



Gold Bar Development & Consulting Ltd.

Consolidated Financial Statements
As of and for the Years Ended
December 31, 2014 and 2013

And

Report of Independent Public Accounting Firm



Gold Bar Development & Consulting Ltd.
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December 31, 2014 and 2013

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REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Gold Bar Development & Consulting Ltd.

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Gold Bar Development & Consulting Ltd. and subsidiaries, which are comprised of the consolidated balance sheet as at December 31, 2014 and 2013, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Gold Bar Development & Consulting Ltd. and subsidiaries as at December 31, 2014 and 2013, and of their financial performance and cash flows for the years then ended, in accordance with IFRS.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 of the accompanying consolidated financial statements, the Company is dependent on obtaining outside sources of financing and generating revenue to provide funds for the continuation of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.



Chicago, Illinois USA
March 16, 2015

Gold Bar Development & Consulting Ltd.
Consolidated Balance Sheet
December 31, 2014 and 2013



Assets	Note	December 31, 2014	December 31, 2013
<i>Non-current assets</i>			
Intangible assets - mineral rights	7	\$ 109,162,680	\$ 109,169,032
Property and equipment	3	176,941	247,717
Total non-current assets		\$ 109,339,621	\$ 109,416,749
<i>Current assets</i>			
Cash and cash equivalents	3	\$ 1,429	\$ 335
Deferred offering costs	3	79,194	79,194
Total current assets		\$ 80,623	\$ 79,529
Total assets		\$ 109,420,244	\$ 109,496,278
Shareholders' Equity and Liabilities			
<i>Shareholders' equity</i>			
Share capital	8	\$ 3,050,029	\$ 8,267
Share premium	8	186,912,079	147,756,972
Subscription receivable	8	-	(5,000,000)
Accumulated other comprehensive income	8	36,115	36,115
Accumulated deficit	8	(99,465,920)	(99,002,865)
Equity attributable to the owners of the company		\$ 90,532,303	\$ 43,798,489
Noncontrolling interests		\$ 18,000,000	\$ 18,000,000
Total equity		\$ 108,532,303	\$ 61,798,489
<i>Current liabilities</i>			
Common stock payable	8	\$ -	\$ 47,000,000
Accounts payable	3	62,049	68,286
Accrued payroll	3	677,502	437,502
Due to shareholder	9	148,390	192,001
Total current liabilities		\$ 887,941	\$ 47,697,789
Total liabilities		\$ 887,941	\$ 47,697,789
Total shareholders' equity and liabilities		\$ 109,420,244	\$ 109,496,278

The accompanying notes are in integral part of the financial statements.

Gold Bar Development & Consulting Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the Years Ended December 31, 2014 and 2013



	<u>Note</u>	<u>December 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
<i>Revenue</i>			
Gold sales	10	\$ 33,800	\$ 407,468
Cost of gold sales		(45,624)	(343,022)
Total revenue		\$ (11,824)	\$ 64,446
<i>Operating expenses</i>			
Impairment of mineral rights	7	\$ -	\$ (98,185,413)
Amortization of mineral rights	7	(6,352)	(171,703)
Depreciation of equipment	3	(70,776)	(70,776)
Compensation expense		(240,000)	(240,000)
General and administrative expenses		(133,427)	(157,083)
Total expenses		\$ (450,555)	\$ (98,824,975)
Loss from operations		\$ (462,379)	\$ (98,760,529)
<i>Other income</i>			
Impairment of intellectual property		\$ -	\$ (51,844)
Total other income		\$ -	\$ (51,844)
Loss before income taxes		\$ (462,379)	\$ (98,812,373)
Income tax expense	3	(676)	(8,149)
Net loss		\$ (463,055)	\$ (98,820,522)
Other comprehensive income	3	\$ -	\$ 24,248
Total comprehensive income		\$ (463,055)	\$ (98,820,522)
Loss per common share - basic and diluted	3	\$ (0.02)	\$ (1,008.05)
Weighted average common shares outstanding - basic and diluted	3	29,152,100	98,031

The accompanying notes are in integral part of the financial statements.

Gold Bar Development & Consulting Ltd.
Statement of Cash Flows
For the Years Ended December 31, 2014 and 2013



	Equity Attributable to the Owners of the Company						Total	Noncontrolling Interests	Total Equity
	Number of Shares Outstanding	Share Capital	Share Premium	Subscription Receivable	Accumulated Other Comprehensive Income	Accumulated Deficit			
Balance at January 1, 2013	98,031	\$ 9,803	\$ 163,115,436	\$ (15,360,000)	\$ 11,867	\$ (182,343)	\$ 147,594,763	\$ -	\$ 147,594,763
Common stock to be issued in exchange for note	-	-	-	(5,000,000)	-	-	(5,000,000)	-	(5,000,000)
Mineral rights acquired in exchange for stock to be issued	-	-	-	-	-	-	-	18,000,000	18,000,000
Net loss for the year ended December 31, 2013	-	-	-	-	-	(98,820,522)	(98,820,522)	-	(98,820,522)
Impairment of 2012 notes receivable issued for stock	-	(1,536)	(15,358,464)	15,360,000	-	-	-	-	-
Currency translation adjustment	-	-	-	-	24,248	-	24,248	-	24,248
Balance at December 31, 2013	98,031	\$ 8,267	\$ 147,756,972	\$ (5,000,000)	\$ 36,115	\$ (99,002,865)	\$ 43,798,489	\$ 18,000,000	\$ 61,798,489
Shares issued in exchange for cash - Pice	365,618	36,562	144,692	181,254	-	-	362,508	-	362,508
Cancellation of Pice note	-	-	-	4,818,746	-	-	4,818,746	-	4,818,746
Shares issued in exchange for cash - Suits	52,000	5,200	10,415	-	-	-	15,615	-	15,615
Shares issued in exchange for mineral rights - Kamarang Project	29,999,999	3,000,000	39,000,000	-	-	-	42,000,000	-	42,000,000
Net loss for the year ended December 31, 2014	-	-	-	-	-	(463,055)	(463,055)	-	(463,055)
Balance at December 31, 2014	30,515,648	\$3,050,029	\$ 186,912,079	\$ -	\$ 36,115	\$ (99,465,920)	\$ 90,532,303	\$ 18,000,000	\$ 108,532,303

The accompanying notes are an integral part of the financial statements.

Gold Bar Development & Consulting Ltd.
Statement of Cash Flows
For the Years Ended December 31, 2014 and 2013



	<u>2014</u>	<u>2013</u>
Cash flow from operating activities		
Net loss	\$ (463,055)	\$ (98,820,522)
Adjustments to reconcile net income to cash provided by operating activities:		
Impairment of mineral rights	\$ -	\$ 98,185,413
Amortization of mineral rights	6,352	171,703
Depreciation of equipment	70,776	70,776
Impairment of intellectual property	-	51,844
Increase in accrued payroll	240,000	240,000
Increase in accounts payable	(6,237)	22,443
Cash used in operating activities	<u>\$ (152,164)</u>	<u>\$ (78,343)</u>
Cash flow from financing activities		
Payment of note payable - related party	-	(56,297)
Proceeds (payments) on note receivable	\$ 196,870	-
Proceeds (payments) on due to shareholder	(43,612)	109,518
Cash provided by financing activities	<u>\$ 153,258</u>	<u>\$ 53,221</u>
Currency translation impact on cash and cash equivalents	\$ -	\$ 24,248
Net decrease in cash and cash equivalents	<u>\$ 1,094</u>	<u>\$ (874)</u>
Cash and cash equivalents at beginning of the period	335	1,209
Cash and cash equivalents at end of the period	<u>\$ 1,429</u>	<u>\$ 335</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ 8,149</u>

The accompanying notes are in integral part of the financial statements.



1. Organization and Nature of Operations

Organization – Gold Bar Development & Consulting Ltd. (“Gold Bar” or “the Company”) was incorporated and registered in Bermuda on April 18, 2012. The Company is listed on the Bermuda Stock Exchange (BSX) under the symbol GOLD.BH as its primary exchange, and is dual listed on the Frankfurt Stock Exchange (“FSE”) under the symbol B7GN.

As of December 31, 2014, the Company’s consolidated subsidiaries include the following entities:

Gold Bar Development & Consulting, Inc. was incorporated under the Companies Act of Guyana on June 1, 2014 in order to provide the Company with a local operating entity for its mining projects located in Guyana. At December 31, 2014, Gold Bar owns 100% of the issued and outstanding stock of this entity.

Primero Cuyuni Project, Inc. was incorporated under the Companies Act of Guyana on October 1, 2014 for The Cuyuni Project which is described in *Note 7, Intangible Assets – Mineral Rights*. At December 31, 2014, Gold Bar owns 95% of the issued and outstanding stock of this entity.

Kamara Minerals Group, Inc. was incorporated under the Companies Act of Guyana on October 18, 2013 for The Kamarang Project which is described in *Note 7, Intangible Assets – Mineral Rights*. At December 31, 2014, Gold Bar owns 70% of the issued and outstanding stock of this entity.

Gold Bar and its subsidiaries are collectively referred to as “the Company” throughout the notes to the consolidated financial statements.

Nature of Operations – Gold Bar is a mineral exploration company primarily engaged in the production of gold deposits in the Guiana Shield of South America through majority ownership in joint ventures providing the Company with mining rights associated with the properties described in *Note 7 – Intangible Assets*. Gold Bar also offers consulting services to other mining companies looking to extend their reach into Guyana, as well as local Guyanese junior miners looking to expand their current operations.

2. Going Concern

The preparation of consolidated financial statements in accordance with IFRS contemplates that operations will be sustained for a reasonable period. Although the Company has generated revenue from gold sales, outside sources of financing are necessary for the continuation and expansion of its mining operations, and for the research and development of its product and technology patents. These conditions raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period.

The company plans to improve its financial condition through raising capital through financing transactions and continued sales of gold. However, there is no assurance that the company will be successful in accomplishing this objective. Management believes that this plan provides an opportunity for the Company to continue as a going concern. We cannot give any assurances regarding the success of management’s plans. Our consolidated financial statements do not include adjustments relating to the recoverability of recorded assets or liabilities that might be necessary should we be unable to continue as a going concern.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of Preparation - The consolidated financial statements are prepared in US\$ using the historical cost convention, and are presented in accordance with IFRS. The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.



Basis of Consolidation - Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies. Inter-company transactions, balances, income and expenses on transactions between companies within the consolidated group are eliminated. Profits and losses resulting from inter-company transactions are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Segment Reporting - Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. As of December 31, 2014, the Company operated in the mining segment.

Foreign Currency - Functional and Presentation Currency - The functional currency represents the currency of the primary economic environment in which the entity operates. Management has determined the functional currency to be the Guyanese dollar ("G\$"), as sales prices and major costs of operating expenses are primarily influenced by fluctuations in the G\$. Foreign currency transactions occurring in a denomination other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within finance income or cost. All other foreign exchange gains and losses are presented in the income statement within other gains (losses), net. For situations where a currency other than the functional currency is used for financial statement presentation purposes, assets and liabilities are translated at the closing rate at the date of the balance sheet; income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and all resulting exchange differences are recognized in other comprehensive income. The Company's presentation is the \$US, and therefore a currency translation adjustment is necessary to convert the functional currency to the presentation currency for financial reporting purposes, and is reflected in other comprehensive income as a component of equity.

Intangible Asset - Mineral Rights - The Company capitalizes acquisition and annual renewal costs associated with mineral rights as intangible assets. The amount capitalized represents fair value at the time the mineral rights are acquired. Upon commencement of commercial production, the mineral rights will be amortized using the unit-of-production method over their expected useful lives of 8 and 10 years for Cuyuni and Kamarang, respectively. Although production has not commenced on Kamarang, the production on Cuyuni commenced in 2012.

Intangible Asset - Intellectual Property - The Company expenses all research costs associated with the internal development of intangible assets while certain development costs, such as patent listing fees and legal costs, are capitalized.

Impairment of Non-Financial Assets - Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Property and Equipment - Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.



Cash and Cash Equivalents - In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

Deferred Offering Costs - Deferred offering costs represent professional fees associated with the preparation for a public listing and subsequent offering of securities, and will be charged against offering proceeds in the statement of shareholders' equity upon a successful financing transaction. Abandoned offering costs will be charged to expense in the period the abandonment occurs.

Accounts Payable - Accounts payable are obligations to pay for equipment, goods, or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accrued Payroll - Accrued payroll represents earned but unpaid salaries due to the Company's executives pursuant to their deferred compensation agreements.

Share Capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction from the proceeds received. Where the Company purchases its own common shares of stock, it is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued, and is classified as treasury stock in the accompanying balance sheet. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, and is included in equity attributable to the company's equity holders.

Revenue - Revenues associated with the production and sale of gold are recognized when title to the product passes to the purchaser, the fee is determinable and collection is certain. Consulting fees are recognized as revenue when persuasive evidence of an arrangement exists, services are rendered, the fee is fixed or determinable, and collectability is reasonably assured.

Depreciation - Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives ranging from 3 to 10 years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount, which is the higher of an asset's value in use and the fair value less cost to sell. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the statement of comprehensive income.

Income Taxes - The Company is subject to income taxes for the jurisdictions in which it conducts operations to the extent the entity is taxable.

Guyana Mining Tax - The Company is obligated to sell the majority of its gold findings to the Guyana Gold Board at rates statutorily established rates, and is subject to a 2% tax based on gross sales.

Guyana Corporate Income Taxes: Commercial Companies - A commercial company represents an entity that derives at least 75% of profits from products it does not manufacture. For such entities, the tax liability is based upon 45% of chargeable profits or 2% of turnover, whichever is higher. Any payment in excess of 45% of profit is carried forward as a credit to be used to reduce the tax whenever it is higher than 2% of turnover.

Income Taxes: General - The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.



However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized for any unused tax losses, tax credits, and deductible temporary differences, to the extent it is probable that the future that taxable profits will be available against which they can be utilized. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Other Comprehensive Income - Other comprehensive income represents the change in equity of an enterprise during a period from transactions from non-owner sources. The Company has no accounts or transactions that give rise to other comprehensive income other than the currency translation adjustment.

Income (Loss) Per Common Share - Basic income (loss) per common share is calculated by dividing the net income (loss) available to the common shareholders by the weighted average number of common shares outstanding during that period. Diluted earnings (loss) per share is calculated by based on the treasury stock method, by dividing income available to common shareholders, adjusted for the effects of dilutive convertible securities, by the weighted average number of common shares outstanding during the period and all additional common shares that would have been outstanding had all potential dilutive common share been issued. This method computes the number of additional shares by assuming all dilutive options are exercised. That the total number of shares is then reduced by the number of common shares assumed to be repurchased from the total of issuance proceeds, using the average market price of the Company's common shares for the period. There were no dilutive securities during the period presented in the accompanying consolidated financial statements.

Fair Value of Financial Instruments - The carrying value of the Company's financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities, and notes payable, approximate fair value due to the relatively short maturity of the respective instruments.

4. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Valuation and Recoverability of Intangible Assets and Property & Equipment - Significant estimates and assumptions are required to determine the valuation of tangible and intangible assets, and the period over which they are amortized. Estimates are also necessary in assessing whether there is an impairment of their value requiring a write-down of their carrying amount. In order to ensure that its assets are carried at no more than their recoverable amount, the Company evaluates at each reporting date certain indicators that would result, if applicable, in the calculation of an impairment test.

Contingent Liabilities - The Company is required to make judgments about contingent liabilities including the probability of pending and potential future litigation outcomes that, by their nature, are dependent on future events that are inherently uncertain. In making its determination of possible scenarios, management considers the evaluation of outside counsel knowledgeable about each matter, as well as known outcomes in case law.



Income Taxes - Provision and Valuation - Significant judgment is involved in determining the Company's provision for income taxes, including any valuation allowance on deferred income tax assets. There are certain transactions and computations for which the ultimate tax determination is uncertain during the normal course of business. The Company recognizes liabilities for expected tax issues based upon estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognized, such difference will impact the income tax and deferred tax positions in the year in which such determination is made.

5. Financial Risk Management Objectives and Policies

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company reviews and agrees policies and procedures for the management of these risks.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk, and liquidity risk. The following section provides details regarding the Company's exposure to these risks and the objectives, policies and processes for the management of these risks.

Market Risk - Market risk is the risk that changes in market prices, such as the price of gold and foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Management believes the Company is not exposed to interest rate or equity price risk at December 31, 2014. Exchange rate fluctuations may affect the costs that Gold Bar incurs in its operations. The appreciation of non-US dollar currencies against the US dollar can increase the cost of gold production in US dollar terms. Most of the Company's expenditures that occur in Guyana are paid in Guyana currency. Accordingly, a strengthened U.S. dollar relative to the Guyanese dollar would negatively impact the Company.

Credit Risk - Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk arising from the inability of a customer to meet the terms of the Company's financial instrument contracts is generally limited to the amounts, if any, by which the customer's obligations exceed the obligations of the Company. The Company's exposure to credit risk arises primarily from its notes and accounts receivable.

Liquidity Risk - Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's liquidity risk management policy is to monitor its net operating cash flows and maintain an adequate level of cash and cash equivalents through regular review of its working capital requirements. The Company monitors and maintains a level of cash considered adequate by management to finance the Company's operations and mitigate the effects of the fluctuations in cash flows to the extent possible. As of December 31, 2014, the majority of the Company's liabilities are due to its controlling shareholders with no stated maturity or due date.

6. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or implement a stock split. The Company has complied with all externally imposed capital requirements as at December 31, 2014, and no changes were made to the Company's capital management objectives, policies or processes during the year then ended.



7. Intangible Assets

Cuyuni

On January 2, 2012, The Cuyuni Project was established by the Company's majority shareholders ("Members") for the purpose of financing, developing, implementing, operating, and managing a gold mine located in Aranka, Cuyuni, Guyana. Collectively, the Members owned a 95% interest in the venture, with the remaining 5% ownership allocated to Astrolobe Technology, a Guyana Corporation ("Astrolobe"). In exchange for their 5% interest, Astrolobe contributed the rights associated with Permit # 284/2011 issued by Guyana Geology and Mines Commission to operate mining equipment on 1,162 acres property covered by mining permit H-24/MP/000 which is described below, and the Members contributed their obligation to provide management oversight of the mining operation, management of the capital raising process to maximize operation, and the assumption of a note payable from a related party that was satisfied in 2013.

On April 18, 2012, the Members contributed their collective 95% ownership interest in the venture to the Company in exchange for shares of the Company's common stock. This transaction was recorded at 95% of the estimated fair value of the venture, and is reflected in the accompanying consolidated financial statements as intangible mineral rights. This estimate is based on the fair value of the mineral rights associated with the mining permits described above, using a static discounted cash flow model (being the net present value of expected future cash flows). Expected future cash flows are based on estimates of projected future revenues, expected conversions of resources to reserves, expected future production costs and capital expenditures based on the life of mine plan as at the acquisition date. The significant assumptions included in this estimate include:

- Discount Rate 8.0%
- Future Price of Gold \$1,600 per ounce of gold
- Annual Extraction 30,000 ounces of gold per year
- Projected Extraction 240,000 ounces of gold
- Expected Life of Mine 8 years
- Capital Expenditures \$10,000,000

The Cuyuni Project is located approximately 170 km west of Georgetown, the capital of Guyana and 130 km from Bartica, a settlement at the junction of the Essequibo and Cuyuni rivers that forms the rallying point for work in the northwestern interior of Guyana. The property consists of approximately 1,162 acres within the following coordinates:

- Point 1: Longitude 59 degree 36'44"W Latitude 6 degree 51'36"N
- Point 2: Longitude 59 degree 37'40"W Latitude 6 degree 51'37"N
- Point 3: Longitude 59 degree 37'40"W Latitude 6 degree 52'36"N
- Point 4: Longitude 59 degree 37'9"W Latitude 6 degree 53'16"N
- Point 5: Longitude 59 degree 36'43"W Latitude 6 degree 53'16"N

During the fourth quarter of 2013, management determined that its mineral rights associated with The Cuyuni Project were impaired due to a reduction in both the price of gold and the availability of funding necessary to develop Cuyuni. As described in *Note 8 – Equity*, the \$15,360,000 capital commitment that was necessary to develop Cuyuni was not fulfilled, but has since been replaced by other capital commitments. As a result, management recorded an impairment loss in the amount of \$98,185,413 on the Cuyuni Project during 2013.

Amortization of the mineral rights associated with The Cuyuni Project are recorded in the amount of \$6,352 and \$171,703 during 2014 and 2013, respectively.



Kamarang

On October 17, 2013, The Kamarang Project was established by the Members for the purpose of financing, developing, implementing, operating, and managing a gold mine located in Kamarang, Mazaruni, Guyana. Collectively, the Members owned a 70% interest in the venture, with the remaining 30% ownership allocated to MDV Logistics, a Guyana Corporation ("MDV"). In exchange for their 30% interest, MDV contributed the rights associated with the following permits:

- F-179/000 (1,200 Acres)
- F-179/001 (828 Acres)
- F-179/002 (1,200 Acres)
- F-179/003 (1,160 Acres)
- F-179/004 (1,163 Acres)
- F-179/005 (1,177 Acres)
- F-179/006 (1,200 Acres)
- F-179/007 (1,134 Acres)
- F-179/008 (1,200 Acres)
- F-180/000 (1,200 Acres)

The above permits were issued by Guyana Geology and Mines Commission, to perform medium-scale prospecting on the contiguous 11,462 acres. The Members contributed their obligation to provide management oversight of the mining operation and management of the capital raising process to maximize operation.

On November 15, 2013, the Members contributed their collective 70% ownership interest in the venture to the Company in exchange for 29,999,999 shares of the Company's common stock. This transaction was recorded at \$60,000,000, representing the estimated fair value of the venture, and is reflected in the accompanying consolidated financial statements as intangible asset - mineral rights, along with an \$18,000,000 non-controlling interest representing the 30% minority interest in the project held by third party investors. This estimate is based on the fair value of the mineral rights associated with the medium-scale prospecting permits described above, using a static discounted cash flow model (being the net present value of expected future cash flows). Expected future cash flows are based on estimates of projected future revenues, expected conversions of resources to reserves, expected future production costs and capital expenditures based on the life of mine plan as at the acquisition date.

The significant assumptions included in this estimate include:

- Discount Rate 8.0%
- Future Price of Gold \$1,300 per ounce of gold
- Annual Extraction 3,750 – 14,400 ounces of gold per year
- Projected Extraction 118,950 ounces of gold
- Expected Life of Mine 10 years
- Capital Expenditures \$1,000,000

The Kamarang Project is located approximately 300 km southwest of Georgetown, the capital of Guyana. The Kamarang Target Area can be located on Terra Surveys Topographic Map 32SW (scale 1:50,000) printed by the Guyana Geology & Mines Commission. The property is located at the confluence of the Mazaruni River and Kamarang River with geographical coordinates of 60.36'21" West Longitude and 5.52'19" North Latitude.

No amortization was recorded on The Kamarang Project during 2014 or 2013, as it has not yet moved from the exploration stage to the development stage.



8. Equity

2014 and 2013 Common Stock Transactions – During 2014 and 2013, the Company issued common stock pursuant to the following transactions:

- On July 3, 2013, the Company's Board of Directors amended its bye laws to implement a reverse split of its common stock with a ratio of one post-split share for every 1,000 shares issued and outstanding on that date, resulting in a reduction of its issued and outstanding common shares from 98,031,400 to 98,031 shares with a corresponding change par value from \$0.0001 to \$0.10 per share. All share and related option information presented in these financial statements and accompanying footnotes has been adjusted retroactively to reflect the increased number of shares resulting from the split.
- On July 3, 2013, the Company's Board of Directors amended its bylaws to increase the number of authorized shares to 50,000,000 with a par value of \$0.10 per share.
- On October 17, 2013, the Company became obligated to issue 29,999,999 shares of its common stock in 2014 in connection with The Kamarang Project described in *Note 7 – Mineral Rights*. At December 31, 2013, this obligation was reflected as 'common stock payable' in the accompanying consolidated balance sheet in the amount of \$42,000,000, representing 70% of the fair value of The Kamarang Project, and was reclassified into equity when the shares were issued on January 14, 2014.
- On November 6, 2013 PICE Holding GmbH agreed to purchase 19,901,969 shares of the Company common stock in exchange for a promissory note of \$5,000,000 due and payable in several installments on or before October 5, 2014. The promissory note was subsequently amended on March 5, 2014 changing some of the installment dates, however the total remained due on or before October 5, 2014. In November 2014, the Company elected to exercise its cancellation rights under the promissory note agreement due to the counterparty's breach of contract in terms of their inability to meet their repayment obligation when due. In connection with this agreement, the Company issued 365,618 shares of its common stock in exchange for \$181,254 during 2014.

At December 31, 2013, the Company's obligation under this agreement was reflected as a component of 'common stock payable' in the accompanying consolidated balance sheet in the amount of \$5,000,000, and the corresponding \$5,000,000 receivable due from PICE was reflected as a 'subscription receivable' within shareholders' equity at that time. Upon cancellation of this agreement in 2014, the Company reversed its remaining \$4,818,746 obligation under this agreement against the unpaid balance in its 'subscription receivable' account for a similar amount. As a result, the settlement of the 'common stock payable' obligation and impairment of the corresponding 'subscription receivable' balance had no impact on the results of operations or shareholder's equity balance of the Company.

- During 2014, the Company issued 52,000 shares of its common stock in exchange for \$15,615 in connection with a broker agreement with Suits Marketing Limited. The proceeds received from the issuance of these shares is recorded net of a 30% finder's fee. This agreement was entered into during November 2014 and was canceled in December 2014.

Common Stock Rights – All shares of the Company's common stock have equal rights and privileges with respect to voting, liquidation and dividend rights. Each share of common stock entitles the holder thereof to one non-cumulative vote for each share held of record on all matters submitted to a vote of the stockholders, to participate equally and to receive any and all such dividends as may be declared by the Board of Directors out of funds legally available therefore, and to participate pro rata in any distribution of assets available for distribution upon liquidation. Stockholders have no pre-emptive rights to acquire additional shares of common stock or any other securities. Common shares are not subject to redemption and carry no subscription or conversion rights. All outstanding shares of common stock are fully paid and non-assessable.

Accumulated Other Comprehensive Income – Accumulated other comprehensive income reflects the accumulated impact of currency translation adjustments associated with accounts denominated in foreign currencies at the balance sheet date.

Accumulated Deficit – Accumulated deficit represents the Company's accumulated net loss at December 31, 2014. The Company has not declared or paid any dividends or returned any capital to shareholders as of December 31, 2014.



9. Debt

Due to shareholder represents the Company's obligation to reimburse a shareholder for payment of certain deferred offering and general and administrative costs incurred by the Company. Although there is no stated interest rate or due date on this obligation, the Company intends to reimburse this obligation upon the receipt of adequate financing that will be first used to fund operations.

10. Revenue

During 2014 and 2013, the Company generated revenue as a result of successful gold mining efforts in the amount of \$33,800 and \$407,468, respectively, based on the sale of gold.

11. Intellectual Property

During 2013, the Company wrote off the \$51,844 intellectual property asset associated with a patent acquired through an acquisition that occurred in 2012.

12. Legal and Regulatory Matters

The Company is not subject to any litigation or regulatory action, and is unaware of any pending or threatened claims that would require adjustment or disclosure to the accompanying consolidated financial statements.

13. Events After the End of the Reporting Period

No events occurred subsequent to December 31, 2014 that would require adjustment to the accompanying financial statements other than the following:

On January 7, 2015, Global Mercantile Services Inc. ("Global") agreed to purchase 19,484,351 shares of the Company's common stock in exchange for a promissory note in the amount of €6,300,000. This note is interest free, and is due and payable to the Company on or before May 1, 2015. The 19,484,351 shares associated with this agreement were placed into escrow on behalf of Gold Bar and Global on January 7, 2015. Under the terms of the escrow agreement, Global is authorized to sell the shares to third parties, provided that 50% of net proceeds of such sales are distributed to Gold Bar as payments towards the principal amount on the promissory note. Any such proceeds received by Gold Bar are subject to a finder's fee computed as 30% of all payments received by Gold Bar towards the principal amount of the promissory note. According to the terms of the promissory note agreement, the Company may demand the return of its common shares from escrow if Global is unable to satisfy its repayment obligation by the May 1, 2015 due date.

As of March 16, 2015, the date of the accompanying *Report of Independent Public Accounting Firm*, the Company has received €44,061 in principal payments on the €6,300,000 note, representing its share of the net cash proceeds associated with Global's sale of 110,000 shares to third parties. As a result, these 110,000 shares are considered to be issued and outstanding, while the remaining 19,374,351 shares associated with this agreement remain in escrow as of March 16, 2015.

14. Approval of Consolidated Financial Statements

The accompanying consolidated financial statements were approved by the board of directors and authorized for issue on March 16, 2015.