Winston Gold Mining Corp.

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

(unaudited)

For the Three Months Ended March 31, 2017 and 2016

Notice to Reader

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 condensed interim consolidated 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 unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

Winston Gold Mining Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(unaudited)

	Note	March 31, 2017 $	December 31, 2016 $
ASSETS			
Current assets			
Cash		23,691	1,344,052
Receivables		955	963
Prepaid expenses and deposits	6	131,092	220,886
Total current assets		155,738	1,565,901
Non-current assets			
Equipment	7	258,118	290,367
Reclamation bonds	9	57,521	57,965
Total non-current assets		315,639	348,332
Total assets		471,377	1,914,233
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14, 15	144,455	258,261
Shareholder loans	20	96,068	-
Due to directors, current	8, 15	11,361	11,455
Total current liabilities		251,884	269,716
Non-current liabilities			
Restoration liabilities	9	57,521	57,965
Total non-current liabilities		57,521	57,965
Total liabilities		309,405	327,681
SHAREHOLDERS' EQUITY			
Share capital	10	19,186,831	19,186,831
Stock options and share purchase warrants	11	632,059	632,059
Contributed surplus	12	442,608	412,983
Accumulated other comprehensive income (loss)		(184,260)	(57,840)
Accumulated deficit		(19,915,266)	(18,587,481)
Total shareholders' equity (deficiency)		161,972	1,586,552
Total shareholders' equity and liabilities		471,377	1,914,233

Nature of operations and going concern	1
Commitments	18

Approved by the Board of Directors on May 29, 2017

"Max Polinsky"
Director

"Murray Nye"
Director

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

Winston Gold Mining Corp.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

(unaudited)

	Note	Three months ended March 31,	
		2017	**2016**
Depreciation expense		$ 50,739	$ -
Exploration and evaluation expenses	7, 9, 13, 19	358,080	22,729
Office and administrative costs		135,547	26,060
Professional and consulting fees		202,597	40,538
Share-based payments	11, 15	29,625	-
Travel		465	1,414
Wages and salaries		550,721	-
Loss (gain) on foreign exchange		11	(7,158)
Net loss for the period		$ (1,327,785)	$ (83,583)
Foreign exchange on translation of subsidiaries		$ (126,420)	$ -
Net loss and comprehensive loss for the period		$ (1,454,205)	$ (83,583)
Weighted average number of common shares outstanding		79,536,021	21,310,589
Basic and diluted loss per share		$ (0.02)	$ (0.004)

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

Winston Gold Mining Corp.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
As at March 31, 2017
(Expressed in Canadian Dollars)
(unaudited)

	Number of Shares *(Note 10)*	Share Capital *(Note 10)*	Contributed Surplus *(Note 12)*	Share Purchase Warrants *(Note 11)*	AOCI	Deficit	Total
Balance, January 1, 2016	**20,747,100**	**759,802**	-	-	-	**(1,099,298)**	**(339,496)**
Shares issued for cash	5,697,500	569,750	-	-	-	-	569,750
Warrants issued for broker compensation	-	(53,872)	-	53,872	-	-	-
Share issue costs	-	(176,535)	-	-	-	-	(176,535)
Net loss and comprehensive loss for the period	-	-	-	-	-	(83,583)	(83,583)
Balance, March 31, 2016	**26,444,600**	**1,099,145**	**-**	**53,872**	**-**	**(1,182,881)**	**(29,864)**
Balance December 31, 2016	**79,536,021**	**19,186,831**	**412,983**	**632,059**	**(57,840)**	**(18,587,481)**	**1,586,552**
Share-based payments (Note 11)	-	-	29,625	-	-	-	29,625
Other comprehensive loss for the year	-	-	-	-	(126,420)	-	(126,420)
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,327,785)	(1,327,785)
Balance, March 31, 2017	**79,536,021**	**19,186,831**	**442,608**	**632,059**	**(184,260)**	**(19,915,266)**	**161,972**

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

Winston Gold Mining Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
	$	**$**
Operating activities		
Net loss for the year	(1,327,785)	(83,583)
Adjustments for:		
Depreciation	50,739	-
Foreign exchange	(126,420)	-
Share-based payments	29,625	-
	(1,373,841)	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(113,806)	(5,048)
Prepaid expenses and deposits	89,794	(4,603)
Receivables	8	-
	(24,004)	(9,651)
Net cash used in operating activities	**(1,397,845)**	**(93,234)**
Investing activities		
Interest received		
Purchase of equipment	(18,940)	-
Net cash used in investing activities	**(18,940)**	**-**
Financing activities		
Issuance of share capital	-	524,984
Deferred share issuance costs	-	44,766
Share issuance costs	-	(131,769)
Issuance of shareholder loans	96,068	-
Repayment of director loans	(98)	-
Net cash from financing activities	**95,974**	**437,981**
Net change in cash	(1,320,361)	(344,747)
Effect of exchange rate changes on cash	-	-
Cash, beginning of the year	1,344,052	1,909
Cash, end of the year	**23,691**	**346,656**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Winston Gold Mining Corp. (the "Company") was incorporated in the Province of Manitoba on January 31, 2013 under the name of 6649930 Manitoba Ltd. On September 19, 2014, the Company changed its name to Winston Gold Mining Corp. On September 25, 2014, Winston Gold Mining USA Corp. was incorporated in the State of Montana, USA. Winston Gold Mining USA Corp. is a wholly- owned subsidiary of the Company. On March 23, 2016, the common shares of the Company were approved for listing on the Canadian Securities Exchange (the "CSE") under the symbol WGC. The shares are deemed to be listed on March 22, 2016 and trading commenced on March 29, 2016. On October 4, 2016, the Company acquired 100% of the outstanding shares of Goldridge Holdings Limited ("Goldridge") and its subsidiary, Goldridge Holdings (USA) Limited ("Goldridge USA"). Both Goldridge and Goldridge USA are wholly-owned subsidiaries. Goldridge is incorporated in the Province of British Columbia, Canada, and Goldridge USA is incorporated in the State of Nevada, USA. On October 18, 2016, the Company was approved for listing on the OTCQB Marketplace under the symbol WGMCF. The Company is in the process of exploring mining claims which are under lease and has not yet determined whether or not the leased properties will contain economically recoverable reserves.

The principal address of the Company is 919 Notre Dame Avenue, Suite 201, Winnipeg, Manitoba R3E 0M8.

The consolidated financial statements of the Company were approved by the Board of Directors on May 29, 2017.

Going Concern

While these financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business, there are material uncertainties related to adverse conditions and events that cast significant doubt on the Company's ability to continue as a going concern. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations.

The Company is in the exploration stage and has not generated revenue from operations. During the three month period ended March 31, 2017, the Company incurred a net loss of $1,327,785 (March 31, 2016 - $83,583), and as of that date, the Company had a deficit of $19,915,266 (December 31, 2016 - $18,587,481), working capital deficiency of $96,146 (December 31, 2016 – $1,296,185) and negative cash flow from operations of $1,397,845 (March 31, 2016 - $93,234).

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production and on being able to make payments required under the mining lease agreements. The Company continues to evaluate various options in order to address its financing needs. There can be no assurance that the Company's financing activities will be successful or sufficient.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the going concern assumption not be appropriate. Such adjustments could be material.

2. BASIS OF PREPARATION Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee.

A summary of the Company's significant accounting policies under IFRS are presented below. These policies have been consistently applied to all years presented.

Basis of Measurement

These consolidated financial statements are presented in Canadian dollars which is also the Company's and Goldridge's functional currency. Winston USA's functional currency is the US dollar.

The consolidated financial statements are prepared on the historical cost basis except for financial instruments classified at fair value through profit and loss ("FVTPL") which are stated at their fair value.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries listed below. Under the guidance of IFRS 10 *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from its involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at March 31, 2017, the subsidiaries of the Company are as follows:

Company Name	Country of Incorporation	% of Interest
Winston Gold Mining (USA) Corp.	Montana, USA	100%
Goldridge Holdings Limited	British Columbia, Canada	100%
Goldridge Holdings (USA) Limited	Nevada, USA	100%

3. SIGNIFICANT ACCOUNTING POLICIES

Deferred Share Issuance Costs

Deferred share issuance costs relate directly to the issuance of shares by the Company, as disclosed in Note 10. Upon successful completion of the initial public offering on March 23, 2016, the costs were charged against capital stock.

Significant Accounting Judgments and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

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:

i) 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.

ii) Going Concern

The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive 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.

Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information regarding significant areas of estimation and uncertainty made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

i) Share-based payments

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

ii) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

iii) Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and Goldridge is the Canadian dollar. Management also determined that the functional currency of Winston USA is the US dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

Restoration Liabilities

The Company recognizes a provision for restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred. Initially, the restoration liability is recognized at the present value of management's best estimate of expenditures required to settle the obligation. The carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates use a pre-tax rate that reflects the time value of money to calculate the net present value. The Company's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Income/Loss per Share

The Company presents basic and diluted income/loss per share data for its common shares, calculated by dividing the income/loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Equipment

Equipment is recorded at historical cost less accumulated amortization and impairment charges. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Expenditures incurred to replace a component of an item of equipment that is accounted for separately are capitalized. Amortization of equipment is recorded using the straight-line method, with management reviewing the useful lives of property and equipment at each statement of financial position reporting date to verify the asset is being amortized over a period equivalent to the useful life of the asset.

Equipment is recorded at cost and amortized as follows:

Exploration equipment	Straight line over 7 years
Vehicles	Straight line over 5 years
Computer equipment	Straight line over 4 years

The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Impairment

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU's") for impairment purposes. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit and loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Warrants Issued in Equity Financing Transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement.

For private placements of units consisting of common shares and warrants, the Company uses the relative fair value approach in determining the value assigned to the common shares and warrants, calculated in accordance with the Black Scholes option-pricing model.

The relative fair value of the warrant component of a unit is credited to share purchase warrants and the relative fair value of the common shares that were concurrently issued is credited to share capital. Warrants that are issued as payment for broker or agency fees are assigned a fair value based on the Black-Scholes option pricing mode, accounted for as share issue costs and credited to share purchase warrants.

When broker warrants expire, the fair value is debited to share purchase warrants and credited to contributed surplus. When warrants issued as a component of a unit expire, the relative fair value is debited to share purchase warrants and credited to share capital.

Provisions

A provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company has recorded no provisions at March 31, 2017 and December 31, 2016 other than restoration liabilities.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition date fair value of exploration and evaluation assets acquired in a business combination or an asset acquisition. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Share-based Payments

Pursuant to the Stock Option Plan effective September 29, 2015, the Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees, the fair value of the stock options is measured at the fair value of the goods or services received. If some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the equity instrument granted.

Segmental Reporting

The Company presents and discloses segmental information based on information that is regularly reviewed and evaluated by the chief financial officer. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

Asset Acquisition / Business Combination

In accordance with IFRS 3 - *Business Combinations*, a transaction is recorded as a business combination if the significant assets, liabilities, or activities are acquired constitute a business. A business is defined as an integrated set of activities and assets, capable of being conducted and managed for the purpose of providing a return, lower costs, or other economic benefits. Where there are no such integrated activities, the transaction is treated as an asset acquisition. The acquisition of Goldridge as further described in Note 19 was recorded as an asset acquisition whereby the consideration paid for the net assets acquired was allocated to the fair value of the identifiable assets acquired and liabilities assumed.

Deferred Taxes

Pursuant to the liability method, deferred taxes are recorded for temporary differences existing at closing date between the tax base value of assets and liabilities and their carrying amount on the balance sheet.

- Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted at year-end. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

- Deferred tax assets are recognized for all deductible temporary differences, carry forward of tax losses and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists, to make use of those deductible temporary differences, tax loss carry forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and which, at the transaction date, does not impact earnings, tax income or loss.

- Current tax and deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.

Financial Instruments

Financial assets:

All financial assets are recognized when it becomes a party to the contractual provisions of the instrument, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets at FVTPL, 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets classified as FVTPL are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income.

Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

Financial liabilities:

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments are classified as follows:

Financial assets:		Classification:
Cash	-	FVTPL
Reclamation bond	-	Loans and receivables

Financial liabilities:		Classification:
Accounts payable and accrued liabilities	-	Other financial liabilities
Due to directors	-	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

With the exception of Available-For-Sale ("AFS") financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS financial assets, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements 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 financial instrument measured at fair value on the statement of financial position consists of cash, which is measured at level 1 of the fair value hierarchy.

Foreign Currency Translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At the year-end date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the year-end date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined. These foreign currency adjustments are recognized in profit and loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at the average exchange rates for the reporting period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognized in profit or loss.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. 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.

4. CHANGE IN ACCOUNTING POLICY

During the year ended December 31, 2016, the Company retroactively changed its accounting policy for acquisition, exploration and evaluation expenditures. Under the previous accounting policy, the Company capitalized all costs relating to the acquisition of its interest in mineral properties excluding mining lease agreements.

Under the new policy, exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability will be charged to operations as incurred.

For all accounting periods up to and including the period ended March 31, 2017, all exploration activities were related to properties under lease and no amounts were capitalized as acquisition, exploration and evaluation assets, except for the Goldridge acquisition for which the acquisition cost was expensed in accordance with the policy; therefore, the consolidated statements of financial position do not require restatement as required by IAS8-Accounting Policies, Changes in Accounting Estimates and Errors.

Management considers this accounting policy change will provide more reliable and relevant information and more clearly represent the Company’s activities.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

The accounting pronouncements detailed in this note have been issued but are not yet effective. The Company is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

(Expressed in Canadian Dollars)

a) *IFRS 9, Financial Instruments* ("IFRS 9") was issued in November 2009 as the first step in its project to replace *IAS 39 'Financial Instruments: Recognition and Measurement'*. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2018, with early adoption permitted.

b) *IFRS 16, Leases* ("IFRS 16") was issued in January 2016 to replace *IAS 17, Leases* and eliminates the classification of leases as either operating or finance leases by the lessee. Classification of leases by the lessor under IFRS 16 continues as either an operating or a finance lease, as was the treatment under IAS 17. The treatment of leases by the lessee will require capitalization of all leases resulting in accounting treatment similar to finance leases under IAS 17. Exemptions for leases of very low value or short-term leases will be applicable. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

c) IAS 7 *Statement of Cash Flows*
The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendments are effective for annual periods beginning on or after January 1, 2017.

6. PREPAID EXPENSES AND DEPOSITS

		March 31, 2017		December 31, 2016
Prepaid Expenses	**$**	**48,017**	$	153,629
Deposits	**$**	**83,075**	$	67,257
Total prepaid expenses and deposits	**$**	**131,092**	$	220,886

(Expressed in Canadian Dollars)

7. EQUIPMENT

Cost	Exploration Equipment ($)	Vehicles ($)	Computer Equipment ($)	Total ($)
At December 31, 2016	328,935	8,459	1,368	338,762
Additions	19,965	1,331	-	21,296
At March 31, 2017	348,900	9,790	1,368	360,058
Accumulated Amortization				
At December 31, 2016	(46,364)	(1,192)	(193)	(47,749)
Amortization for the period	(49,166)	(1,380)	(193)	(50,739)
At March 31, 2017	(95,530)	(2,573)	(386)	(98,488)
Foreign Exchange	(3,452)	-	-	(3,452)
Net book value at March 31, 2017	249,918	7,217	982	258,118
December 31, 2016	281,925	7,267	1,175	290,367

During the three month period ended March 31, 2017, the Company purchased exploration equipment totaling $19,965 and vehicles totaling $1,331. Depreciation expenses of $50,739 were recorded during the three month period ended March 31, 2017.

During the year ended December 31, 2016, the Company purchased exploration equipment totaling $328,935, vehicles totaling $8,459, and computer equipment totaling $1,368. Depreciation expenses of $47,750 were recorded during the year ended December 31, 2016.

8. DUE TO DIRECTORS

Amounts due to directors are non-interest bearing and unsecured. These loans were reclassified as current liabilities as at April 1, 2016.

During the three month period ended March 31, 2017, the Company repaid $98 in director loans. No additional funds were received.

During the year ended December 31, 2016, the Company repaid $66,382 in director loans. No additional funds were received.

9. RESTORATION LIABILITIES AND RECLAMATION BONDS

As at March 31, 2017, management estimated site restoration costs relating to evaluation work completed on the exploration of the Winston property to be $57,521 ($43,170 USD) (December 31, 2016 - $57,965 ($43,170 USD)) which has been accrued. These costs are estimated by management and approved by the Montana Department of Environmental Quality ("DEQ"). The Company is required to issue reclamation bonds to the DEQ to cover these estimated restoration costs.

(Expressed in Canadian Dollars)

The reclamation bonds issued relating to this exploration amount to $57,521 ($43,170 USD) (December 31, 2015 - $57,965 ($43,170USD)). The reclamation bonds will be returned to the Company upon the DEQ being satisfied with the site restoration work performed.

10. SHARE CAPITAL

Authorized

Unlimited Class A Common shares, voting
Unlimited Class B Common shares, non-voting
Unlimited Class A Preference shares, voting, redeemable
Unlimited Class B Preference shares, non-voting, redeemable
Unlimited Class C Preference shares, non-voting, redeemable

Issued and outstanding – Class A Common shares

	Number of Shares		Value
Balance, December 31, 2015	**20,747,100**	**$**	**759,802**
Shares issued for cash [a, c, e, h]	29,666,185		5,607,240
Shares issued for warrant exercise [d]	18,720		3,642
Shares issued for mining lease agreement [b]	1,500,000		150,000
Broker shares issued [e]	104,016		15,602
Shares issued for option exercises[f]	250,000		86,871
Shares issued for subsidiary acquisition[g]	27,250,000		13,625,000
Share issue costs [i]	-		(1,013,684)
Allocated to warrants	-		(47,643)
Balance, December 31, 2016	**79,536,021**	$	**19,186,831**
Balance, March 31, 2017	**79,536,021**	$	**19,186,831**

<u>December 31, 2016:</u>

a) On March 23, 2016 the Company completed its initial public offering ("IPO") of Class A Common shares. The Company issued 5,697,500 Class A common shares at a price of $0.10 for each common share for gross proceeds of $569,750. The Company paid a 10% cash commission to the agent in the amount of $56,975. The Company issued 569,750 compensation warrants at a price of $0.10 per warrant for a period of 5 years from closing of the IPO (Note 11).

b) On May 30, 2016, the Company issued 1,500,000 Class A common shares at a value of $0.10 for each common share to extend a mining lease agreement with an option to purchase for a total value of $150,000 (Note 13).

c) On May 4, 2016, the Company received $10,000 and on May 25, 2016, the Company received $50,000 for shares to be issued at a value of $0.10 each. These 600,000 shares were issued on August 3, 2016 along with 400,000 further shares at a value of $0.10 each. The Company also issued 1,000,000 warrants on August 3, 2016 to which a relative fair value of $47,643 has been assigned. Each warrant entitles the holder to purchase one additional share in the Company at an exercise price of $0.20, exercisable on or before August 3, 2018. The Company also issued 40,000 finder's warrants on August 3, 2016 to which a relative fair value of $7,280 has been assigned. Each warrant entitles the holder to purchase one additional share in the Company at an exercise price of $0.20, exercisable on or before August 3, 2018.

d) On September 13, 2016, 10,800 warrants were exercised into Class A common shares at an exercise price of $0.10 for gross proceeds of $1,080. The fair value of these warrants exercised was $1,021 (Note 11). On November 15, 2016, another 7,920 warrants were exercised into Class A common shares at an exercise price of $0.10 per share for gross proceed of $792. The fair value of these warrants exercised was $749.

e) On September 23, 2016, the Company issued 16,999,932 Class A common shares at $0.15 per share for gross proceeds of $2,549,990. The Company paid 8% of the aggregate proceeds from the sale of shares to purchasers introduced by finders in the amount of $90,974 and issued 104,016 Class A common finder shares at a deemed price of $0.15 per share in lieu of $15,602 commission. The Company also issued 873,853 broker warrants with a fair value of $53,872, being 10% of the number of shares to purchasers introduced by the finders. Each warrant entitles the holder to purchase one additional share in the Company at an exercise price of $0.15, exercisable on or before September 23, 2018.

f) On November 2, 2016, 200,000 options were exercised into Class A common shares at an exercise price of $0.20 for gross proceeds of $40,000. The initial fair value of these options exercised was $29,497. On November 2, 2016, 50,000 options were exercised into Class A common shares at an exercise price of $0.20 for gross proceeds of $10,000. The initial fair value of these options exercised was $7,374.

g) On October 4, 2016, the Company completed the acquisition of Goldridge Holdings Limited ("Goldridge"), a private company incorporated in the Province of British Columbia. Goldridge has become a wholly-owned subsidiary of the Company. In connection with the closing of the transaction, the Company issued 27,250,000 Class A common shares in the capital of the Company, on a pro rata basis, to the Goldridge shareholders with a fair value of $0.50 per share based on the closing price of the Company's common shares on the CSE on October 4, 2016, and made cash payments of $229,425 ($175,000USD).

h) On November 18, 2016, the Company issued 5,968,750 Class A common shares at $0.40 per share for gross proceeds of $2,387,500. The Company paid 8% of the aggregate proceeds from the sale of shares to purchasers introduced by finders in the amount of $80,480 and issued 201,200 finders warrants, being 8% of the number of shares to purchasers introduced by the finders. Each warrant entitles the holder to purchase one additional share in the Company at an exercise price of $0.40, exercisable on or before November 18, 2018.

i) Share issue costs associated with the above financings total $1,013,684 consisting of broker compensation shares, broker and finders compensation warrants and broker and legal fees.

<u>March 31, 2017</u>

There was no share capital activity during the three month period ended March 31, 2017.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS AND SHARE PURCHASE WARRANTS

The Company has a 10% "rolling" stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock (on a non-diluted basis) of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of five years and vest as determined by the Board of Directors.

The following is a continuity of stock option activity for the three month period ended March 31, 2017.

	Number of Options	Weighted Average Exercise Price	Weighted Average Life
Outstanding at December 31, 2016	3,150,000	$0.27	4.49
Granted	100,000	-	-
Exercised	-	-	-
Outstanding at March 31, 2017	3,250,000	$0.27	4.49
Exercisable at March 31, 2017	3,075,000	$0.23	4.49

On March 1, 2017, the Company granted 100,000 stock options to an employee. These options vested at a rate of 25% quarterly beginning on the grant date. Each option entitles the holder to purchase once Class A common share of the Company at a price of $0.20 per share at any time on or before March 1, 2022.

On August 24, 2016, the Company granted 2,300,000 stock options to officers and directors (1,600,000) and consultants (700,000). These options vested immediately. Each option entitles the holder to purchase one Class A common share of the Company at a price of $0.20 per share at any time on or before August 24, 2021. On December 15, 2016, the Company granted 1,100,000 stock options to consultants (900,000) and a director (200,000) of the Company. The 200,000 options vested immediately, and the remaining 900,000 options vest at a rate of 25% quarterly beginning on the grant date. Each option entitles the holder to purchase one Class A common share of the Company at a price of $0.40 per share at any time on or before December 15, 2021.

The following weighted average assumptions were used for the Black-Scholes valuation of the options granted during the period.

	March 1, 2017	August 24, 2016	December 15, 2016
Share price	$0.14	$0.15	$0.27
Risk-free interest rate	1.11%	0.59%	1.11%
Expected life of options	5 years	5 years	5 years
Expected volatility	218%	218%	218%
Dividend rate	0.0%	0.0%	0.0%
Exercise price	$0.20	$0.20	$0.40
Fair value per option	$0.1376	$0.1475	$0.2603

(Expressed in Canadian Dollars)

The following is a continuity of share purchase warrant activity for the three month period ended March 31, 2017:

Expiry Date	Exercise Price	Granted	Exercised	December 31, 2016
March 23, 2021	$0.10	569,750	(18,720)	551,030
August 3, 2018	$0.20	1,000,000	-	1,000,000
August 3, 2018	$0.20	40,000	-	40,000
September 23, 2018	$0.15	873,853	-	873,853
November 18, 2018	$0.40	201,200	-	201,200
Total		2,684,803	(18,720)	2,666,083
Weighted average exercise price			$0.18	$0.10

On September 13, 2016, 10,800 warrants were exercised at a price of $0.10 per warrant for proceeds of $1,080 with a fair value of $0.9455 per warrant for a deemed value of $1,021 (Note 10). The closing share price on the date of exercise was $0.465. On November 15, 2016, another 7,920 warrants were exercised at a price of $0.10 per warrant for proceeds of $792 with a fair value of $0.9455 per warrant for a deemed value of $749. The closing share price on the date of exercise was $0.45.

During the three month period ended March 31, 2017, the Company did not have any warrant transactions.

During the year ended December 31, 2016, the Company:

- Granted 569,750 Class A common share purchase warrants in connection with the Company's Initial Public Offering (Note 10(a)).
- Granted 1,000,000 Class A common share purchase warrants in connection with a private placement (Note 10(c)).
- Granted 40,000 Class A common share purchase finders warrants in connection with the Company's financing (Note 10(c)).
- Granted 201,200 Class A common share purchase finders warrants in connection with the Company's financing (Note 10(h)).
- Granted 873,853 Class A common share purchase finders warrants in connection with the Company's financing (Note 10(e)).

(Expressed in Canadian Dollars)

The Company had the following warrants outstanding as at March 31, 2017:

Number of Warrants		Exercise Price	Expiry Date	Fair Value
551,030	(i)	$0.10	March 23, 2021	$52,102
1,000,000		$0.20	August 3, 2018	$47,643
40,000	(ii)	$0.20	August 3, 2018	$7,280
873,853	(ii)	$0.15	September 23, 2018	$450,703
201,200	(ii)	$0.40	November 18, 2018	$74,331
2,666,083				$632,059

(i) These are broker warrants in connection with the Company's financings
(ii) These are finders warrants in connection with the Company's financings

The following weighted average assumptions were used for the Black-Scholes valuation of the warrants granted during the period:

	March 23, 2016	August 3, 2016	September 23, 2016	November 18, 2016
Share Price	$0.10	$0.20	$0.54	$0.40
Risk-free interest rate	0.64%	0.55%	0.52%	0.52%
Expected life of warrants	5 years	2 years	2 years	2 years
Expected volatility	294%	239%	240%	232%
Dividend rate	0.0%	0.0%	0.0%	0.0%
Fair value per warrant	$0.0946	$0.1820	$0.5158	$0.3694

12. CONTRIBUTED SURPLUS

Contributed surplus consists of the fair value of stock options granted less the fair value of options exercised. The following summarizes the changes in contributed surplus.

	March 31, 2017	December 31, 2016
Balance, beginning of year	**$412,983**	**$-**
Share-based payments	29,625	449,854
Stock options exercised	-	(36,871)
Balance, end of period	**$442,608**	**$412,983**

(Expressed in Canadian Dollars)

13. EXPLORATION AND EVALUATION EXPENSES

Properties	**March 31, 2017**	**December 31, 2016**	**March 31, 2016**
Holmes Property [(a)]	$3,971	$12,000	$5,195
Winston Property [(b)]	341,970	889,149	17,534
Golden Jubilee[(c)]	-	18,872	-
Goldridge Property[(d)]	12,139	13,939,229	-
	$358,080	$14,859,250	$22,729

(a) Holmes Property:

On May 14, 2014, the Company entered into a five-year Mining Lease Agreement ("H Lease") with Marcus P. Holmes ("Holmes"), an arm's length party, whereby Holmes leased five (5) unpatented mining claims located in Broadwater County, Montana, USA to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property, the Company paid Holmes an advance royalty payment of $11,191 ($10,000USD) and issued 1,000,000 common shares valued at $100,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000USD monthly from June 2014 to May 2019 [Paid - $3,971 (3,000USD) to Marc 31, 2017]. The H Lease is renewable for additional 5 year terms at $20,000USD per renewal with an advanced royalty payment of $2,000USD monthly.

The Company will pay Holmes a production royalty of 2% of Net Smelter Returns (NSR). Advance royalty payments are credited towards the 2% NSR payable on production. The Company has the option to purchase the 2% NSR from Holmes for a payment of $2,500,000USD.

The Company has the option to terminate the H Lease at any time by providing 30 days written notice to Holmes.

(b) Winston Property:

On July 15, 2014, the Company entered into a five-year Mining Lease Agreement ("W Lease") with Winston Realty L.L.C. ("Winston", a limited liability company), an arm's length party, whereby Winston leased sixteen (16) patented lode mining claims located in Broadwater County, Montana, U.S.A. to the Company for exploration. Per the terms of the agreement, the Company will keep the minerals extracted except oil and gas. To explore the property the Company paid Winston an advance royalty payment of $10,729 ($10,000USD) and issued 2,000,000 common shares in the Company valued at $200,000.

In addition to assuming all underlying payment obligations including governmental taxes, levies and fees, the Company will pay additional advance royalty payments of $1,000USD monthly from August to October 2014 [Paid $3,300 ($3,000USD)] and $2,500USD monthly from November 2014 to July 2019 [Paid $9,929 ($7,500USD) to March 31, 2017] based on minimum quarterly expenditures on the property of $50,000USD or $200,000USD annually [Paid $341,970 ($258,325USD)].

The W Lease is renewable for additional 5 year terms at $20,000USD per renewal with an advanced royalty payment of $5,000USD monthly.

On May 18, 2016, the Company amended the W Lease. The amendment extends the W Lease for an additional 10 years until July 15, 2034 with $20,000USD due at the end of each 5 year period and the continuation of advanced royalty payments of $5,000USD monthly. For consideration of 1,500,000 common shares in the Company valued at $150,000 (Note 10), the amendment superseded the number of contiguous patented lode mining claims to thirteen (13) and the Company acquired the option to purchase the thirteen (13) Leased claims and the subsurface rights in the Leased property as well as 100 acres of the Company's choice out of 400 acres of land held by Winston for a purchase price of $2,000,000USD. Winston has the right to buy back all rights and terminate the W Lease for $1USD where there is a cessation of all mining, mineral exploration and mineral processing activities for a period of five (5) consecutive years.

The Company will pay Winston a production royalty of 3% NSR if the price of gold is $2,000USD or less and 4% NSR if the price of gold exceeds $2,000USD. Advance royalty payments are credited towards the 3% or 4% NSR payable on production.

The Company has the option to terminate the W Lease at any time by providing 30 days written notice to Winston.

(c) Golden Jubilee Property:

On October 27, 2016, the Company entered into a non-binding letter agreement with a related party, The Gunsinger Group ("Gunsinger") pursuant to which Gunsinger intended to assign to the Company all rights related to 22 unpatented mining claims located in Granite County, Montana (the "Golden Jubilee Property"), along with all equipment and assets situated on or used in connection with the exploration of such mining claims ("Assignment"). As consideration for the Assignment, the Company intended to pay $500,000 USD and issue 11,000,000 common shares in the capital of the Company to Gunsinger. Completion of the Assignment is subject to obtaining all required regulatory approvals and written consent from the registered owner of the Golden Jubilee Property.

On March 1, 2017, the Company terminated its non-binding letter agreement with Gunsinger on the Golden Jubilee Property.

(d) Goldridge Property:

On February 14, 2014, Goldridge entered into an asset purchase and sale agreement (the "Agreement") with Pan American Fertilizer Corp. ("Pan American") whereby Goldridge purchased the Goldridge property from Pan American for $100,000; $60,000 was paid immediately, and $40,000 was paid within 90 days of the execution of the Agreement.

The Goldridge property is located in north-central Cochise County in Arizona and is comprised of certain patented mining claims, 112 unpatented mining claims, and one leased group of 12 unpatented mining claims.

With respect to the 12 leased unpatented mining claims, the Company is required to make advance royalty payments of USD $8,800 annually. The life of the lease is for as long as the Company owns the rights to the Goldridge property. The lease for the 12 leased unpatented mining claims was originally entered into on June 3, 1993 with the first lessor and the lease was passed along to the Company on the acquisition of the Goldridge property on February 14, 2014. The Company will pay the lessor a production royalty of 3% of net smelter returns ("NSR"). The advance royalty payments are credited towards the 3% NSR payable on production. As the probability of production is currently remote, the advance royalty payment is currently expensed.

On August 1, 2016 (the "Effective Date"), Goldridge entered into a royalty agreement (the "Royalty Agreement") with 1051730 BC Ltd. (the "Royalty Holder"), an arm's length party to compensate the Royalty Holder for their assistance in acquiring the mining properties listed above. The Company agreed to grant a perpetual 1% net smelter return royalty (the "Royalty") on all ores, metals, minerals, mineral rights and other materials under or upon the surface or subsurface of the Goldridge property. The Company agreed to pay the Royalty Holder an annual advance royalty of USD $25,000 (the "Advance Royalty") due on each anniversary of the Effective Date. The amount of the Advance Royalty shall be adjusted every year on January 1st to reflect changes in the Consumer Price Index (the "CPI"), as computed by Statistics Canada for Vancouver, British Columbia, using as the base for the adjustment the CPI on the Effective Date. The Company has the option, at any time until the date that is five years following the commencement of commercial production, to purchase the Royalty from the Royalty Holder for a purchase price of USD $1,000,000 (the "Purchase Price"). The amount of the Purchase Price shall be adjusted every year on January 1st to reflect changes in the CPI, as computed by Statistics Canada for Vancouver, British Columbia, using as the base for the adjustment the CPI on the Effective Date. Any amount payable under the Royalty Agreement which is not paid on time shall be subject to interest at a rate of 15% per annum calculated from the due date until the date of the payment.

14. DEBT SETTLEMENT

No debts were settled during the period ended March 31, 2017.

15. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business. Related party transactions have been listed below, unless they have been disclosed elsewhere in the consolidated financial statements. During the period ended March 31, 2017, the Company incurred the following charges with related parties that include officers, directors or companies with common directors of the Company:

Included in exploration and evaluation expenses is $12,212 (2015 – $7,467) of amounts paid or payable to a director of the Company.

Included in accounts payable and accrued liabilities is $nil (December 31, 2016 - $nil) and $11,361 (December 31, 2016 - $11,455) due to directors of the Company. (See Note 8 for amounts due to directors).

During the year ended December 31, 2016, fees to key management personnel were $50,000 (March 31, 2016 - $nil).

16. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued share capital, share purchase warrant and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2016.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks by virtue of its activities. In particular: market risk (composed of currency risk), liquidity risk, fair value risk and credit risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies reviewed by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

a) Market risk:

Currency risk:

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company is exposed to currency risk through the following financial assets and liabilities denoted in United States dollars:

	March 31, 2017 ($)	December 31, 2016 ($)
Cash	**1,102**	43,890
Prepaid expenses and deposits	**53,412**	55,847
Accounts payable and accrued liabilities	**38,074**	128,531
Due to directors	**-**	-

The above balances were translated into Canadian dollars at the period-end rate of $1.3310 (December 31, 2016 - $1.3427) Canadian dollars to every US dollar.

Based on the above net exposures as at March 31, 2017, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net loss of approximately $27,161 (2015 - $2,800).

(Expressed in Canadian Dollars)

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at March 31, 2017, the Company had working capital deficiency of $96,146 (December 31, 2016 – $1,245,167). As at March 31, 2017, the Company had cash of $23,691 (December 31, 2016 - $1,344,052) to settle current liabilities of $251,884 (December 31, 2016 - $269,716) that are considered short term and expected to be settled within 30 to 90 days.

As a result, the Company has minimal liquidity risk at this time. Since the Company does not yet earn revenue, it may be required to raise additional capital to fund exploration and operations.

b) Fair value risk:

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, reclamation bonds, accounts payable and accrued liabilities and due to directors approximate fair values due to the relatively short term maturities of these instruments.

c) Credit risk:

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash and reclamation bonds. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions and its reclamation bonds with government agencies.

18. COMMITMENTS

The Company is committed to monthly rent payments for its premises under a lease agreement which expires February 28, 2017. The Company's required minimum payments for future periods are as follows:

2017	$ 1,800
Total	**$ 1,800**

19. ACQUISITION OF GOLDRIDGE HOLDINGS LIMITED

On September 2, 2016, Winston entered into a share exchange agreement contemplating the acquisition of Goldridge whereby Winston acquired all of the issued and outstanding common shares in the capital of Goldridge (the “Arrangement”). Goldridge shareholders received one common share of Winston for each Goldridge share (the “Share Exchange Ratio”) and certain shareholders of Goldridge received cash payments. The Arrangement closed on October 4, 2016.

(Expressed in Canadian Dollars)

The acquisition of Goldridge by Winston constitutes a "major acquisition" under the policies of the Canadian Securities Exchange. In accordance with IFRS 3, *Business Combinations*, the Agreement does not meet the definition of a business combination as the assets acquired are not an integrated set of activities with inputs, processes, and outputs.

The purchase price of $13,906,577 was allocated to the assets acquired and the liabilities assumed with financial instruments recorded at fair value and other non-financial assets and liabilities recorded at their relative fair values. As per the Company's accounting policy, the amount allocated to the mineral property of $13,935,578 was immediately expensed. The Company issued 27,250,000 Winston common shares in exchange for all of the issued and outstanding common shares of Goldridge and made cash payments totaling $230,475 (USD $175,000) to certain shareholders of Goldridge. After this issuance, the Company had 73,309,348 shares issued and outstanding, with former Goldridge shareholders holding approximately 37% on an undiluted basis.

Details of the acquisition are as follows:

Consideration	
Fair value of 27,250,000 shares issued to Goldridge shareholders	$13,625,000
Cash paid to certain Goldridge shareholders	230,475
Transaction costs	51,102
Total consideration	13,906,577

Fair value of net assets acquired	
Cash	$4,858
Accounts payable and accrued liabilities	(33,860)
Amount expensed to mineral property	13,935,578
Total net assets acquired	13,906,577

The value of the Winston common shares was calculated based on the deemed issuance of 27,250,000 Winston common shares at a price per share of $0.50, which was the Canadian Securities Exchange closing price of Winston's common shares on October 4, 2016.

20. SHAREHOLDER LOANS

During the period ended March 31, 2017, the Company received $96,068 (December 31, 2016 - $nil) in loans from certain shareholders. The amounts are unsecured, non-interest bearing, and short-term in nature.