WINSTON RESOURCES INC.

Condensed Interim Consolidated Financial Statements

Three and Six Months Ended January 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

Winston Resources Inc.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		As at January 31, 2017		As at July 31, 2016
ASSETS				
Current assets				
Cash	**$**	**403**	$	84
Government HST recoverable		**422**		5,166
Total current assets		**825**		5,250
Non-current assets				
Exploration and evaluation assets (note 10)		**9,000**		9,000
Total non-current assets		**9,000**		9,000
Total assets	**$**	**9,825**	$	14,250
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities (notes 11 and 12)	**$**	**400,350**	$	49,291
Due to related parties (note 12)		**-**		94,404
Loans payable (note 13)		**150,000**		-
Total current liabilities		**550,350**		143,695
Shareholders' deficiency				
Share capital and reserves (note 14)		**10,823,281**		10,823,281
Deficit		**(11,363,806)**		(10,952,726)
Total shareholders' deficiency		**(540,525)**		(129,445)
Total liabilities and shareholders' deficiency	**$**	**9,825**	$	14,250

Nature of operations (note1)
Going concern (note 2)

Approved on behalf of the Board of Directors:

"Quinn Field-Dyte" (signed) Director
Quinn Field-Dyte**, Director**

"Michael Young" (signed) Director
Michael Young**, Director**

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

Winston Resources Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended January 31,		Six months ended January 31,	
	2017	**2016**	**2017**	**2016**
Operating Expenses				
Filing and listing fees	$ **1,500**	$ 11,091	$ **3,000**	$ 12,591
Professional fees	**350,181**	2,920	**353,181**	9,920
Management fees	**35,005**	-	**35,005**	-
Office and general expenses (recovery)	**(20)**	1,992	**1,456**	10,767
Shareholder information	**-**	1,243	**-**	1,243
Transfer agent fees	**21,221**	-	**21,931**	1,404
	(407,887)	(17,246)	**(414,573)**	(35,925)
Other items				
Gain on dilution of CNRP (note 6)	**-**	189,784	**-**	189,784
Gain on dilution of ownership in associates (note 5)	**-**	189,000	**-**	189,000
Equity loss on equity accounted investments	**-**	(1,831)	**-**	(3,013)
Foreign exchange gain	**3,493**	-	**3,493**	-
	3,493	376,953	**3,493**	375,771
Net income (loss) and comprehensive income (loss)	$ **(404,394)**	$ 359,707	$ **(411,080)**	$ 339,846
Net income (loss) for the period attributed to:				
Common shareholders	**(404,394)**	361,649	**(411,080)**	342,970
Non-controlling interest (note 6)	**-**	(1,942)	**-**	(3,124)
	(404,394)	359,707	**(411,080)**	339,846
Basic and diluted income (loss) per share (note 14)	$ **(0.12)**	$ 0.11	$ **(0.13)**	$ (0.10)
Weighted average number of common shares outstanding - basic and diluted	**3,287,445**	3,287,445	**3,287,445**	3,287,445

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

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

Six Months Ended January 31,	2017	2016
Operating activities		
Net income (loss) for the period	**$ (411,080)**	$ 339,846
Non-cash adjustments for:		
Equity loss in equity accounted investments	**-**	3,013
Gain on dilution of ownership in associates	**-**	(189,000)
Gain on dilution of CNRP	**-**	(189,784)
	(411,080)	(35,925)
Net changes in non-cash working capital:		
Government HST recoverable	**4,744**	(1,835)
Prepaid expenses	**-**	3,236
Accounts payable and accrued liabilities	**351,059**	8,101
Due to related parties	**(94,404)**	7,909
Due to related companies	**-**	15,810
Net cash used in operating activities	**(149,681)**	(2,704)
Investing activities		
Change in cash from dilution of CNRP	**-**	31
Net cash provided by investing activities	**-**	31
Financing activities		
Proceeds from loans	**150,000**	-
Net cash provided by financing activities	**150,000**	-
Net change in cash	**319**	(2,673)
Cash, beginning of period	**84**	3,501
Cash, end of period	**$ 403**	$ 828

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

Winston Resources Inc.
Condensed Interim Consolidated Statements of Changes in Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital	Preferred Share Capital	Reserves: Options	Reserves: Warrants	Reserves: Contributed Surplus	Share Capital and Reserves	Deficit	Non-controlling Interest	Total
Balance, July 31, 2015	**$ 9,603,437**	**$ -**	**$ 15,831**	**$ 37,000**	**$ 1,125,994**	**$10,782,262**	**$(10,343,561)**	**$(1,314,277)**	**$ (875,576)**
Dilution of CNRP	-	671,844	(4,525)	-	(626,300)	41,019	(870,431)	1,317,401	487,989
Dividends	-	-	-	-	-	-	(255,352)	-	(255,352)
Net income (loss) for the period	-	-	-	-	-	-	342,970	(3,124)	339,846
Balance, January 31, 2016	**$ 9,603,437**	**$ 671,844**	**$ 11,306**	**$ 37,000**	**$ 499,694**	**$10,823,281**	**$(11,126,374)**	**$ -**	**$ (303,093)**
Balance July 31, 2016	**$ 9,603,437**	**$ 671,844**	**$ 11,306**	**$ 37,000**	**$ 499,694**	**$10,823,281**	**$(10,952,726)**	**$ -**	**$ (129,445)**
Cancelation of options	-	-	(11,306)	-	11,306	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(411,080)	-	(411,080)
Balance, January 31, 2017	**$ 9,603,437**	**$ 671,844**	**$ -**	**$ 37,000**	**$ 511,000**	**$10,823,281**	**$(11,363,806)**	**$ -**	**$ (540,525)**

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

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. Prior to January 29, 2016, the Company also invested in four other companies operating in the Canadian resource sector as well as a United States based company providing management services to Canadian based mineral exploration companies. On January 29, 2016, the Company distributed to its shareholders all its interest in CNRP Mining Inc., Zara Resources Inc., Leo Resources Inc. and Hadley Mining Inc. and no longer has any interest in these companies.

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 800 – 1199 West Hastings St., Vancouver, BC, V6E 3T5, Canada.

2. Going Concern Assumption

These condensed interim 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 continues to incur 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 operating 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 January 31, 2017, the Company had yet to generate revenues from operations and had a deficit of $11,363,806 (July 31, 2016 - $10,952,726). 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

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of April 3, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended July 31, 2016, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending July 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) Basis of presentation

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

Changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after July 31, 2016. The following new standards have been adopted:

(i) 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. At August 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(ii) 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. At August 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

(Expressed in Canadian Dollars)

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.

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. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, IFRS 16, 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. Distribution of Share Dividends

On January 29, 2016 the Company declared share dividends to distribute all of the Company's share interest in Zara Resources Inc. ("Zara"), Leo Resources Inc. ("Leo"), Hadley Mining Inc. ("Hadley"), and CNRP Mining Inc. ("CNRP"). Other than CNRP (note 6), all three investees were associates in which the investments were accounted for using the equity method of accounting, See note 9. Subsequent to the distribution of share dividends, the Company holds no further interest in these companies.

	Zara	Leo	Hadley
Share interest held (%)	17.94	16.76	40.68
Number of shares	895,902	879,402	10,169,022
Initial investment	$ 143,400	$ 115,541	$ 176,800
Cumulative equity loss on investments	$ (651,500)	$ (108,864)	$ (368,686)
Carrying value of investment in associates	$ -	$ 6,677	$ -
Share price on dividend date	$ 0.10	$ 0.005	$ 0.01
Dividend distribution value	$ 89,590	$ 4,397	$ 101,690
Gain (loss) on dilution of ownership in associates	$ 89,590	$ (2,280)	$ 101,690

(Expressed in Canadian Dollars)

6. Dilution of CNRP

On January 29, 2016, the Company declared share dividend to distribute all of its share interest in CNRP to the Company's shareholders. After the distribution, the Company holds no further interest in CNRP. As a result of the distribution, all assets and liabilities of CNRP were de-consolidated and the net liabilities is reallocated to the statement of loss. The fair value of the dividend distribution of $59,675 for 3,978,339 shares of CNRP held by the Company is based on the market price of CNRP's shares at the date the dividend was declared.

The following summarizes the impact to the profit and loss of the Company as a result of the transaction.

		Amount
Gain on dilution of CNRP		
Dividend - CNRP shares	$	59,675
Non-controlling interest in CNRP		(1,317,401)
Net liabilities of CNRP		816,686
(Loss) on dilution of CNRP	**$**	**(441,040)**

The amount of $161,063 due from Winston to CNRP which was previously eliminated upon consolidation has been forgiven on de-consolidation.

A total of 671,844 preferred shares with a value of $671,844 issued to CNRP which was previously eliminated upon consolidation is now included in the share capital of Winston on de-consolidation.

Non-controlling interests

As at October 31, 2015, the Company had 84.9% interest in CNRP, accordingly it was consolidated into the financial statements for the period ended October 31, 2015 with non-controlling interest.

CNRP Mining Inc.		
Balance, July 31, 2014	**$**	**(365,967)**
Share of net loss		(948,310)
Balance, July 31, 2015	**$**	**(1,314,277)**
Share of net loss		(1,182)
Balance, October 31 2015	**$**	**(1,315,459)**

7. 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.

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 and government HST recoverable, which is due from the Canadian government. 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 January 31, 2017 the Company had, at its disposal, $403 in cash. The Company will require additional working capital to fund its operations. 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.

(Expressed in Canadian Dollars)

7. Financial Risk Management (continued)

Financial risks (continued)

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.

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 as fair value through profit or loss. The government HST recoverable is categorized as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities and due to related parties 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 January 31, 2017		**As at July 31, 2016**
Financial Assets				
Fair value through profit or loss				
Cash	**$**	**403**	$	84
Loans and receivables				
Government HST recoverable	**$**	**422**	$	5,166
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**$**	**400,350**	$	49,291
Due to related parties	**$**	**-**	$	94,404
Loans payable	**$**	**150,000**	$	-

8. 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 January 31, 2017, the Company's capital resources amounted to a deficiency of $540,525 (July 31, 2016 - $129,445).

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.

(Expressed in Canadian Dollars)

8. Capital Management (continued)

The Company's capital management objectives, policies and processes have remained unchanged during the three and six months ended January 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution.

9. Investments in Associates

As at October 31, 2015, investments in Zara, Leo and Hadley were accounted for using the equity method of accounting.

	As at October 31, 2016	As at October 31, 2015
Leo	**- %**	-%
Common shares	**$** -	$ 116,700
Disposition of shares	-	(1,159)
Equity loss carried forward	-	(105,851)
Share of equity loss recognized	-	(1,182)
	$ -	$ 8,508

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

	Zara	Hadley	Leo
Current assets	$ 14,064	$ 3,373	$ 60,378
Non-current assets	$ 34,622	$ 9,000	$ 44,795
Current liabilities	$ 109,272	$ 121,813	$ 62,004
Loss and comprehensive Loss	$ (8,804)	$ (7,099)	$ (7,053)

At July 31, 2016, the Company's accumulated share of Zara's equity loss was $651,500 and its accumulated share of Hadley's equity loss was $368,686. 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 up to the dividend distribution date January 29, 2016, since Winston has no obligation for such amounts.

(Expressed in Canadian Dollars)

10. Exploration and Evaluation Assets

		Pigeon River (Ontario property) (25% interest)
Balance, July 31, 2015	**$**	**-**
Acquisition		9,000
Balance, January 31, 2016	**$**	**9,000**
Balance, July 31, 2016 and January 31, 2017	**$**	**9,000**

Pigeon River

On January 19, 2016, the Company purchased a 25% interest in the Pigeon River mining claim from Zara for the sum of $9,000. The Pigeon River mining claim is located in the Pigeon River area of Northwest Ontario.

11. Accounts Payable and Accrued Liabilities

		As at January 31, 2017		As at July 31, 2016
Accounts payable	**$**	**391,525**	$	40,298
Accrued liabilities		**8,825**		8,993
	$	**400,350**	$	49,291

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 subsidiary as follows - Winston - $nil (July 31, 2016 - $45,798) and CNRP Dallas Inc. - $nil (July 31, 2016 - $3,493).

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

		As at January 31, 2017		As at July 31, 2016
Less than 30 days	**$**	**359,825**	$	9,445
From 30 days to 90 days		**305**		3,055
Greater than 90 days		**40,220**		36,791
	$	**400,350**	$	49,291

12. Related Party Transactions and Disclosures

The due to related parties and companies in amount of $nil (July 31, 2016 - $94,404) 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 $nil (July 31, 2016 - $50,399), a payable to GreenBank of $nil (July 31, 2016 - $578), a payable to Sammiri Capital Inc. ("Sammiri"), a private company owned by Daniel Wettreich of $nil (July 31, 2016 - $43,427). The amounts are interest free, payable on demand and have no set repayment terms.

(Expressed in Canadian Dollars)

12. Related Party Transactions and Disclosures (continued)

During the three and six months ended January 31, 2017, the Company incurred transfer agent fees of $21,221 and $21,931, respectively (three and six months ended January 31, 2016 - $nil and $1,404, respectively) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. The amount is comprised of $21,931 (three and six months ended January 31, 2016 - $nil and $702) incurred by the Company and $nil (three and six months ended January 31, 2016 - $nil and $702) incurred by CNRP.

As at January 31, 2017, the amount owed to Reliable is $20,692 (July 31, 2016 - $19,585) and has been included in the accounts payable and accrued liabilities.

13. Loans Payable

As at January 31, 2017, the Company had a loan payable due to a third party of $150,000. The loan is due on demand and will be used to repay the outstanding payables and indebtedness of the Company.

14. Share Capital and Reserves

Share capital

On January 31, 2017, the Company consolidated its issued and outstanding share capital on the basis of one postconsolidation share for each three preconsolidation common shares. The shares will begin trading on a consolidated basis and with a new Cusip number on February 1, 2017.

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. A total of 671,844 preferred shares with a value of $671,844 are issued and outstanding as of January 31, 2017.

	Number of shares	Amount
Balance July 31, 2015 and January 31, 2016	**3,287,445**	**$ 9,603,437**
Balance July 31, 2016 and January 31, 2017	**3,287,445**	**$ 9,603,437**

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 $0.15 per share and one warrant exercisable at $0.15 per share and expiring October 9, 2017. The debt conversion resulted in the issuance of 1,159,447 common shares and 1,159,447 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 settlement 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)

14. Share Capital and Reserves (continued)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three and six months ended January 31, 2017 was based on the loss attributable to common shareholders of $404,394 and $411,080, respectively (three and six months ended January 31, 2016 - income of $359,707 and $339,846) and the weighted average number of common shares outstanding of 3,287,445 (three and six months ended January 31, 2016 - 3,287,445). Diluted loss per share did not include the effect of nil options (2016 - 210,000 options) and 1,159,447 warrants (2016 - 1,159,447) as they are anti-dilutive.

Warrants

The issued and outstanding warrants balance at January 31, 2017 is comprised as follows:

	Number of warrants
Balance, July 31, 2015 and January 31, 2016	**1,159,447**
Balance, July 31, 2016 and January 31, 2017	**1,159,447**

Issue date	Expiry date	Exercise price	Number of warrants	Fair value
October 9, 2014	October 9, 2017	$0.15	**1,159,447**	$ 37,000

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, 2015	**15,831**	**676,667**	**0.15**
Dilution of CNRP	(4,525)	(466,667)	0.15
Balance, January 31, 2016	**11,306**	**210,000**	**0.15**
Balance, July 31, 2016	**11,306**	**210,000**	**0.15**
Expired/forfeited	(11,306)	(210,000)	0.15
Balance, January 31, 2017	**-**	**-**	**-**

There are no stock options granted and outstanding as at January 31, 2017.

(Expressed in Canadian Dollars)

14. Share Capital and Reserves (continued)

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, 2015	**$**	**1,125,994**
Dilution of CNRP		(626,300)
Balance, January 31, 2016	**$**	**499,694**

Balance, July 31, 2016	**$**	**499,694**
Expired/forfeited		11,306
Balance, January 31, 2017	**$**	**511,000**

15. 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 January 31, 2017, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

16. Subsequent Events

(i) Private Placement

On February 2, 2017, the Company closed the non-brokered private placement previously announced on January 30, 2017. The private placement was on a postconsolidated basis for 10 million units at a price of six cents per unit to raise total proceeds of $600,000. Each postconsolidated unit will comprise one common share of the issuer and one common share purchase warrant of the issuer. Each warrant will be exercisable into a common share of the company at an exercise price of six cents with a two-year expiry from issuance date.

(ii) Letter of Intent

On February 27, 2017, the Company signed a letter of intent with GT Therapeutics Corp., doing business as Green Tree Therapeutics, an arm's-length private British Columbia company, pursuant to which the company will complete a reverse takeover and acquire from the shareholders of the target, 100 per cent of the shares of Green Tree Therapeutics, causing Green Tree Therapeutics to become a wholly owned subsidiary of Winston. On completion of the transaction, the business of the target will become the business of Winston and the company will abandon the Pigeon River property.

On March 22, 2017, the Company closed and oversubscribed its previously announced non-brokered private placement on Feb. 27, 2017, and March 20, 2017. The private placement consisted of 11.6 million units at a price of 25 cents per unit for gross proceeds of $2.9-million. Each unit will comprise one common share of the issuer and one common share purchase warrant of the issuer. Each warrant will be exercisable into a common share of the Company at an exercise price of 50 cents with a two-year expiry.