WINSTON RESOURCES INC.
Consolidated Financial Statements
Year Ended July 31, 2015

(Expressed in Canadian Dollars)

Abraham Chan LLP
Chartered Accountants

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Independent Auditor's Report

To the Shareholders of
Winston Resources Inc.

We have audited the accompanying consolidated financial statements of Winston Resources Inc. which comprise the consolidated statements of financial position as at July 31, 2015 and July 31, 2014, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for each of the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Winston Resources Inc., as at July 31, 2015 and July 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 2, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"Abraham Chan LLP"

Toronto, Canada
November 30, 2015

Abraham Chan LLP
Chartered Accountants
Licensed Public Accountants

Winston Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at July 31,	2015	2014 (Restated-Note 19)
ASSETS		
Current assets		
Cash	$ 3,501	$ 1,535
Government HST recoverable	6,303	28,019
Prepaid expenses	3,236	1,798
Due from related companies (note 11)	5,375	25,956
Total current assets	18,415	57,308
Non-current assets		
Investment in associates (note 8)	9,690	71,860
Exploration and evaluation assets (note 9)	-	5,393,760
Total non-current assets	9,690	5,465,620
Total assets	$ 28,105	$ 5,522,928
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 16 and 11)	$ 95,102	$ 181,437
Due to related parties (note 11)	108,579	147,449
Mineral properties purchase price payable (note 13)	700,000	700,000
Total current liabilities	903,681	1,028,886
Shareholders' Equity		
Common share capital and reserves (note 12)	10,782,262	10,669,787
Deficit (note 19)	(10,343,561)	(5,809,778)
Total shareholders' equity attributed to owners	438,701	4,860,009
Non-controlling interest (notes 15 and 19)	(1,314,277)	(365,967)
Total shareholders' (deficiency) equity	(875,576)	4,494,042
Total liabilities and shareholders' equity	$ 28,105	$ 5,522,928

Nature of operations (note 1)
Going concern (note 2)
Contingency (note 14)
Events after the reporting period (note 20)

Approved on behalf of the Board of Directors:

"Daniel Wettreich" (signed) Director
Daniel Wettreich, Director

"Mark Wettreich" (signed) Director
Mark Wettreich, Director

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

Winston Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Year Ended July 31,	2015	2014 (Restated-Note 19)
Revenue		
Interest income	**$ 81**	$ 2,556
	81	2,556
Operating Expenses		
Filing and listing fees	**18,976**	20,553
Professional fees	**33,897**	118,960
Interest - property obligation	**-**	12,500
Office and general expenses	**25,274**	63,905
Shareholder information	**7,463**	8,891
Transfer agent fees	**11,756**	11,374
Share-based payments (note 12)	**8,125**	300
(Gain) on sale of equity investments	**(8,521)**	-
(Gain) on debt settlement (note 12)	**(69,567)**	-
Impairment loss on exploration and evaluation assets (note 9)	**5,393,760**	2,310,000
	5,421,163	2,546,483
Net loss for the period	**(5,421,082)**	(2,543,927)
Equity loss on equity accounted investments (note8)	**(61,011)**	(44,840)
Net loss and comprehensive loss	**$ (5,482,093)**	$ (2,588,767)
Net loss for the year attributed to:		
Common shareholders(note 19)	**(4,533,783)**	(2,222,800)
Non-controlling interest (notes 15 and 19)	**(948,310)**	(365,967)
	(5,482,093)	(2,588,767)
Basic and diluted loss per share (notes 12 and 19)	**$ (0.59)**	$ (0.48)
Weighted average number of common shares outstanding - basic and diluted	**9,195,256**	5,389,803

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

Winston Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Year Ended July 31,	2015	2014
Operating activities		
Net loss for the year before interest	**$ (5,482,093)**	$ (2,576,267)
Interest paid	**-**	(12,500)
Non-cash adjustments for:		
Equity loss in equity accounted investments	**61,011**	44,840
Share-based payments	**8,125**	300
(Gain) on sale of equity investments	**(8,521)**	-
Impairment of exploration and evaluation assets	**5,393,760**	2,310,000
(Gain) on debt settlement	**(69,567)**	-
	(97,285)	(233,627)
Net changes in non-cash working capital:		
Government HST recoverable	**21,716**	54,260
Prepaid expenses	**(1,438)**	859
Accounts payable and accrued liabilities	**9,842**	(81,818)
Net cash used in operating activities	**(67,165)**	(260,326)
Investing activities		
Proceeds from the sale of investments	**9,680**	-
Due from related parties	**-**	(25,956)
Net cash provided by investing activities	**9,680**	(25,956)
Financing activities		
Due from related companies	**20,581**	-
Exercise of warrants	**-**	72,000
Issuance of common shares on private placement (note 12)	**-**	72,000
Due to related parties	**38,870**	89,665
Net cash provided by financing activities	**59,451**	233,665
Net change in cash	**1,966**	(52,617)
Cash, beginning of year	**1,535**	54,152
Cash, end of year	**$ 3,501**	$ 1,535

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

Winston Resources Inc.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Share Capital		Reserves						
	Number of shares	**Amount**	**Options**	**Warrants**	**Contributed Surplus**	**Common Share Capital and Reserves**	**Deficit**	**Non-controlling Interest**	**Total**
Balance, July 31, 2013	**3,503,995**	**$ 9,392,087**	**$ 638,100**	**$ 239,200**	**$ 139,400**	**$ 10,408,787**	**$ (3,586,978)**	**$ -**	**$ 6,821,809**
Common shares of Leo Resources Inc. received as dividend from Zara Recourses Inc. (note 8)	-	-	-	-	116,700	116,700	-	-	116,700
Issued on private placement	1,440,000	72,000	-	-	-	72,000	-	-	72,000
Warrants exercised	1,440,000	72,000	-	-	-	72,000	-	-	72,000
Warrant expiration	-	-	-	(162,100)	162,100	-	-	-	-
Share-based compensation	-	-	300	-	-	300	-	-	300
Cancellation of stock options	-	-	(627,400)	-	627,400	-	-	-	-
Net loss for the year (note 19)	-	-	-	-	-	-	(2,222,800)	(365,967)	(2,588,767)
Balance, July 31, 2014 (note 19)	**6,383,995**	**9,536,087**	**11,000**	**77,100**	**1,045,600**	**10,669,787**	**(5,809,778)**	**(365,967)**	**4,494,042**
Issued on debt settlement (note 12)	3,478,340	67,350	-	37,000	-	104,350	-	-	104,350
Share-based compensation	-	-	8,125	-	-	8,125	-	-	8,125
Warrant expiration	-	-	-	(77,100)	77,100	-	-	-	-
Stock options forfeited	-	-	(1,692)	-	1,692	-	-	-	-
Cancellation of stock options	-	-	(1,602)	-	1,602	-	-	-	-
Net loss for the year	-	-	-	-	-	-	(4,533,783)	(948,310)	(5,482,093)
Balance, July 31, 2015	**9,862,335**	**$ 9,603,437**	**$ 15,831**	**$ 37,000**	**$ 1,125,994**	**$ 10,782,262**	**$ (10,343,561)**	**$ (1,314,277)**	**$ (875,576)**

1. Nature of Operations

Winston Resources Inc. (“Winston” or the “Company”) is incorporated under the laws of the province of British Columbia. Winston is an exploration stage company engaged in the acquisition and exploration of mineral resource properties in Canada. The Company also invests in Canadian companies operating in the Canadian resource sector as well as a United States based company providing management services to Canadian based mineral exploration companies. The Company owns 84.9% of CNRP Mining Inc. ("CNRP"). The Company's investment portfolio comprises common shares of Zara Resources Inc. ("Zara") 20.68%, Leo Resources Inc. ("Leo") 16.76%, and Hadley Mining Inc. ("Hadley") 40.7%. Winston is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario whose common shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “WRW”. The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5, Canada.

2. Going Concern Assumption

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards (“IFRS”). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets (“E&E”) in fiscal 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a Company that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company’s ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company’s expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop, if E&E are proven successful, and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2015, the Company had yet to generate revenues from operations and had a deficit of $10,343,561 (2014 - $5,809,778). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as of November 30, 2015, the date the Company's Board of Directors approved these financial statements.

(b) Basis of presentation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be carried at fair value in subsequent periods, and have been prepared using the accrual basis of accounting, except for cash flow information.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Principles of consolidation
These consolidated financial statements include the accounts of the Company and its subsidiaries, 84.9% owned CNRP, a Canadian based mineral exploration company, and its 100% owned CNRP Dallas Inc. ("CNRP Dallas"), a Dallas, Texas based management services company. Control is achieved when the Company has the power over the investees; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns.

On consolidation, all intercompany transactions, balances, income and expenses are eliminated in full.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Investments in associates
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An Investment in associates is accounted for using the equity method from the date on which the investee becomes an associate. The carrying amount of the investments in associates is increased or decreased to recognize the share of the profit or loss and other comprehensive income of the associates, adjusted where necessary to ensure consistency with the accounting policies.

At July 31, 2015, the Company's investment in common shares of Zara was 20.68%, the Company's investment in the common shares of Leo was 16.76%, and the Company's investment in common shares of Hadley was 40.7%. Accordingly each investee is accounted for using the equity method.

4. Significant Accounting Policies (continued)

Related Party Disclosures
Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

Income taxes
Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

4. Significant Accounting Policies (continued)

Impairment of non-financial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount as would be determined under IFRS 6.

Exploration and evaluations assets ("E&E")
E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale, abandonment or impairment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

4. Significant Accounting Policies (continued)

Functional currency
The Company's presentation and functional currency is the Canadian dollar.

Equity Settled Transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

Financial instruments

Fair value through profit or loss (FVTPL)
Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and comprehensive loss during the period.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified government HST recoverable and due from related companies as loans and receivable.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Other financial liabilities
Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's cash is considered Level 1 in the hierarchy.

Impairment of financial assets

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

Objective evidence of impairment could include the following:

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

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

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

4. Significant Accounting Policies (continued)

Changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after July 31, 2014. The following new standards have been adopted:

(i) IAS 32 – Financial Instruments: Presentations ("IAS 32") clarifies some of the requirements for offsetting financial assets and financial liabilities on the consolidated statement of financial position. The amendment to IAS 32 is effective for annual periods beginning on or after January 1, 2014. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(ii) IFRIC 21 - 'Levies' ("IFRIC 21") is effective for the Company beginning on January 1, 2014. The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, as well as addressing what the obligating event is that gives rise to pay a levy and when should a liability be recognized. At August 1, 2014, the Company adopted IFRIC 21 and there was no material impact on the Company's financial statements.

(iii) IFRS 2 - Share-based Payment ("IFRS 2"). The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The Company adopted the amendments and there was no material impact on the Company's financial statements.

(iv) IAS 24 - Related Party Disclosures ("IAS 24"). The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(v) IAS 36 - Impairment of Assets ("IAS 36") was amended to address the disclosure required for the recoverable amount of impaired assets or cash generating unit for periods in which an impairment loss has been recognized or reversed. At August 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

4. Significant Accounting Policies (continued)

Future accounting policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. However, an entity may elect to apply the earlier versions of this new standard to annual periods beginning before January 1, 2018 if, and only if, its initial application date is before February 1, 2015. The Company is still in the process of assessing the impact of this pronouncement.

(ii) IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

(iii) IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Critical Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies
Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Impairment of exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

(b) Title to mineral property interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(c) Income taxes
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. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. 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.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. Critical Accounting Estimates and Judgments (continued)

(d) Going concern risk assessment
The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

(e) Interest in other entities
The Company has less than 50% voting rights in Leo, Hadley and Zara. Management has assessed the involvement of the Company in accordance with IFRS 10 and has concluded that while it has significant influence over those companies it does not have control (actual or de facto control) of those companies. In making its judgment, management considered the Company's voting rights, the relative size and dispersion of the voting rights held by other shareholders and other relevant facts and circumstances.

Key sources of estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

(a) Share based compensation
The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

6. Financial Risk Management

Financial risk management objectives and policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

6. Financial Risk Management (continued)

Financial risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the consolidated statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, government HST recoverable, which is due from the Canadian government, and due from related companies, which is expected to be recoverable. As such, the risk of loss on these assets is minimal.

Market risk
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Fair value risk
Fair value risk is the potential for fair value fluctuations in the value of a financial instrument. The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

Interest rate risk
The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest rate risk.

Liquidity risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at July 31, 2015, the Company had, at its disposal, $3,501 in cash. The Company will require additional working capital to fund its operations and in particular will need to make significant payments to third parties relating to the acquisition of the Elmtree property and will need to raise additional equity capital in relation thereto. There is no guarantee that market conditions will be conducive to raising such additional equity capital.

Commodity risk
The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Foreign currency risk
The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the US dollar/Canadian dollar exchange rate.

(Expressed in Canadian Dollars)

6. Financial Risk Management (continued)

Financial risks (continued)

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government HST recoverable and due from related companies are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities, due to related parties and mineral properties purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at July 31, 2015	As at July 31, 2014
Financial Assets		
Fair value through profit or loss		
Cash	**$ 3,501**	$ 1,535
Loans and receivables		
Government HST Recoverable	**6,303**	28,019
Due from related companies	**5,375**	25,956
Financial Liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	**$ 95,102**	$ 181,437
Due to related parties	**108,579**	147,449
Mineral property purchase price payable	**700,000**	700,000

7. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

The Company defines its capital as its shareholders' equity. As at July 31, 2015, the Company's capital resources amounted to a deficiency of $875,576 (2014 - equity of $4,494,042).

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended July 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution.

(Expressed in Canadian Dollars)

8. Investments in Associates

	As at July 31, 2015	As at July 31, 2014
Leo	**16.76%**	17.07%
Common shares	**$ 116,700**	$ 116,700
Disposition of shares	**(1,159)**	-
Equity loss carried forward	**(44,840)**	-
Share of equity loss recognized	**(61,011)**	(44,840)
	$ 9,690	$ 71,860

At July 31, 2015, the Company's accumulated share of Zara's equity loss was $639,932 (July 31, 2014 - $527,019) and its accumulated share of Hadley's equity loss was $360,876 (July 31, 2014 - $333,892). However, these losses exceeded the carrying amount of the initial investments in Zara and Hadley of $143,400 and $176,800, respectively, and accordingly, Winston recognized no further losses beyond these carrying amounts. If Zara and Hadley subsequently report profits, the Company will resume recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

During the year ended July 31, 2014, Winston received a dividend of 4,479,511 common shares of Leo from Zara at a fair value of $116,700 under a plan of arrangement between Leo and Zara. The credit has been accounted for as contributed surplus because the book value of the Company's investment in Zara was already $nil at July 31, 2013.

During the year ended July 31, 2015, the Company disposed of 16,500 common shares in Leo for total proceed of $9,680. This transaction has resulted in the recognition of a gain, calculated as follows.

Proceeds of disposal	$ 9,680
Less: carrying amout of investment on the date of disposal	(1,159)
Gain recognized	**$ 8,521**

The following is financial summary of each equity investment at July 31, 2015:

	Zara	Hadley	Leo
Current assets	$ 15,208	$ 3,853	$ 60,812
Non-current assets	$ 34,622	$ 9,000	$ 44,795
Current liabilities	$ 93,856	$ 115,194	$ 55,385
Loss and comprehensive Loss	$ (469,590)	$ (66,339)	$ (359,161)

(Expressed in Canadian Dollars)

9. Exploration and Evaluation Assets

	Elmtree (New Brunswick property)
Balance, July 31, 2013	**$ 7,703,760**
Impairment	(2,310,000)
Balance, July 31, 2014	**$ 5,393,760**
Impairment	(5,393,760)
Balance, July 31, 2015	**$ -**

Elmtree

The Elmtree Gold Project is owned 100% by the Company's subsidiary CNRP and consists of 83 claims. CNRP entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

CNRP agreed to pay Castle 5,016,155 common shares, $500,000 in cash, $250,000 of which is payable on the date that is six months from closing with the balance of $250,000 payable twelve months from closing. At July 31, 2015, the Company is indebted to Castle in the amount of $500,000 (2014 - $500,000) CNRP also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 common shares, $300,000 in cash, $100,000 of which was payable on the date of closing, $100,000 payable six months from closing, and $100,000 payable twelve months from closing. At July 31, 2015, the Company is indebted to Stratabound in the amount of $200,000 (2014 - $200,000).

During the year ended July 31, 2014, management determined that the carrying value of Elmtree was impaired and accordingly recorded a write-down of $2,310,000. During the year ended July 31, 2015, management determined that the Company did not have the financing to further the project and hence the remaining carrying value of the property of $5,393,760 was impaired.

(Expressed in Canadian Dollars)

10. Accounts Payable and Accrued Liabilities

	As at July 31, 2015	As at July 31, 2014
Accounts payable	**$ 67,102**	$ 156,437
Accrued liabilities	**28,000**	25,000
	$ 95,102	$ 181,437

The accounts payable and accrued liabilities which arise from the Company's day to day operations have standard vendor terms and are normally settled between one and two months. The accounts payable is broken down between the parent and its two subsidiaries as follows - Winston - $38,864 (2014 - $129,600), CNRP - $52,738 (2014 - $48,928), CNRP Dallas Inc. - $3,500 (2014 - $2,909).

The following is an aged analysis of the accounts payable and accrued liabilities:

	July 31, 2015	July 31, 2014
Less than one month	**$ 35,085**	$ 59,114
One to three months	**1,300**	102,224
Over three months	**58,717**	378,262
Total accounts payable and accrued liabilities	**$ 95,102**	$ 539,600

11. Related Party Transactions and Disclosures

Related party transactions were in the normal course of operations. At July 31, 2015, the due from related companies in the amount of $5,375 (2014 - $25,956) the business purpose of which were made to provide working capital to affiliates is comprised of due from Hadley of $5,375 (2014 - $6,600) and due from GreenBank of $nil (2014 - $19,356).

The due to related parties in amount of $108,579 (2014 - $147,449) the business purpose of which were made to provide working capital to the Company is comprised of due to Daniel Wettreich, an officer and director of the Company, of $11,087 (2014 - $3,833), a payable to Zara of $2,007 (2014 - $4,657), a payable to Leo of $35,255 (2014 - $35,255), a payable to Greenbank of $34,763 (2014 $nil), and a payable to Sammiri Capital Inc. ("Sammiri"), a private company owned by Daniel Wettreich an officer of $25,467 (2014 – $103,704). The amounts are interest free, payable on demand and have no set repayment terms.

During the year ended July 31, 2015, the Company along with CNRP incurred transfer agent fees of $7,570 (2014 - $nil) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. The amount is comprised of $3,700 (2014 - $nil) incurred by the Company and $3,870 (2014 - $nil) incurred by CNRP. As at July 31, 2015, amount owed to Reliable is $7,464 (2014 - $nil). This is comprised of $4,099 (2014 - $nil) awed by the Company and $3,365 (2014 - $nil) owed by CNRP and has been included in the accounts payable and accrued liabilities.

As at July 31, 2015, the amount of $33,900 (2014 - $128,080) being management fees carried forward from prior financial periods was owed to Sammiri Capital Inc. ("Sammiri"), a private company owned by Daniel Wettreich, and has been included in accounts payables and accrued liabilities.

(Expressed in Canadian Dollars)

11. Related Party Transactions and Disclosures (continued)

Key Management Compensation

During the year, the Company granted 450,000 options (2014 - nil) to five directors and they were assigned a fair value of $3,600.

During the year, CNRP also granted 1,400,000 options (2014 - 125,000) to four directors (2014 -one director) and they were assigned a fair value of $4,525 (2014 - $300).

12. Share Capital and Reserves

Common share capital

The Company's authorized share capital includes:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares without special rights or restrictions attached. No preferred shares are issued as of July 31, 2015 and July 31, 2014.

	Number of shares	Amount
Balance July 31, 2013	**3,503,995**	**$ 9,392,087**
Private placement - November 2013	1,440,000	72,000
Warrants exercised - January 2014	1,440,000	72,000
Balance July 31, 2014	**6,383,995**	**9,536,087**
Shares issued on debt settlement	3,478,340	67,350
Balance July 31, 2015	**9,862,335**	**$ 9,603,437**

Private placement

On November 6, 2013, the Company completed a private placement with a director through the issuance of 1,440,000 common shares and 1,440,000 warrants to purchase common shares at $0.05 per unit for gross proceeds of $72,000. The warrants were exercisable at $0.05 and on January 1, 2014, the 1,440,000 warrants were exercised for further gross proceeds of $72,000.

Conversion of debt into common shares

On October 9, 2014, the Company effected a conversion of $173,917 of debt into units of the Company, each unit comprising of one common share at $0.05 per share and one warrant exercisable at $0.05 per share and expiring October 9, 2017. The debt conversion resulted in the issuance of 3,478,340 common shares and 3,478,340 warrants. The debt was related to amounts owing to Sammiri, a related party of the Company. The fair value of the warrants was $37,000 and was estimated using the Black-Scholes pricing model based on the following inputs: share price of $0.02, dividend yield rate of 0%, volatility of 109%, risk free rate of 1.15%, and an expected life of 3 years. No commission was payable in relation to this debt conversion. As a result of this transaction a gain on debt settlment of $69,567 was reported in the consolidated statement of loss and comprehensive loss for the year ended July 31, 2015.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (continued)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended July 31, 2015 was based on the loss attributable to common shareholders of $5,482,093 (2014 – $2,588,767) and the weighted average number of common shares outstanding of 9,195,256 (2014 – 5,389,803). Diluted loss per share did not include the effect of 2,030,000 options (2014 – 425,000 options) and 3,478,340 warrants (2014 – 125,000) as they are anti-dilutive.

Warrants

The issued and outstanding warrants balance at July 31, 2015 is comprised as follows:

	Number of warrants
Balance, July 31, 2013	**339,200**
Expired	(214,200)
Balance, July 31, 2014	**125,000**
Debt settlement - issued on October 9, 2014	3,478,340
Expired - January 28, 2015	(125,000)
Balance, July 31, 2015	**3,478,340**

Issue date	Expiry date	Exercise price	Number of warrants	Fair value
October 9, 2014	October 9, 2017	$0.05	3,478,340	$ 37,000
		$0.05	3,478,340	$ 37,000

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (continued)

Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The following table summarizes the activity in stock options over the period.

	Fair Value	Number of stock options	Weighted average exercise price ($)
Balance, July 31, 2013	$ 638,100	1,750,000	0.49
Granted (CNRP) (1)	300	125,000	0.05
Expired/forfeited	(1,400)	(50,000)	0.05
Expired/forfeited (CNRP)	(626,000)	(1,400,000)	0.60
Balance, July 31, 2014	**$ 11,000**	**425,000**	**0.05**
Granted(4)(5)	3,600	450,000	0.05
Granted (CNRP)(2)(3)	4,525	1,400,000	0.05
Expired/forfeited	(2,994)	(120,000)	0.05
Expired/forfeited (CNRP)(1)	(300)	(125,000)	0.05
Balance, July 31, 2015	**$ 15,831**	**2,030,000**	**$ 0.05**

The following table sets out the details of the stock options granted and outstanding as at July 31, 2015:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
July 1, 2017	0.05	1.92	100,000	100,000	-
July 1, 2017(a)(3)	0.05	1.92	125,000	125,000	-
August 5, 2016	0.05	1.02	180,000	180,000	-
October 14, 2016(a)(2)	0.05	1.21	125,000	125,000	-
October 14, 2017(a)(2)	0.05	2.21	1,150,000	1,150,000	-
July 1, 2018	0.05	2.92	200,000	200,000	-
August 5, 2019	0.05	4.02	150,000	150,000	-
	0.05	**2.21**	**2,030,000**	**2,030,000**	**-**

(a) These are options granted by CNRP

(1) The fair value of the stock options granted by CNRP and fully vested on the grant date for the year ended July 31, 2014 was $300 which has been expensed as share-based compensation in the statement of loss and comprehensive loss. The fair value was estimated using the Black-Scholes pricing model based on the following assumptions/inputs: share price $0.01, exercise price $0.05, dividend yield rate of 0%, forfeiture rate 0%, volatility ranging from 109% risk free rate of 1.08%, and an expected life of 2 years. These options were cancelled during the year ended July 31, 2015.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (continued)

Stock options (continued)

(2) The fair value of stock options granted by CNRP and fully vested on the grant date on October 14, 2014 was $4,400. Fair value was estimated using the Black-Scholes pricing model based on the following assumptions/inputs: share price of $0.01, exercise price $0.05, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return from 0.98% to 1.09%, and an expected life ranging from 2 to 3 years.

(3) The fair value of stock options granted by CNRP and fully vested on the grant date on July 1, 2015 was $125. Fair value was estimated using the Black-Scholes pricing model based on the following assumptions/inputs: share price of $0.01, exercise price $0.05, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return from 0.49%, and an expected life of 2 years.

(4) The fair value of the stock options granted by the Company and fully vested on the grant date on August 2, 2014 was $3,400. Fair value was estimated using the Black-Scholes pricing model based on the following assumptions/inputs: share price of $0.02, exercise price of $0.05, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return from 1.07% to 1.46%, and an expected life ranging from 2 to 5 years.

(5) The fair value of the stock options granted by the Company and fully vested on the grant date on July 1, 2015 was $200. Fair value was estimated using the Black-Scholes pricing model based on the following assumptions/inputs: share price of $0.01, exercise price of $0.05, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return of 0.49%, and an expected life of 2 years.

Contributed surplus

Contributed surplus includes the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the stock options and warrants.

A summary of the changes in the Company's contributed surplus is set out below:

Balance, July 31, 2013	**$**	**139,400**
Cancellation of stock options		627,400
Expiration of warrants		162,100
Common shares of Leo Resources Inc. received as dividend in kind from Zara Resources Inc.		116,700
Balance, July 31, 2014	**$**	**1,045,600**
Expiration of warrants		77,100
Stock options forfeited and cancelled		3,294
Balance, July 31, 2015	**$**	**1,125,994**

(Expressed in Canadian Dollars)

13. Mineral Properties Purchase Price Payable

During fiscal 2012, the Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. $350,000 of which is payable on the date which is six months from completion of the transaction and the balance of $350,000 payable on the date that is twelve months from completion. Refer to note 9.

On January 24, 2013, CNRP agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of $250,000 to Castle and $100,000 to Stratabound to June 22, 2013. The payments due on June 22, 2013 were not made. As a result of the extension to June 22, 2013, CNRP agreed to pay $5,000 interest to Stratabound and $12,500 interest to Castle. As a result of not meeting the June 22, 2013 extension, CNRP agreed to monthly interest payments to Castle of $4,167 on its $500,000 obligation commencing in July 2013. Effective November 1, 2013, CNRP suspended its $4,167 monthly payment to Castle and accordingly no further interest payments are due. Currently, the Stratabound obligation of $200,000 is interest free. During the the year ended July 31, 2015, the Company recognized $nil (2014 - $12,500) interest expense on the property obligations.

14. Contingency

Legal claims

On July 20, 2012, the Company entered into an agreement with Jacob Securities Inc. ("Jacob") whereby Jacob purported to provide advisory services to the Company, but failed to provide such services. Accordingly, the Company terminated the agreement for non-performance on August 28, 2012. The Company received a Statement of Claim on October 24, 2012 from Jacob for breach of contract in the amount of $120,000. The Company denies the claim, has made a counter claim and will defend itself vigorously. There has been no further developments in this matter since February 2013.

15. Non-controlling Interests

The Company has 84.9% interest in CNRP; accordingly it is consolidated into these financial statements with non-controlling interest.

CNRP Mining Inc.

Balance, July 31, 2013	**$**	**-**
Share of net loss		365,967
Balance, July 31, 2014	**$**	**(365,967)**
Share of net loss		(948,310)
Balance, July 31 2015	**$**	**(1,314,277)**

16. Supplemental Cash Flow Information

No-cash transactions not reflected in the Statement of Cash Flows for the years ended July 31, 2015 and 2014 are as follows:

		2015		2014
Shares issued to settle due to related parties (Note 12)	**$**	**173,917**	$	-

(Expressed in Canadian Dollars)

17. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates, as well as the United States federal and state income tax rates, with the Company's effective tax rate is as follows:

	2015	2014
Loss before income taxes	**$ (5,421,082)**	$ (2,543,927)
Combined statutory rate	**26.5%**	26.5%
	(1,437,000)	(674,000)
Impairment of exploration and evaluation assets	**1,429,000**	612,000
Financing costs amortization	**(2,000)**	(1,000)
Share-based compensation	**2,000**	-
Other	**(21,000)**	-
Benefit of tax losses not recognized	**29,000**	63,000
	$ -	$ -

As at July 31, 2015, the Company has Canadian non-capital losses of approximately $1,078,000 (2014 - $975,000) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2032	**$ 26,000**
2033	**712,000**
2034	**237,000**
2035	**103,000**
	$ 1,078,000

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	2015	2014
Benefit of non-capital losses	**$ 286,000**	$ 258,000
Mineral property exploration	**2,299,000**	870,000
Share issue costs	**1,000**	3,000
Less: Valuation allowance (100% impairment deferred tax asset)	**(2,586,000)**	(1,131,000)
	$ -	$ -

Deferred income tax assets have been impaired in respect of these items because it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

(Expressed in Canadian Dollars)

18. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at July 31, 2015, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

19. Restatement of Previously Issued Financial Statements

During the preparation of the consolidated financial statements for the year ended July 31, 2015, management noticed that the non-controlling interest reported on the consolidated statement of financial position, consolidated statement of loss and comprehensive loss and the consolidated statement of changes in equity for the year ended July 31, 2014 contained a clerical error.

The following table summarizes the effect of the restatement on the Company's previously reported consolidated statement of financial position and consolidated statement of changes in equity:

As at July 31, 2014	As previously reported ($)	Restatement ($)	As restated ($)
Deficit	(6,541,712)	731,934	(5,809,778)
Non-controlling interest	365,967	(731,934)	(365,967)

The following table summarizes the effect of the restatement on the Company’s previously reported consolidated statements of loss and comprehensive loss:

Year ended July 31, 2014	As previously reported ($)	Restatement ($)	As restated ($)
Net loss for the year attributed to:			
Common shareholders	(2,954,734)	731,934	(2,222,800)
Non-controlling interest	365,967	(731,934)	(365,967)

20. Events After the Reporting Period

On September 11, 2015, the Company signed a non-binding Letter of Intent (the "LOI") and intends to enter into a definitive binding agreement for the acquisition by the Company of 100% of the issued and outstanding share capital of Crypto Next PLC ("Crypto") for CAD$9,000,000. Crypto is a company incorporated in the Isle of Man and offers a white label crypto currency exchange.

Subject to the closing of the Acquisition Agreement, Winston intends to distribute to its shareholders all its shareholdings in CNRP Mining Inc., Zara, Hadley and Leo. The record date for the distribution is September 10, 2015.

Winston intends to change its name to CryptoNext Exchange Inc. and its business to a crypto currency exchange. Closing of the Acquisition Agreement will be subject to approval of Winston shareholders and regulatory authorities, and to compliance with any required governmental and securities regulations. There is no guarantee that the Acquisition Agreement will close.

The purchase price for Crypto will be payable by the issuance of 9,000,000 new Winston shares at a deemed price of $1.00 per share. These shares will be held in an Escrow account with the Company's transfer agent and released over a thirty-six month period.