Golden Hope Mines Limited
(An exploration stage company)
Condensed Interim Financial Statements
(Unaudited)
For the three-month period ended March 31, 2016

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if any auditor has not performed a review of the condensed interim 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 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim condensed financial statements by an entity's auditor.

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Condensed Interim Statements of financial position

	March 31, 2016	December 31, 2015
	$	$
ASSETS		
Current:		
Cash and cash equivalents	**32,128**	62,236
Tax credits receivable	**12,140**	11,989
Sales tax receivable	**4,835**	10,570
Prepaid expenses	**20,207**	13,658
Other Assets	**454**	-
	69,764	98,453
Non-current:		
Credits on duties receivable	**2,731**	4,695
Property (Note 4)	**57,192**	57,513
Exploration and evaluation assets (Note 5)	**20,330,129**	20,332,000
	20,390,052	20,394,208
Total assets	**20,459,816**	20,492,661
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities (Note 6)	**149,973**	138,266
Non-current liabilities:		
Deferred income taxes	**1,257,875**	1,270,090
Total liabilities	**1,407,848**	1,408,356
Shareholders' equity		
Share capital (Note 7)	**27,599,937**	27,599,937
Warrants (Note 7)	**98,517**	98,517
Contributed surplus (Note 7)	**6,355,858**	6,355,858
Deficit	**(15,002,344)**	(14,970,007)
Total shareholders' equity	**19,051,968**	19,084,305
Total liabilities and shareholders' equity	**20,459,816**	20,492,661

Going concern, related party transactions and commitments (Notes 3, 8 and 9)

These financial statements were approved by the Company's board of directors on May 27, 2016.

"Frank Candido" *" Michael Dehn"*

Frank Candido, Director Michael Dehn, Director

The accompanying notes are an integral part of these financial statements

Condensed Interim Statements of comprehensive loss
For the three-month period ended March 31

	2016	2015
	$	$
EXPENSES		
Legal, financial and other corporate expenses	**29,125**	30,324
General administrative expenses	**10,536**	11,990
Shareholders' information	**2,993**	4,192
Share based compensation (Note 7)	**-**	364
Travel	**1,577**	1,666
Depreciation (Note 4)	**321**	330
	44,552	48,866
Revenues	**-**	-
Loss before income taxes	**(44 552)**	(48,866)
Recovery of incomes taxes		
Deferred tax	**(12,215)**	(12,937)
Net loss and comprehensive loss	**(32,337)**	(35,929)
Basic and fully diluted loss per common share	**(0.004)**	(0.008)
Basic and fully diluted weighted average number of common shares during the period	**7,558,899**	4,700,889

The accompanying notes are an integral part of these financial statements

Golden Hope Mines Limited

(An exploration stage company)

Condensed Interim Statements of cash flows

For the three-month period ended March 31,

	2016	2015
	$	$
CASH PROVIDED BY (USED IN):		
Operating activities:		
Comprehensive loss	**(32,337)**	(35,929)
Adjustments for items not affecting cash		
Deferred tax	**(12,215)**	(12,937)
Share based compensation	**-**	364
Depreciation	**321**	330
Loss from operations activities	**(44,231)**	(48,172)
Changes in non-cash operating working capital items		
Sales tax receivable	**5,735**	4,959
Prepaid expenses	**(6,549)**	(543)
Other Assets	**(454)**	(1,561)
Accounts payable and accrued liabilities	**11,707**	66,021
Cash flows related to operating activities	**(33,792)**	20,704
Investing activities:		
Exploration and evaluation assets additions	**(539)**	(16,484)
Tax credits and credits on duties receivable	**4,223**	-
Cash flows related to investing activities	**3,684**	(16,484)
Increase (decrease) in cash and cash equivalents	**(30,108)**	4,220
Cash and cash equivalents, beginning of period	**62,236**	43,061
Cash and cash equivalents, end of period	**32,128**	47,281

The accompanying notes are an integral part of these financial statements

	Common Shares	Amount $	Warrants $	Contributed Surplus $	Deficit $	Total $
Balance, January 1, 2016	7,758,889	27,599,937	98,517	6,355,858	(14,970,007)	19,084,305
Comprehensive loss	-	-	-	-	(32,337)	(32,337)
Balance, March 31, 2016	7,758,889	27,599,937	98,517	6,355,858	(15,002,344)	19,051,968

Balance, January 1, 2015	4,700,899	27,217,579	-	6,157,110	(14,495,415)	18,879,274
Comprehensive loss	-	-	-	364	(35,929)	(35,565)
Balance, March 31, 2015	4,700,899	27,217,579	-	6,157,474	(14,531,344)	18,843,709

The accompanying notes are an integral part of these financial statements

1. Nature of operations

Golden Hope Mines Limited (the "Company") is a corporation continued under the Business Corporations Act (Ontario) on January 19, 1946. The Company's principal assets are mining properties and deferred exploration expenditures made on properties that are not in commercial production. The Company is in the process of exploring its mining properties and has not determined whether or not the properties contain economically recoverable resources. The address of the registered office is Unit 14 – 600 Orwell, Mississauga, Ontario, Canada, L5A 3R9.

The Company's shares are listed under the symbol GNH on the TSX Venture. On December 1, 2014, the Company completed a 30:1 share consolidation of all of its outstanding common shares. All share capital, per share amounts, warrants, and share-based awards in the current and comparative periods have been adjusted to reflect this change.

2. Basis of preparation

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB") and set out in Part 1 of the CPA Canada Handbook.

The Board of Directors approved these financial statements on May 27, 2016.

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, unless specifically stated in the financial statements.

Functional and Presentation currency

These financial statements are presented in Canadian Dollars because that is the currency of the primary economic environment in which the Company operates, and is the functional currency of the Company.

3. Going concern

The Company has not yet determined whether its exploration and evaluation assets contain mineral deposits that are economically recoverable. The recoverability of exploration and evaluation assets is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; and the ability to obtain the financing required to complete exploration, evaluation, development and construction or the proceeds from the sale of such assets. Changes in future conditions could require material impairment of the carrying value of the exploration and evaluation assets.

The accompanying financial statements have been prepared using assumptions applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. 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 material uncertainties related to events and conditions that lend a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

3. Going concern– Cont'd

There are several adverse conditions that cast significant doubt about the soundness of the going concern assumption. The Company had recurring losses in prior years and has accumulated losses of $15,002,344 since its inception and expects to incur further losses in the development of its business. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding for the exploration and evaluation programs and pay general and administrative costs. The Company's ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. As at March 31, 2016, the Company had negative working capital of $80,209.

The Company's current committed cash resources are insufficient to cover the expected expenditures in fiscal 2016. There is a material uncertainty regarding the Company's ability to secure financing in the future or that these sources of funding will be available. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, reduction in expenditures and/or the introduction of joint venture partners and/or business combinations on terms which are acceptable to the Company. Although the Company has been successful in the past at raising funds, there can be no assurance the Company will be able to secure financing in the future or that these sources of funding will be available.

4. Property

	Building	Land	Total
	$	$	$
2016			
Cost:			
Balance at January 1	41,712	25,351	67,063
Balance at March 31, 2016	41,712	25,351	67,063
Accumulated Depreciation:			
Balance at January 1	(9,550)	-	(9,550)
Additions	(321)	-	(321)
Balance at March 31, 2016	(9,871)	-	(9,871)
Net book value	31,841	25,351	57,192

4. Property – Cont'd

	Building $	Land $	Total $
2015			
Cost:			
Balance at January 1	41,712	25,351	67,063
Balance at March 31, 2015	41,712	25,351	67,063
Accumulated Depreciation:			
Balance at January 1	(8,210)	-	(8,210)
Additions	(330)	-	(330)
Balance at March 31, 2015	(8,540)	-	(8,540)
Net book value	33,172	25,351	58,523

The building represents a warehouse at Ste-Justine, Quebec, for exploration site storage.

5. Exploration and evaluation assets

2016	**January 1, 2016 $**	**Additions $**	**Disposal $**	**March 31, 2016 $**
Bellechasse Propery, Quebec				
Acquisition	**1,174,149**	**-**	**-**	**1,174,149**
Exploration	**20,350,978**	**539**	**-**	**20,351,517**
Mining tax credit	**(1,405,628)**	**(2,410)**	**-**	**(1,408,038)**
Julian Property, Quebec				
Acquisition	**212,501**	**-**	**-**	**212,501**
	20,332,000	**(1,871)**	**-**	**20,330,129**

2015	**January 1, 2015 $**	**Additions $**	**Disposal $**	**March 31, 2015 $**
Bellechasse Property, Quebec				
Acquisition	1,174,149	-	-	1,174,149
Exploration	20,308,160	16,484	-	20,324,644
Mining tax credit	(1,391,173)	(5,566)	-	(1,396,739)
	20,091,136	10,918	-	20,102,054

5. Exploration and evaluation assets – Cont'd

Bellechasse Property

On February 18, 2014, the Company signed a Letter of Intent ("L.O.I.") with Uragold Bay Resources ("UBR") to permit and develop the Bellechasse-Timmins Gold Deposit in Southeastern Quebec.

On April 9, 2014, the Company signed a Definitive Option and Joint Venture Agreement with UBR. The ultimate goal of the Agreement is the exploitation and operation as a going concern of a mine on the Bellechasse-Timmins Gold Deposit with each party holding a 50% undivided interest in the net proceeds stemming from the exploitation and operation of the Deposit. This Agreement is further to the L.O.I.

Under the agreement, UBR was entitled to earn the first 30% undivided interest in the Deposit (the "First Option") by performing, completing and delivering, within a period of 18 months the following work and documentation:

1) NI 43-101 Resource Estimate Revision
2) An Economic Assessment
3) An Environmental Audit
4) Obtaining Required Authorizations
5) Obtaining a Certificate of Authorization
6) A Land Survey
7) A Reclamation and Restoration Plan
8) A Mining Lease for the Operation of a Small Mine of up to 600 Metric Tons of Mineral Per Day

UBR is required to bear all of the costs associated with the above-mentioned work estimated at, but not limited to $400,000. In addition, UBR will pay the Company a total amount of $100,000 in three installments, the first of which was for $33,000 and received upon the signing of the L.O.I., the second $33,000, which was received on May 24, 2014 and the last $34,000, which was received on April 8,2015. The cash consideration received is credited againt the carrying value of the property.

On November 12, 2015, the Company announced that the Definitive Option and Joint Venture agreement was terminated in accordance with its terms due to UBR's failure accomplish the required work within the 18-month term of the agreement. The Company is involved in a litigation with UBR, in which UBR is seeking injunctive relief to maintain in existence the Definitive Option Joint Venture, with regard to the ownership and operation of the Bellechasse-Timmins Gold Deposit. No amount of money is claimed at this stage of the proceedings.

Although the Company has determined that it has title to its mining properties, it cannot control or completely protect itself against the risk of title disputes or challenges. Under rules established by the Ministère de l'Énergie et Ressources naturelles of the province of Québec, the Company is required to spend the amount of $7,847 to maintain the claims on the property in 2016.

The property now consists of approximately 138 (2015 – 204) claims for a total of 5,036 (2015 – 7,910) hectares.

As of the date of issuance of the financial statements, no claims have expired.

Julian Property

On July 2, 2015, the Company acquired from Michael Dehn (a director of the Company) and two prospectors a 100% right, title and interest in 16 claims (861 hectares) located in the Bellechasse/Beauce Region of southeastern Quebec. Under the Agreement, the Company paid $1,000 in cash and issued 500,000 of the Company's common shares (valued at $210,000 based on the price on September 17, 2015 when the shares were issued).

6. Accounts payable and accrued liabilities

	March 31, 2016 $	December 31, 2015 $
Trade payable	**140,542**	135,620
Accruals	**9,431**	2,646
	149,973	138,266

7. Share capital

Authorized: An unlimited number common shares, without par value:

Changes in Company capital share were as follows:

	2016		2015	
	Number	**Amount $**	Number	Amount $
Balance, beginning of period	**7,758,899**	**27,599,937**	4,700,899	27,217,579
Balance, end of period	**7,758,899**	**27,599,937**	4,700,899	27,217,579

Warrants issued and outstanding

A summary of the status of the Company's share purchase warrants as of March 31 are as follows:

	2016		2015	
	Number of warrants	**Weighted Average Exercise Price**	Number of warrants	Weighted Average Exercise Price
Balance, January 1	**2,159,440**	**0.24**	-	-
Balance , March 31	**2,159,440**	**0.24**	-	-

At March 31, 2016, the following exercisable warrants were outstanding:

Warrants	**Price**	**Expiry**
1,308,000	0.25	May 4, 2017
95,440	0.10	May 4, 2017
700,000	0.25	June 3, 2017
56,000	0.10	June 3, 2017
2,159,440		

7. Share capital – Cont'd

Share based compensation

A summary of the status of the Company's stock option plan as of March 31 is as follows:

	2016		2015	
	Number of options	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
Balance, January 1	**542,833**	**1.13**	151,167	3.79
Expired unexercised	**6,667**	**3.60**	-	-
Balance, March 31	**536,166**	**0.70**	151,167	3.79

At March 31, 2016, the following exercisable stock options were outstanding:

Options	**Exercisable**	**Price**	**Expiry**
49,500	49,500	3.90	June 30, 2016
36,666	36,666	3.60	August 16, 2017
10,000	10,000	3.00	December 4, 2017
10,000	10,000	2.10	September 27, 2018
430,000	430,000	0.50	July 10, 2020
536,166	536,166		

8. Related party transactions

During the three-month period ended March 31, 2016, no professional fees were incurred (a credit of $5,240 in 2015), with a law firm of which a former director of the Company is an associate. In relation with these transactions, no amount was payable as at March 31, 2016 ($108,045 in 2015).

During the three-month period ended March 31, 2016, the Company incurred professional fees in the amount of $5,135 ($6,461 in 2015), to the Chief Financial Officer of the Company. In relation with these transactions, no amount was payable as at March 31, 2016.

In July 2015, the Company signed a Mineral Property purchase agreement to acquire a 100% interest in the Julian property from several individuals, including Michael Dehn who owned 40% of the property. Under this agreement, the Company paid to Mr. Dehn $400 in cash and issued 200,000 common shares.

9. Commitments

Under rules established by the Ministère de l'Énergie et Ressources naturelles of the province of Québec, the Company is required to spend the amount of approximately $7,847, $0 and $7,847 to maintain the claims on the properties in 2016, 2017 and 2018 respectively.

In addition, the Company has the following royalty commitments resulting from past transactions:

* Net profit royalty of 5% on net profits greater than $250,000 for 4 claims acquired from La Société Minière Colmo.

* Net smelter royalty of 2% for 26 claims acquired from a prospector in 2010.

On September 2, 2015, the Company retained the services of Venture Liquidity Providers Inc. ("VLP") to initiate its market-making service to provide assistance in maintaining an orderly trading market for the common shares of the Company. For its services, the Company has agreed to pay $5,000 per month for a period of 12 months. The agreement may be terminated at any time by the Company or VLP.

10. Significant accounting policies

Except as described below, the accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2015.

New accounting standards:

IFRS 2 Share-based Payment
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IFRS 2, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook - Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify the definition of "vesting conditions" and "market conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The adoption of this standard had no impact on the Company's consolidated financial statements.

IFRS 8 Operating Segments
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IFRS 8, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook - Accounting by the Accounting Standards Board (AcSB) in March 2014, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The adoption of this standard had no impact on the Company's consolidated financial statements.

IAS 24 Related Party Disclosures
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IAS 24, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook - Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The adoption of this standard had no impact on the Company's consolidated financial statements.

11. Fair value

For certain of the Company's financial instruments, including cash and cash equivalents, tax credits receivable, credits on duties receivable, sales tax receivable and accounts payable and accrued liabilities, their carrying amounts approximate fair value due to their immediate or short-term maturity.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices of Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents have been measured using level 1 inputs.

12. Capital management

The Company defines capital as shareholders' equity. The Company's objectives when managing capital are to:

- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and
- utilize short term funding sources to manage its working capital requirements.

The Company has no externally imposed restrictions on capital.

13. Financial instruments

a) Credit risk arises from cash and cash equivalents which are composed of deposits with Canadian financial institutions. Further, the Company limits its credit risk to any individual counterparty. The Company's sales tax receivable consists primarily of Good and Service tax due from the Federal Government of Canada, Quebec sales tax and tax credits receivable due from the Ministry of Revenue of Quebec for current claims.

b) Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of three types of risk:

   i) Interest rate risk arises because of changes in market interest rates. The Company's cash and cash equivalents are subject to minimal risk in changes in value, have an original maturity of 90 days or less from the date of purchase, and are readily convertible into cash.

   ii) Currency risk arises because of changes in foreign exchange rates. The Company is not exposed to such risk.

iii) Price risk - the Company will be exposed to price risk with respect to commodity prices, specifically gold. Any future significant price declines could cause continued exploration and development to become uneconomical.

c) Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Transaction costs associated with fair value through profit or loss financial assets and financial liabilities are expensed as incurred, while transaction costs associated with all other financial assets and other financial liabilities are included in the initial carrying amount of the asset or the liability.

Sensitivity analysis

Financial instruments included in tax credits and credits on duties receivable and other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at March 31, 2016, the carrying value of the Company's financial instruments approximated their fair value. Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Company.