 2019	0.61
Exercised	(5,200,000)	-	-	0.45
Balance, March 31, 2015	**1,415,081**	**-**	**-**	**$ 0.51**

Grant date	Number Outstanding at Dec. 31, 2014	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry date	Financing Warrants
March 26, 2013	833,333	$ 0.45	3.0	March 26, 2018	833,333
July 25, 2014	581,748	0.61	4.3	July 25, 2019	581,748

e) Contributed surplus

The following table presents changes in the Company's contributed surplus.

Expressed in Canadian dollars

	March 31, 2015	June 30, 2014
Balance, beginning of the period	**$ 890,017**	$ 764,711
Exercise of stock options	**(232,763)**	(73,160)
Stock-based compensation expense	**55,000**	198,466
Balance, end of the period	**$ 712,254**	$ 890,017

f) Stock-based compensation expense

During the period ended March 31, 2015, the Company recognized $55,000 (2013 - $280,869) of stock-based compensation expense for options granted under the Company's stock option plan. The fair value of stock options granted during the year was estimated on the dates of grant using the Black-Scholes option pricing model with the following weighted average assumptions, risk-free interest rate of 1.37%, expected volatility of 90%, and expected life of 5 years. The fair value of each stock option was $0.21. Expected volatility is based on historical volatility of the Company's stock prices and comparable peers.

g) Per share amounts

Basic loss per share is calculated using the weighted average number of shares of 82,910,748 for the period ended March 31, 2015 (2014 – 63,290,812). Options and warrants were excluded from the dilution calculation as they were anti-dilutive.

10. GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses include the following:

	Three months ended		**Nine months ended**	
	March 31, 2015	March 31, 2014	**March 31, 2015**	March 31, 2014
Management fees	**$ 177,526**	$ 58,000	**$ 402,273**	$ 107,326
Legal and accounting fees	**167,072**	42,834	**466,893**	158,119
Investor relations	**128,401**	12,514	**320,916**	45,300
Office expenses	**49,998**	6,453	**162,443**	54,922
Miscellaneous	**44,528**	3,156	**249,176**	4,367
Total	**$ 567,525**	$ 122,957	**$ 1,601,701**	$ 370,034

11. SEGMENTED INFORMATION

The Company currently operates in one operating segment, the exploration and development of mineral properties in Mexico. Management of the Company makes decisions about allocating resources based on the one operating segment. Summary of identifiable assets by operating segment is as follows:

	Exploration and Evaluation Activities		**Unattributed Head Office Costs**		**Consolidated**	
	Mar. 31, 2015	Mar. 31, 2014	**Mar. 31, 2015**	Mar. 31, 2014	**Mar. 31, 2015**	Mar. 31, 2014
Property and equipment	**$ 2,060,913**	$ 1,610,921	**$ -**	$ -	**$ 2,060,913**	$ 1,610,921
Exploration and evaluation assets	**$10,382,639**	$ 9,813,402	**$ -**	$ -	**$ 10,382,639**	$ 9,813,402

Expressed in Canadian dollars

12. RELATED PARTY TRANSACTIONS

a) Related party expenses

The Company's related parties include directors and officers and companies which have directors in common. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the nine month period ended March 31, 2015, director's and management's fees in the amount of $390,645 (2014 - $325,425) were paid to directors and officers of the Company. Of this amount, $72,900 (2013 - $122,000) was capitalized to exploration and evaluation assets, and $422,750 (2013 - $203,425) was expensed as general and administrative costs. Of the total amount paid, $56,320 (2013 – $36,000) remains in due to related parties.

During the nine month period ended March 31, 2015, the Company paid $56,255 (2014 - $Nil) in salary to Cordelia Orr-Ewing, daughter of Colin Orr-Ewing, Chairman of the Board of Directors of the Company. These services were incurred in the normal course of operations for office administrative services. As of March 31, 2015, $5,536 (2014 - $Nil) remains in due to related parties.

During the nine month period ended March 31, 2015, the Company paid $605,640 (2014 - $552,170) to Grupo Ornelas Vidal S.A. de C.V., a consulting firm of which Martin Vidal, director and president of Bacanora, is a partner. These services were incurred in the normal course of operations for geological exploration and pilot plant operation services. As of March 31, 2015, $66,606 (2014 - $25,411) remains in accounts payable and accrued liabilities.

b) Key management personnel and related parties compensation

Key management of the Company are directors, officers and an employee of the Company and their remuneration includes the following:

	Three months ended		**Nine months ended**	
	March 31, 2015	March 31, 2014	**March 31, 2015**	March 31, 2014
Director's fees	**$ 33,750**	$ -	**$ 101,250**	$ -
Management and consulting fees	**112,250**	$ 139,375	**289,395**	$ 325,425
Salaries	**17,170**		**56,255**	
Stock-based compensation	**-**	-	**-**	280,869
Total compensation	**$ 163,170**	$ 139,375	**$ 446,900**	$ 466,919

13. COMMITMENTS AND CONTINGENCIES

The Company has commitments for lease payments for the field office and camp in Mexico, and an office in London, UK with no specific expiry dates. The total annual financial commitment resulting from these agreements is $75,500.

The properties in Mexico are subject to spending requirements in order to maintain title of the concessions. The capital spending requirement for 2015 is $135,700. The properties are also subject to semi-annual payments to the Mexican government for concession taxes.

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2015, 190,874 of the Company's Broker Warrants were exercised by the Company's Nominated Advisor at a price of $0.605 per Common Share for total proceeds of $115,478. After giving effect to this exercise, the Nominated Advisor had exercised all Broker Warrants that had been issued thereto in connection with the admission of the Common Shares to the AIM Market.