WESTHAVEN VENTURES INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements

March 31, 2016

Unaudited – Prepared by Management

(Canadian Dollars)

Notice

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Westhaven Ventures Inc. (“Westhaven” or the “Company”) for the three months ended March 31, 2016, have been prepared by management and have not been the subject of a review by Westhaven’s independent auditors.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		March 31 2016		December 31 2015
Assets				
Current				
Cash	$	90,305	$	7,100
Accounts receivable		7,883		20,949
		98,188		28,049
Reclamation Deposits		59,000		24,000
Equipment (note 5)		2,880		3,084
Mineral Properties (note 6)		1,529,399		1,450,283
	$	1,689,467	$	1,505,416
Liabilities				
Current				
Accounts payable and accrued liabilities (note 8)	$	66,547	$	142,297
Loan payable (note 8)		390,462		361,367
		457,009		503,664
Shareholders' Equity				
Capital Stock (note 7)		3,028,357		2,732,832
Reserves (note 7)		231,129		218,473
Deficit		(2,027,028)		(1,949,553)
		1,232,458		1,001,752
	$	1,689,467	$	1,505,416

These financial statements are signed on behalf of the Board of Directors by:

"Grenville Thomas" (signed)

Director

"Shaun Pollard" (signed)

Director

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
Three Months Ended March 31
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		2016		2015
Expenses				
Management fees (note 8)		25,000		25,000
Amortization of loan issuance cost (note 8)		18,580		-
Interest (note 8)		10,515		5,000
Rent (note 8)		6,355		7,772
Regulatory and filing fees		5,360		5,862
Advertising and promotion		5,870		-
General and administrative (note 8)		5,047		2,986
Travel		544		1,092
Amortization		204		282
		(77,475)		(47,994)
Impairment of mineral properties (note 6)		-		
Interest income		-		-
Net Loss and Comprehensive Loss for Period	$	(77,475)	$	(47,994)
Basic and Diluted Loss Per Share	$	(0.01)	$	(0.01)
Weighted Average Number of Common Shares Outstanding		36,840,162		24,994,830

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				
	Common Shares	Amount	Warrants	Options	Total Reserves	Deficit	Total Shareholders' Equity
Balance, December 31, 2014	27,081,679	$ 2,224,069	$ 67,628	$ 164,216	$ 231,844	$ (1,076,499)	$ 1,379,414
Shares issued pursuant to property option agreement (note 7(b))	125,000	21,250	-	-	-	-	21,250
Net loss for period	-	-	-	-	-	(47,994)	(47,994)
Balance March 31, 2015	27,206,679	$ 2,245,320	$ 67,628	$ 164,216	$ 231,844	$ (1,124493)	$ 1,352,670
Balance, December 31, 2015	27,081,679	2,224,069	62,017	156,456	218,473	(1,949,553)	1,001,752
Flow-through units issued for cash (note 7(b))	6,000,000	300,000	-	-	-	-	300,000
Shares issued pursuant to property option agreement (note 7(b))	500,000	25,000	-	-	-	-	25,000
Share issue costs	-	(29,475)	12,656	-	12,656	-	(16,819)
Net loss for period	-	-	-	-	-	(77,475)	(77,475)
Balance, March 31, 2016	41,054,448	$ 3,028,357	$ 74,673	$ 156,456	$ 231,129	$ (2,027,028)	$ 1,232,458

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Cash Flows
Three Months Ended March 31
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		2016		2015
Operating Activities				
Net loss for year	$	(77,475)	$	(47,994)
Items not involving cash				
Amortization		204		282
Amortization of loan share issuance cost		18,580		-
Interest		10,515		5,000
		(48,176)		(42,712)
Changes in non-cash working capital				
Accounts receivable		13,066		169,465
Accounts payable and accrued liabilities		(75,750)		(33,248)
Cash Provided by (Used in) Operating Activities		(110,860)		93,505
Financing Activities				
Shares issued for cash, net of share issue costs		283,181		-
Cash Provided by Financing Activities		283,181		-
Investing Activities				
Expenditures on mineral properties		(54,116)		(43,535)
Expenditures on reclamation deposits		(35,000)		-
Cash Used in Investing Activities		(89,116)		(43,535)
Inflow of Cash		83,205		49,970
Cash and Cash Equivalents, Beginning of Period		7,100		16,174
Cash and Cash Equivalents, End of Period	$	90,305	$	66,144
Supplemental Cash Flow Information				
Accounts payable included in mineral properties	$	618	$	20,785
Shares issued for mineral properties	$	25,000	$	21,250

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Westhaven Ventures Inc. (the "Company") is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

The head office and records office of the Company is located at 1056 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business.

The Company has sustained recurring losses and negative cash flows from operations. As at March 31, 2016, the Company had cash of $90,305 (2015 - $66,144); working capital deficiency of $358,821 (2015 - $179,414) and an accumulated deficit of $2,027,028 (2015 - $1,124,493). The Company has ongoing requirements for capital investment for its mineral property interests. The Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these mineral property interests, and establish future profitable production, or realize proceeds from the disposition of mineral interests. The carrying value of the Company's mineral property interests does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Company's functional and presentation currency is the Canadian dollar.

The same accounting policies and method of computation are followed in these unaudited condensed interim financial statements as compared with the most recent audited annual financial statements for the year ended December 31, 2015. Any

2. BASIS OF PRESENTATION (Continued)

subsequent changes to IFRS that are given effect in the Company's annual statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed financial statements. Significant accounting policies have been applied consistently to all periods presented.

(b) Approval of the financial statements

The financial statements of the Company as at March 31, 2016 and for the three months then ended were approved and authorized for issue by the Board of Directors on May 30, 2016.

(c) Use of judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

2. BASIS OF PRESENTATION (Continued)

Critical accounting estimates (continued)

Recoverability of mining exploration tax credits

The Company is entitled to refundable tax credits on qualified mining exploration expenses incurred in the province of British Columbia. Management's judgment is applied in determining whether the mining exploration expenses are eligible for claiming such credits. Those benefits are recognized when the Company estimates that it has reasonable assurance that the tax credits will be realized. Upon review of the mining exploration tax credit claim by the Canada Revenue Agency, any adjustments to the estimate made by the Company are recorded in the period of the tax assessment.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; accounts receivable, as loans and receivables; and accounts payable and accrued liabilities and loan payable, as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The carrying amounts of financial assets and liabilities presented in the statements of financial position relate to the following measurement categories as defined in IAS 39:

	Financial Assets		Financial Liabilities	
	Fair Value Through Profit or Loss		Measured at Amortized Cost	
March 31, 2016				
Cash	$	90,305	$	-
Accounts receivable	$	7,883	$	-
Accounts payable and accrued liabilities	$	-	$	(66,547)
Loan payable	$	-	$	(390,462)
December 31, 2015				
Cash	$	7,100	$	-
Accounts receivable	$	20,949	$	-
Accounts payable and accrued liabilities	$	-	$	(142,297)
Loan payable	$	-	$	(361,367)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

		March 31, 2016		December 31, 2015
Cash – Canadian dollars	$	90,305	$	7,100

(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At March 31, 2016, the Company had cash in the amount of $90,305 (2015 - $66,144), accounts payable and accrued liabilities of $66,547 (2015 - $44,744) and loan payable of $437,632 (2015 - $207,500). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2016.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

5. EQUIPMENT

Cost		
As at December 31, 2015	$	9,735
Accumulated Amortization		
As at December 31, 2014	$	5,523
Charge for the year		1,128
As at December 31, 2015		6,651
Charge for the period		204
As at March 31, 2016	$	6,855
Carrying Value		
As at December 31, 2015	$	3,084
As at March 31, 2016	$	2,880

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	BEN Property	BEN South Property	Prospect Valley Property	Total
Balance, December 31, 2014	791,993	601,456	45,920	-	1,439,369
Deferred exploration costs					
Acquisition costs	171,500	31,250	1,068	133,162	336,980
Geological and assays	122,556	24,674	7,622	8,028	162,880
Drilling	154,472	-	-	-	154,472
Lab fees	13,789	1,628	173	-	15,590
Total additions during the year	462,317	57,552	8,863	141,190	669,922
Impairment of acquisition and exploration costs	-	(659,008)	-	-	(659,008)
Mining tax credits	-	-	-	-	-
Net change during the year	462,317	(601,456)	8,863	141,190	10,914
Balance December 31, 2015	1,254,310	-	54,783	141,190	1,450,283
Deferred exploration costs					
Acquisition costs	1,094	-	-	65,675	66,769
Geological and assays	7,364	-	-	4,341	11,705
Drilling	-	-	-	-	-
Lab fees	642	-	-	-	642
Total additions during the year	9,100	-	-	70,016	79,116
Mining tax credits	-	-	-	-	-
Net change during the period	9,100	-	-	70,016	79,116
Balance, March 31, 2016	$ 1,263,410	-	-	$ 211,206	$ 1,529,399

(a) Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Strongbow Exploration Inc. (“Strongbow”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company can earn an initial 51% interest in the Shovelnose Gold Property (the “First Option”) by issuing a total of 300,000 common shares to Strongbow as follows:

(i) 100,000 within five days of the approval date (issued);
(ii) 100,000 on or before July 20, 2012 (issued); and
(iii) 100,000 on or before July 20, 2013 (issued).

6. MINERAL PROPERTIES (Continued)

(a) Shovelnose Gold Property, British Columbia, Canada (Continued)

In addition, the Company must incur $1,500,000 in exploration expenditures on the property as follows:

(iv) $250,000 on or before July 20, 2012 (incurred);
(v) $500,000 on or before July 20, 2013 (incurred); and
(vi) $750,000 on or before July 20, 2014 (deferred to July 20, 2015).

On June 10, 2014, the Company and Strongbow signed an agreement to extend the third deadline by one year to July 20, 2015.

On September 1, 2015 the Company entered into a new purchase agreement with Strongbow to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company will acquire a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow will be granted a 2% net smelter returns royalty ("NSR") on the property. The Company will retain the right to reduce the NSR to 1% by paying Strongbow $500,000 at any time prior to the commencement of commercial production. During the year, the ownership of the Shovelnose Gold Property has been transferred to the Company.

(b) BEN Property, British Columbia, Canada

On February 27, 2012, the Company signed an option agreement (the "BEN Agreement") with Bernard Kahlert to acquire a 100% interest in the BEN Property, subject to a 2% NSR. In February 2013, the terms of the agreement were amended to accommodate the late approval of exploration permits for the BEN Property.

To acquire the 100% interest, the Company was to make cash payments aggregating $220,000 and issue 1,000,000 common shares by May 24, 2015.

(i) An initial payment of $10,000 (paid) and 100,000 shares within five days of the approval date (issued);
(ii) 50,000 shares on or before May 24, 2013 (issued);
(iii) $20,000 and 100,000 shares on or before November 24, 2013;
(iv) $65,000 and 250,000 shares on or before May 24, 2014; and
(v) $125,000 and 500,000 shares on or before May 24, 2015.

In addition, the Company was to incur $2,500,000 in exploration expenditures on the properties as follows:

(vi) $300,000 on or before November 24, 2013;
(vii) $400,000 on or before May 24, 2014;
(viii) $600,000 on or before May 24, 2015; and
(ix) $1,200,000 on or before May 24, 2016.

6. MINERAL PROPERTIES (Continued)

(b) BEN Property, British Columbia, Canada (Continued)

The Company did not fulfill all of the terms of the BEN Agreement and on February 27, 2014 the BEN Agreement was amended. In accordance with the amended agreement, the Company has to make cash payments aggregating $190,000 and issue 850,000 common shares as follows:

(i) An initial payment of $5,000 (paid) and 75,000 shares within five days of the amended approval date (issued);
(ii) $10,000 (paid) and 125,000 shares (issued) on or before March 1, 2015;
(iii) $20,000 and 150,000 shares on or before March 1, 2016;
(iv) $40,000 and 200,000 shares on or before March 1, 2017; and
(v) $115,000 and 300,000 shares on or before March 1, 2018.

In addition, the Company must incur $2,200,000 in exploration expenditures on the property as follows:

(vi) $200,000 on or before March 1, 2015 (incurred);
(vii) $300,000 on or before March 1, 2016;
(viii) $600,000 on or before March 1, 2017; and
(ix) $1,100,000 on or before March 1, 2018.

The Company has the option to purchase, at any time, one-half, or 1%, of the 2% NSR for the sum of $2,000,000.

The terms of the BEN Agreement to be fulfilled by the Company by March 2016 have not been met. Accordingly, the Company has issued a termination letter to the optionor, thus, the property was written-down to $nil during the year ended December 31, 2015. The recoverable amount of the property is derived from unobservable inputs and requires management's estimates, it is categorized in Level 3 of the fair value hierarchy.

(c) BEN South

In November 2014, the Company commenced exploration activities on the newly staked BEN South property approximately 20 kilometers south of the BEN property.

(d) Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015 the Company entered into an option and purchase agreement with Berkwood Resources Ltd. ("Berkwood") to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid $20,000 to Berkwood upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of $80,000 and issued 500,000 common shares. The common shares have a hold period of five years.

On February 16, 2016 the Company acquired the remaining 30% interest in the Property for a cash payment of $40,000 and the issue of 500,000 common shares. The common shares have a hold period of five years.

6. MINERAL PROPERTIES (Continued)

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

7. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

On February 16, 2016 the Company issued 500,000 common shares to Berkwood to acquire the remaining 30% of the Prospect Valley gold project. The proceeds were recorded at the fair value of the shares on the date of issue of $0.05 per share.

On February 29, 2016 the Company issued 6,000,000 flow-through share units at a price of $0.05 per share for gross proceeds of $300,000. Each flow-through share unit consists of one flow-through common share and one non-flow-through common share warrant. Each warrant will entitle the holder to purchase one common share at $0.07 for 36 months from the closing date of the private placement. The total proceeds were allocated to capital stock.

During the three months ended March 31, 2016, the Company paid a total cash finder's fee of $14,000 and issued 280,000 brokers warrants for the private placement completed on February 29, 2016. The fair value of the share purchase warrants was $12,656 and was calculated using the Black-Scholes option pricing model. The Company also incurred other share issuance costs of $2,819.

7. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

On February 12, 2015 the Company issued 125,000 common shares to Bernard Kahlert under the terms of a property option agreement. The proceeds were recorded at the fair value of the shares on the date of issue of $0.17 per share.

On September 1, 2015 the Company issued 2,000,000 common shares to Strongbow as part of the agreement to acquire 100% of the Shovelnose Gold Property. The proceeds were recorded at the fair value of the shares on the date of issue of $0.09 per share.

On October 16, 2015 the Company issued 500,000 common shares to Berkwood to exercise its option to acquire 70% of the Prospect Valley gold project. The proceeds were recorded at the fair value of the shares on the date of issue of $0.07 per share.

On October 22, 2015 the Company issued 1,230,769 bonus shares to Anglo Celtic Exploration Ltd. (“Anglo”) in connection with the amended loan agreement (note 8(b)). The proceeds were recorded at the fair value of the shares on the date of issue of $0.065 per share.

On October 27, 2015 the Company issued 2,982,000 flow-through share units at a price of $0.06 per share for gross proceeds of $178,920. Each flow-through share unit consists of one flow-through common share and one non-flow-through common share warrant. Each warrant will entitle the holder to purchase one common share at $0.08 for 36 months from the closing date of the private placement. The total proceeds were allocated to capital stock.

On November 12, 2015 the Company closed the final tranche of a private placement of 635,000 flow-through share units at a price of $0.06 for gross proceeds of $38,100. Each unit consists of one common share and one non-transferable warrant. Each warrant will entitle the holder to purchase one common share at $0.08 for 36 months from the closing date of the private placement. The total proceeds were allocated to capital stock.

During the year ended December 31, 2015, the Company paid a total cash finder’s fee of $4,800 and issued 80,000 brokers warrants for the private placements completed on October 27, 2015 and November 12, 2015. The fair value of the share purchase warrants was $3,632 and was calculated using the Black-Scholes option pricing model. The assumptions used for the Black-Scholes option pricing model valuation of the warrants were: risk-free interest rate: 0.49%, expected life: 3 years, annualized volatility: 143%, dividend yield: 0%. The Company also incurred other share issuance costs of $3,574.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(c) Escrow shares

As at March 31, 2016, there were no shares held in escrow.

(d) Warrants

The following summarizes the Company's warrants as at March 31, 2016 and December 31, 2015 and changes during the periods:

	March 31 2016		**December 31 2015**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	8,151,615	$ 0.13	6,303,170	$ 0.16
Issued	6,280,000	$ 0.07	3,697,000	$ 0.08
Expired	-	-	(1,848,555)	$ 0.14
Outstanding and exercisable, end of period	14,431,615	$ 0.10	8,151,615	$ 0.13

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(d) Warrants (Continued)

As at March 31, 2016, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
April 22, 2016	$ 0.15	850,000	0.06
June 30, 2016	$ 0.15	1,200,000	0.25
June 30, 2016	$ 0.18	1,500,000	0.25
July 11, 2016	$ 0.15	260,000	0.28
July 11, 2016	$ 0.18	644,615	0.28
October 27, 2018	$ 0.08	3,026,000	2.58
November 12, 2018	$ 0.08	671,000	2.62
February 29, 2019	$0.07	6,280,000	2.92
		14,431,615	

The fair value of the share purchase warrants issued as part of the unit offerings during the three months ended March 31, 2016 was $12,656.

As at December 31, 2015, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
April 22, 2016	$ 0.15	850,000	0.31
June 30, 2016	$ 0.15	1,200,000	0.50
June 30, 2016	$ 0.18	1,500,000	0.50
July 11, 2016	$ 0.15	260,000	0.53
July 11, 2016	$ 0.18	644,615	0.53
October 27, 2018	$0.08	3,026,000	2.82
November 12, 2018	$0.08	671,000	2.87
		8,151,615	

The fair value of the share purchase warrants issued as part of the unit offerings during the year ended December 31, 2015 was $3,632.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(e) Stock options

The Company adopted a stock option plan (the "Plan") whereby the number of options granted to one person shall not exceed 10% of the outstanding shares at the time of granting the options. If employment with the Company is terminated, other than through death, options not exercised will expire within 90 days after the termination date.

On December 28, 2015, the Company granted 2,300,000 stock options at an exercise price of $0.05 per share. The options vested December 28, 2015 and expire December 28, 2020. Share-based payment expense of $112,240 was charged to the statement of loss and comprehensive loss.

On April 15, 2014, the Company granted 365,000 stock options at an exercise price of $0.15 per share. The options vested April 15, 2014 and expire April 15, 2019. Share-based payment expense of $24,966 was charged to the statement of loss and comprehensive loss.

The following summarizes the Company's stock options as at March 31, 2016 and December 31, 2015:

	March 31 2016		**December 31 2015**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	2,840,000	$ 0.07	2,040,000	$ 0.12
Granted	-	-	2,300,000	$ 0.05
Expired	-	-	(1,500,000)	$0.10
Outstanding and exercisable, end of year	2,840,000	$ 0.07	2,040,000	$ 0.07

A summary of all stock options outstanding as at March 31, 2016 is as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
December 4, 2017	$ 0.20	175,000	1.88
April 15, 2019	$ 0.15	365,000	3.04
December 28, 2020	$ 0.05	2,300,000	4.75
		2,840,000	4.34

(Expressed in Canadian Dollars)

7. CAPITAL STOCK (Continued)

(e) Stock options (Continued)

A summary of all stock options outstanding as at December 31, 2015 is as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
December 4, 2017	$ 0.10	175,000	1.93
April 15, 2019	$ 0.15	365,000	3.29
December 28, 2020	$0.05	2,300,000	5.00
		2,840,000	4.59

The fair value of options granted in 2015 of $112,240 vested immediately and was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2015
Expected life (years)	5
Interest rate	0.64%
Volatility	201%
Dividend yield	0%
Fair value at grant date	0.05

Volatility has been calculated based on the historical volatility of the comparable companies in the same industry.

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

(a) Short-term employee benefits for key management compensation were paid as follows:

	March 31 2016	**December 31 2015**
Anglo Celtic Exploration Ltd.	$ 12,500	$ 50,000
Gravitas Advisory Services	12,500	50,000
Total key management compensation	$ 25,000	$ 100,000

Share-based payment expense allocated to key management during the year ended December 31, 2015 was $97,600.

8. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

(i) Anglo Celtic Exploration Ltd.

Anglo is a company owned by Grenville Thomas, Chief Executive Officer of the Company, and Gareth Thomas, a director of the Company.

In addition to the above costs, for the three months ended March 31, 2016 the Company paid $6,355 (2015 - $6,234) of rent and office expenditures to Anglo. On March 31, 2016, a total of $47,622 (2015 - $13,125) due to Anglo is included in accounts payable and accrued liabilities.

(ii) Gravitas Advisory Services ("Gravitas")

Gravitas is a company owned by Shaun Pollard, Chief Financial Officer of the Company.

(b) On November 19, 2014, the Company entered into an agreement with Anglo to provide an unsecured loan of $200,000. The outstanding balance of the loan is to be repaid within 12 months. The Company may repay the loan at any time without any prepayment penalty. The loan will accrue interest at a rate of 10% per annum.

On October 14, 2015 the Company and Anglo amended the terms of the loan to increase the principal to $400,000 and to extend the repayment date to November 19, 2016. The loan will accrue interest at a rate of 10% per annum. As further consideration, the Company agreed to pay Anglo a bonus of 20% of the value of loan principal through issuance of the Company's common shares. On October 22, 2015 the Company issued 1,230,769 shares in payment of the bonus recorded at the fair value of the shares of $0.065. The balance of the outstanding loan at March 31, 2015 includes accrued interest of $37,632 (2015 -$7,500).

The aggregate finance fees (bonus shares) and comprehensive loss are recorded against the loan balance and are being amortized to the statement of loss and comprehensive loss over the life of the loan, based on the original maturity date using the effective interest method. The unamortized debt discount as at March 31, 2016 is $47,170 (2015 - $nil).

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2016. The Company is not subject to externally imposed capital requirements.

10. COMMITMENTS

On January 1, 2014, the Company entered into a rent-sharing agreement with a company controlled by common officers and directors for the rental of office premises, expiring December 31, 2016. Under the terms of the agreement, the Company is committed to minimum annual payments of $24,864 for fiscal 2016.

As at March 31, 2016, flow-through funds of $236,000 are to be incurred on or before December 31, 2016 and $300,000 are to be incurred on or before December 31, 2017.

11. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

12. EVENTS AFTER THE REPORTING PERIOD

(a) On April 20, 2016 245,333 warrants were exercised for gross proceeds of $19,627. On May 2 and 3, 2016 134,000 warrants were exercised for gross proceeds of $10,720.

(b) On May 4, 2016 the Company announced a private placement of up to 3,000,000 flow-through share units at a price of $0.12 per unit for gross proceeds of up to $360,000. Each unit consists of one common share and one non-transferable warrant. Each warrant will entitle the holder to purchase one common share at $0.16 for 24 months from the closing date of the private placement. On May 27, 2016 Westhaven closed the non-brokered private placement having raised, in aggregate, $382,000 via the issuance of 3,183,331 flow-through share units. An insider subscribed to 41,666 units and $4,128 in finder's fees was paid.