PINECREST RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

For the Nine Months Ended September 30, 2016

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the period ended September 30, 2016.

Pinecrest Resources Ltd.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Funds - Unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets		
Cash	$ 49,568	$ 36,576
Short-term investment	1,141,915	1,455,000
GST and other receivables	2,126	3,811
Prepaid expenses	28,539	43,606
	1,222,148	1,538,994
Non-current assets		
Property and equipment	74,767	80,254
Exploration and evaluation assets *(Note 4)*	12,537,483	12,945,159
	$ 13,834,398	$ 14,564,407
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables	$ 28,738	$ 62,434
Non-current liability		
Provision for bonus payment	112,457	112,457
	141,195	174,891
Shareholders' equity		
Share capital	10,063,165	10,063,165
Share-based payments reserve	818,344	727,395
Warrants reserve	2,197,787	2,197,787
Accumulated other comprehensive income	2,977,778	3,574,868
Accumulated deficit	(2,363,871)	(2,173,700)
	13,693,203	14,389,516
	$ 13,834,398	$ 14,564,407

On behalf of the Audit Committee:

"Douglas Forster" Director *"Kimberly Williams"* Director

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

Pinecrest Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Funds - Unaudited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Common shares						
	Number	Amount	Share-based payments reserve	Warrants reserves	Accum. other comprehensive income (loss)	Accum. deficit	Total
Balance – January 1, 2016	54,916,547	$ 10,063,165	$ 727,395	$ 2,197,787	$ 3,574,868	$ (2,173,700)	$ 14,389,516
Share-based compensation	-	-	90,949	-	-	-	90,949
Foreign currency translation	-	-	-	-	(597,090)	-	(597,090)
Net loss for the period	-	-	-	-	-	(190,171)	(190,171)
Balance – September 30, 2016	54,916,547	$ 10,063,165	$ 818,344	$ 2,197,787	$ 2,977,778	$ (2,363,871)	$ 13,693,203

	Common shares						
	Number	Amount	Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accum. deficit	Total
Balance – January 1, 2015	54,888,887	$ 10,054,159	$ 367,230	$ 2,201,261	$ 195,262	$ (1,548,205)	$ 11,269,708
Share-based compensation	-	-	289,980	-	-	-	289,980
Exercise of warrants	27,660	9,006	-	(3,474)	-	-	5,532
Foreign currency translation	-	-	-	-	2,044,868	-	2,044,868
Net loss for the period	-	-	-	-	-	(528,303)	(528,303)
Balance – September 30, 2015	54,916,547	$ 10,063,165	$ 657,210	$ 2,197,787	$ 2,240,130	$ (2,076,508)	$ 13,081,784

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

Pinecrest Resources Ltd.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (INCOME)
(Expressed in Canadian Funds - Unaudited)

	For the Three Months Ended September 30, 2016	For the Three Months Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
EXPENSES				
Accounting and audit fees	$ 9,873	$ 7,500	$ 25,618	$ 28,740
Amortization	393	563	1,284	1,675
Consultants	-	11,000	-	59,392
Foreign exchange loss	1,335	6,406	4,006	10,955
Insurance	6,679	6,423	20,025	18,006
Legal	400	1,362	4,139	14,321
Management fees	12,600	23,400	37,800	89,400
Office	6,263	12,610	18,412	61,342
Rent	7,346	13,470	31,811	43,582
Share-based compensation	6,515	25,339	51,419	135,008
Shareholder relations, marketing and conferences	81	3,219	2,488	54,034
Transfer agent and regulatory fees	3,272	2,332	13,139	16,594
	$ 54,757	$ 113,624	$ 210,141	$ 533,049
OTHER INCOME				
Interest income	(19,666)	(1,207)	(19,970)	(4,746)
Loss for the period	$ 35,091	$ 112,417	$ 190,171	$ 528,303
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation	(87,398)	(1,225,436)	597,090	(2,044,868)
Comprehensive loss (income) for the period	$ (52,307)	$ (1,113,019)	$ 787,261	$ (1,516,565)
Loss per share – basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.01
Weighted average number of shares outstanding:				
Basic and fully diluted	54,916,547	54,934,586	54,916,547	54,904,287

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

Pinecrest Resources Ltd.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Funds - Unaudited)

	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
CASH PROVIDED BY (USED IN):		
Cash flows from operating activities:		
Loss for the period	$ (190,171)	$ (528,303)
Non-cash items:		
Share-based compensation	51,419	135,008
Unrealized foreign exchange	7,458	(7,908)
Amortization	1,284	1,675
Changes in non-cash working capital:		
Trade and other receivables	1,685	12,002
Prepaid expenses	15,068	10,185
Trade and other payables	(39,131)	(77,575)
	$ (152,388)	$ (454,916)
Cash flows from investing activities:		
Purchase of short-term investment	-	(1,570,000)
Redemption of short-term investment	313,085	-
Exploration and evaluation costs	(144,450)	(493,050)
Purchase of property and equipment	-	(13,536)
	$ 168,635	$ (2,076,586)
Cash flows from financing activities:		
Exercise of warrants	-	5,532
Effect of exchange rate on cash	(3,255)	(2,742)
Increase (decrease) in cash	$ 12,992	$ (2,528,712)
Cash – beginning of period	36,576	2,570,474
Cash – end of period	$ 49,568	$ 41,762
Supplemental Disclosure on Non-cash Investing Activities:		
Exploration and evaluation costs included in trade and other payables	$ 5,433	$ 13,686

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

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Pinecrest Resources Ltd. and its subsidiary (collectively, "Pinecrest or the "Company") engage principally in the acquisition, advancement and development of precious mineral properties particularly its Enchi Gold Project in Ghana. Pinecrest Resources Ltd., the parent, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations* Act (British Columbia) on January 18, 2010. Pinecrest is a public company listed on the TSX Venture Exchange (the "Exchange") (TSX-V: PCR) and its head office is located at Suite 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information and footnotes required by the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2015. The same accounting policies and methods of computation are used in the preparation of these unaudited condensed interim consolidated financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with IFRS for the interim periods presented.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Audit Committee on November 10, 2016.

2. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of exploration and evaluation assets

Management assesses its exploration and evaluation assets for impairment indicators at the end of each reporting period. Such assessment is based on the facts and circumstances for each project, which considers the Company's intentions for a property. If any impairment indicator exists, an estimate of the recoverable amount is undertaken. If the asset's carrying amount exceeds its recoverable amount, an impairment loss is recognized in the statement of loss and comprehensive loss.

In calculating recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal, and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding its projects.

2. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd.)

Fair value of warrants and share-based payments

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and warrants issued, modified or settled. Under this method, compensation cost attributable to options is measured at fair value at the grant date and expensed over the vesting year. Proceeds from the issuance of units is allocated between common shares and share purchase warrants on a pro-rata basis on a relative fair value basis, wherein the fair value of the share purchase warrants is determined using the Black-Scholes pricing model. In determining the fair value of the options or warrants, the Company makes estimates of the expected volatility of the stock, the expected life of the options or warrants, and an estimated risk-free interest rate. Changes to these estimates could result in the fair value of the options and warrants being less than or greater than the amount recorded.

3. CHANGES IN ACCOUNTING POLICIES

Recently issued but not adopted accounting guidance are as follows:

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes six primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and FVTPL. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently assessing the impact of IFRS 9.

(Expressed in Canadian Funds - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

	September 30, 2016	December 31, 2015
Acquisition costs		
Balance, beginning of period	$ 8,356,926	$ 8,356,926
Balance, end of period	$ 8,356,926	$ 8,356,926
Exploration and evaluation costs		
Balance, beginning of period	$ 1,015,497	$ 259,654
Camp costs	5,493	27,813
Concession fees, mining permits, and licenses	27,239	81,263
Geological	22,619	45,800
General and administration	945	1,760
Management fees	16,200	75,000
Resource estimate and studies	1,732	144,514
Salaries and wages	60,416	141,959
Share-based compensation	39,530	188,057
Vehicle rental	5,709	49,676
Balance, end of period	$ 1,195,380	$ 1,015,497
Foreign exchange impact	2,985,177	3,572,737
Total exploration and evaluation assets	$ 12,537,483	$ 12,945,159

5. SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

(a) Stock Options

The total fair value of share-based compensation that vested during the period ending September 30, 2016 was $90,949 (2015 - $289,980) of which $51,419 was expensed and $39,530 was capitalized into exploration and evaluation assets. A summary of the Company's stock options as at September 30, 2016 is as follows:

Exercise price	January 1, 2016	Expired	September 30, 2016	Expiry date	Remaining contractual life in years	Number of options vested
$0.60	95,000	(95,000)	-	July 12, 2016	-	-
$0.76	150,000	(150,000)	-	September 8, 2016	-	-
$0.48	127,500	-	127,500	October 29, 2017	1.08	127,500
$0.22	3,050,000	-	3,050,000	December 4, 2019	3.18	3,050,000
$0.10	2,850,000	-	2,850,000	December 21, 2020	4.23	1,425,000
	6,272,500	(245,000)	6,027,500			4,602,500
	$0.19	$0.70	$0.17	Weighted average exercise price		

(Expressed in Canadian Funds - Unaudited)

5. SHARE CAPITAL (cont'd.)

(b) Warrants

A summary of the Company's share purchase warrants as at September 30, 2016 is as follows:

Exercise price	January 1, 2016	September 30, 2016	Expiry date	Remaining contractual life in years
$0.30	5,000,000	5,000,000	December 4, 2019	3.18
$0.30	18,000,000	18,000,000	December 4, 2016*	0.18
$0.20	378,570	378,570	December 4, 2016	0.18
	23,378,570	23,378,570		
	$0.30	$0.30	Weighted average exercise price	

*Subsequent to September 30, 2016, the expiry date of these share purchase warrants was extended to December 4, 2019.

6. RELATED PARTY TRANSACTIONS

(a) Trading transactions

The Company shares office space and administration costs with related parties in order to minimize operational costs. During the period ending September 30, 2016, the Company paid or accrued $31,811 (2015 - $43,582) for office rent to Edgewater Exploration Ltd. and Newmarket Gold Inc., companies with directors and officers in common.

All related party transactions were recorded at the amount agreed upon by the related parties. There are no ongoing contractual or other commitments resulting from the above transactions.

(b) Compensation of key management personnel

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel during the period was as follows:

Related Party	Relationship	September 30, 2016	September 30, 2015
Quarry Capital Corp.	Director	$ -	$ 21,000
Gladstone Capital Ltd.	President	$ -	$ 49,000
Spartan Consulting Inc.	Chief Executive Officer	$ -	$ 24,000
Pacific Court Capital Corp.	Chief Financial Officer	$ 27,000	$ 43,000
Sail View Capital Ltd.	Director	$ 27,000	$ 43,000
Gregory Smith	VP - Exploration	$ -	$ 30,800

Management consulting agreements are on a month-to-month basis and can be terminated by either party with ninety days' notice. Share-based payments to key management personnel of the Company amounted to $68,698 during the period ending September 30, 2016 (2015 - $242,442).

(Expressed in Canadian Funds - Unaudited)

6. RELATED PARTY TRANSACTIONS (cont'd.)

Key management remuneration is reflected in the financial statements as follows:

		September 30, 2016		September 30, 2015
Management fees	$	54,000	$	159,000
Geological	$	-	$	30,800
Share-based compensation	$	68,698	$	242,442
Consulting		-	$	21,000
Total	$	122,698	$	453,242
Expensed in:				
General and administrative	$	79,629	$	245,407
Capitalized in:				
Exploration and evaluation assets	$	43,069	$	207,835
Total	$	122,698	$	453,242

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial Instruments by Category

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Cash and short-term investments are measured at fair value. Trade and other receivables and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity or capacity of prompt liquidation.

The following provides the carrying amount and fair values of each classification of financial instrument as at September 30, 2016:

		Carrying amount		Fair value
Financial assets				
Loans and receivables				
Cash	$	49,568	$	49,568
Short-term investment	$	1,141,915	$	1,141,915
Trade and other receivables	$	2,126	$	2,126
Financial liabilities				
Other financial liabilities				
Trade and other payables	$	28,738	$	28,738
Provision for bonus payment	$	112,457	$	112,457

(Expressed in Canadian Funds - Unaudited)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd.)

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash (held as cash deposits) and short-term investment are available on demand to fund the Company's short-term financial obligations.

(c) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its cash, short-term investment, and trade and other receivables. The risk exposure is limited to their carrying values at the balance sheet date. Cash and short-term investment are held with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Trade and other receivables consist of input tax credits reimbursable to the Company. Concentration risk exists in cash and short-term investment because significant balances are maintained with one financial institution. The risk is mitigated because the instruments are maintained with a large Canadian financial institution.

(d) Market Risks

The significant market risk to which the Company is exposed is interest rate risk. The Company's interest rate risk arises primarily from the interest earned on cash and short-term investment. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. The Company's short-term investment reflects funds invested in GIC's. Other financial assets and liabilities of the Company are not subject to interest rate risk since they do not bear interest.

8. SEGMENTED INFORMATION

The Company's business is the acquisition, exploration, evaluation, and development of mineral resource properties, which is currently conducted principally in Ghana. The Company is in the exploration stage and accordingly, has no reportable segment revenues for any of the periods presented in these condensed interim consolidated financial statements.

	September 30, 2016	September 30, 2015
Assets by geographic segment, at cost		
Canada		
Total assets	$ 1,176,661	$ 1,606,625
Total liabilities	$ 135,762	$ 148,339
Net loss	$ 181,999	$ 515,778
Ghana		
Total assets	$ 12,657,737	$ 11,637,185
Total liabilities	$ 5,433	$ 13,686
Net loss	$ 8,172	$ 12,524