

Gitennes Exploration Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

"Ken Booth"

President

"Kerry Spong"

Chief Financial Officer

May 25, 2017

Gitennes Exploration Inc.

Condensed Interim Consolidated Balance Sheets

Canadian Funds

Unaudited

	March 31, 2017	December 31, 2016
ASSETS		
Current		
Cash	\$ 41,385	\$ 72,775
Marketable securities (Note 3)	10	10
Accounts receivable	2,691	1,440
Prepaid expenses	10,555	7,006
	54,641	81,231
Due from AndeanGold Ltd. (Note 5)	1,000	1,000
	\$ 55,641	\$ 82,231
LIABILITIES		
Current		
Trade payables and accrued liabilities (Note 6)	\$ 61,262	\$ 31,068
Long-Term Debt – Related Parties (Note 6)	43,329	42,500
Loan Payable – Related Party (Note 6)	53,699	52,466
	158,290	126,034
SHAREHOLDERS' DEFICIENCY		
Share Capital (Note 4a)	32,202,417	32,202,417
Contributed Surplus	1,528,086	1,481,778
Deficit	(33,833,152)	(33,727,998)
	(102,649)	(43,803)
	\$ 55,641	\$ 82,231

Nature of Operations and Going Concern (Note 1)

Subsequent Event (Note 8)

ON BEHALF OF THE BOARD:

"Ken Booth", Director
Ken Booth

"Robert Matthews", Director
Robert Matthews

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Changes In Shareholders' Deficiency

For the Three Months Ended March 31

Canadian Funds

Unaudited

	Share Capital (Note 4a)	Contributed Surplus	Deficit	Total
Balance – December 31, 2015	\$ 32,171,989	\$ 1,440,814	\$ (33,596,489)	\$ 16,314
Comprehensive loss for the period	-	-	(53,490)	(53,490)
Balance – March 31, 2016	\$ 32,171,989	\$ 1,440,814	\$ (33,649,979)	\$ (37,176)
Balance – December 31, 2016	\$ 32,202,417	\$ 1,481,778	\$ (33,727,998)	\$ (43,803)
Share-based compensation (Note 4c)	-	46,308	-	46,308
Comprehensive loss for the period	-	-	(105,154)	(105,154)
Balance – March 31, 2017	\$ 32,202,417	\$ 1,528,086	\$ (33,833,152)	\$ (102,649)

- See Accompanying Notes -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements Of Comprehensive Loss

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2017		2016
Expenses			
Accounting and audit	\$ 12,250	\$	13,815
Depreciation	-		185
Exploration and evaluation (Note 5)	8,362		-
Interest on long-term debt (Note 6)	2,062		-
Legal	7,248		1,327
Management and consulting fees	15,000		15,000
Office, rent, and miscellaneous	1,772		5,564
Share-based compensation (Note 4c)	46,308		-
Shareholder information	3,111		-
Stock exchange and filing fees	5,063		5,200
Transfer agent fees	724		838
Travel and accommodation	3,254		613
Loss before Other Item	105,154		42,542
Loss on disposal of equipment	-		10,948
Comprehensive Loss for the Period	\$ 105,154	\$	53,490
Loss per Share – Basic and Diluted	\$ 0.00	\$	0.00
Weighted-Average Number of Shares Outstanding – Basic and Diluted	64,679,923		62,779,923

- See Accompanying Notes -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2017	2016
Cash Flows from Operating Activities		
Loss for the period	\$ (105,154)	\$ (53,490)
Items not involving cash		
Loss on disposal of equipment	-	10,948
Interest accrued on long-term debt	2,062	-
Share-based compensation	46,308	-
Depreciation	-	185
Changes in non-cash working capital items		
Accounts receivable	(1,251)	1,734
Prepaid expenses	(3,549)	1,324
Accounts payable and accrued liabilities	30,194	32,939
Decrease in Cash Position	(31,390)	(6,360)
Cash Position - Beginning of Period	72,775	35,310
Cash Position - End of Period	\$ 41,385	\$ 28,950

- See Accompanying Notes -

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

1. Nature of Operations and Going Concern

Gitennes Exploration Inc. ("the Company") was incorporated in the province of Ontario and effective February 4, 2017 completed a continuance into British Columbia. Its principal office is located at 1010 - 789 West Pender Street, Vancouver, British Columbia. The Company is currently exploring two properties in British Columbia and has a royalty interest in a mineral property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain economic reserves.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company currently has no ongoing source of revenue and will require cash to maintain its mineral interests and meet its administrative overhead. As at March 31, 2017, the Company had a working capital deficiency of \$6,621 and an accumulated deficit of \$33,833,152.

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing. Specifically, the Company needs to collect on its convertible debenture from AndeanGold Ltd., and realize proceeds from, or from the sale of, its royalty interest on the Urumulqui project (*Note 5*), and/or obtain the necessary financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Significant Accounting Policies

Statement of compliance and basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2016. All financial information presented herein is unaudited. The Company's board of directors approved these condensed interim consolidated financial statements for issue on May 25, 2017.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

3. Marketable Securities

At March 31, 2017 and 2016, the Company held 663,000 common shares of AndeanGold Ltd. ("Andean"), which were acquired under option agreements relating to the Urumalqui property (*Note 5*). These shares have a cost of \$31,732 and are currently being carried at a nominal value of \$10.

On October 1, 2015, the common shares of Andean became subject to a Cease-Trade Order issued by the British Columbia Securities Commission due to a default in complying with its continuous disclosure filing requirements. To date, the Cease-Trade Order remains in effect and the shares of Andean remain halted. Until the Cease-Trade Order is lifted, the Company's shares in Andean cannot be traded. Due to the uncertainty surrounding the likelihood and timing of Andean's shares returning for trading, in December 2015 the Company recorded an impairment of these shares to write them down to a nominal value.

4. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding:

	Shares	Amount
Balance – December 31, 2015	62,779,923	\$ 32,171,989
Private placement – units	1,900,000	47,500
Share issuance costs	-	(4,722)
Flow-through premium	-	(12,350)
Balance – December 31, 2016 and March 31, 2017	64,679,923	\$ 32,202,417

In August 2016, the Company completed a private placement of 1,900,000 units at a price of \$0.025 per share for gross proceeds of \$47,500. Each unit consisted of one common flow-through share and one non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 per share for a period of 18 months. The flow-through feature of the shares was valued at \$0.0065 per share, resulting in a flow-through premium liability of \$12,350. The full amount of the required qualifying exploration expenditures was completed by December 31, 2016 and accordingly the flow-through premium liability was derecognized and a deferred income tax recovery of \$12,350 was recorded. The Company paid legal costs of \$4,722 in respect of the private placement. The Company uses the residual value approach in respect of unit offerings and as the share price exceeded the unit price, no value has been assigned to the warrants.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

4. Share Capital - continued

b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2015	3,400,000	\$ 0.12
Granted	2,450,000	\$ 0.05
Expired	(550,000)	\$ 0.20
Balance – December 31, 2016	5,300,000	\$ 0.08
Granted	1,500,000	\$ 0.05
Expired	(850,000)	\$ 0.15
Balance – March 31, 2017	5,950,000	\$ 0.06

As at March 31, 2017, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
100,000	\$ 0.26	June 5, 2017
400,000	\$ 0.17	August 7, 2018
1,500,000	\$ 0.05	August 22, 2018
2,450,000	\$ 0.05	October 28, 2021
1,500,000	\$ 0.05	February 15, 2022
<u>5,950,000</u>		

As at March 31, 2017, the outstanding options had a weighted-average remaining life of 3.56 years; all outstanding options had vested and were exercisable.

c) Share-based compensation

During the period, the Company granted stock options to its directors, officers, employees, and service providers and estimated related share-based compensation as follows:

	2017	2015
Total options granted	1,500,000	-
Weighted-average exercise price	\$ 0.05	\$ -
Estimated fair value of compensation	\$ 46,308	\$ -
Estimated fair value per option	\$ 0.03	\$ -

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

4. Share Capital - *continued*

c) Share-based compensation - *continued*

The fair value of the related share-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2017	2016
Risk-free interest rate	1.17%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	146%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	5.00	-

During the period, 1,500,000 options vested and the Company recognized \$46,308 in share-based compensation.

d) Warrants

Details of share purchase warrant activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2015	-	\$ -
Issued	1,900,000	\$ 0.05
Balance – December 31, 2016 and March 31, 2017	1,900,000	\$ 0.05

As at March 31, 2017, the Company had warrants outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
1,900,000	\$ 0.05	March 9, 2018

As at March 31, 2017, the outstanding warrants had a weighted-average remaining life of 0.94 years.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

5. Exploration and Evaluation

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the period and cumulative expenditures as at March 31, 2017 are as follows:

	Acquisition	Exploration	Total Additions	Cumulative Expenditures
Hixon, Canada				
Acquisition and staking	\$ -	\$ -	\$ -	\$ 2,531
Administration and legal	-	-	-	500
Assays	-	-	-	5,061
Camp	-	201	201	5,913
Geological	-	-	-	14,800
Geophysical	-	-	-	10,859
Transportation	-	-	-	15,440
	-	201	201	55,104
Snowbird, Canada				
Acquisition and staking	8,161	-	8,161	8,161
	\$ 8,161	\$ 201	\$ 8,362	\$ 63,265

The Company incurred no exploration and evaluation expenditures during the period ended March 31, 2016.

Hixon, Canada

In June 2016, the Company acquired, through staking, mining claims in the northern part of the Barkerville Gold Belt in British Columbia. The property is subject to a 2% net smelter returns royalty ("NSR") on all hard rock mineral products.

Snowbird, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. To earn its interest, the Company, at its option, must issue 12,000,000 shares and incur \$1,500,000 in exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval (<i>received, Note 8</i>)	6,000,000	\$ -
On or before September 30, 2018	2,000,000	500,000
On or before September 30, 2019	2,000,000	500,000
On or before September 30, 2020	2,000,000	500,000
	12,000,000	\$ 1,500,000

The agreement provides for a 2% NSR that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR. A finder's fee of \$52,500 is payable prior to September 30, 2020, a portion of which may be settled in shares (*Note 8*).

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

5. Exploration and Evaluation - *continued*

Urupalqui, Peru

The Company owned a 100% interest in the Urupalqui project situated in north-central Peru. Between April 2010 and December 2014, the Company signed agreements with Andean granting it the right to earn an aggregate 100% interest in Urupalqui, which it earned on December 22, 2014. The Company retains an uncapped NSR of 1.5% on all metals produced at Urupalqui, with no buy-out or other provisions attached. In addition, the Company retained a convertible debenture receivable from Andean with a face value of \$475,000 and an annual interest rate of 6% with interest only due semi-annually. The debenture matures on December 22, 2017 and is convertible into shares of Andean, at the Company's option, at a conversion rate of \$0.06 per Andean share. During the period of the debenture, Andean is required to pay 12% of any funds raised by it and certain of its subsidiaries to pay down the debenture.

In light of the financial condition of Andean as at December 31, 2015, the Company performed an impairment test on the convertible debenture receivable and recorded an impairment loss to write down the carrying value to a nominal balance of \$1,000. Given the current halted status of Andean's shares (*Note 3*), the conversion feature of the convertible debenture is considered to be of nominal value. In November 2016, the Company received an interest payment of \$10,000 but has received no other payments under the debenture. Accrued interest to date has not been recognized in the accounts and while the continued Cease-Trade Order on Andean supports the Company's nominal value assignment to the convertible debenture, management remains committed to collecting the \$475,000 face value of the debenture, plus accrued interest, as future circumstances permit.

Title

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its Hixon and Snowbird properties and its NSR on the Urupalqui property and, to the best of its knowledge, ownership of these interests are in good standing.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

Canadian Funds

Unaudited

6. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties.

Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

		2017		2016
Administrative consulting fees	\$	15,000	\$	15,000
Accounting fees		10,500		10,500
Share-based compensation (i)		46,308		-
	\$	71,808	\$	25,500

(i) Calculated using the Black-Scholes Option-Pricing Model using the assumptions detailed in Note 4c.

Accounts payable includes \$25,500 (December 31, 2016 - \$nil) in accrued administrative consulting and accounting fees due to the chief executive officer and the chief financial officer.

The chief executive officer and the chief financial officer have agreed to waive payment of accrued administrative consulting and accounting fees totalling \$42,500 such that payment will not be required within twelve months. Accordingly, this balance has been classified as long-term debt in these financial statements. Effective January 1, 2017, these outstanding amounts bear interest at 8% per annum. During the period, interest totalling \$829 was accrued on these amounts.

In July 2016, the Company received a loan of \$50,000 from the chief executive officer of the Company. The loan is unsecured, bears interest at 10% per annum, and matures on July 1, 2018. During the period, interest of \$1,233 was accrued on this loan. Total interest accrued to March 31, 2017 of \$3,699 is payable at maturity.

7. Segmented Information

The company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has exploration projects in British Columbia, Canada and a royalty interest in a property located in Peru that is owned by Andean.

8. Subsequent Event

Subsequent to March 31, 2017, the Company issued the initial tranche of 6,000,000 shares to the optionors of the Snowbird property (Note 5). The Company also issued 262,500 shares representing payment of one-half of the initial tranche of the finder's fee due under the agreement with the other half payable in cash. If the option agreement remains in good standing, the balance of the finders' fee of \$26,250 is payable in cash or shares, at the discretion of the Company, on or before September 30, 2020.
