

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements

June 30, 2017

Unaudited –Prepared by Management

(Expressed in 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 six months ended June 30, 2017, 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)

	June 30 2017	December 31 2016
Assets		
Current		
Cash	\$ 100,528	\$ 391,093
Accounts receivable	5,115	22,425
	105,643	413,518
Reclamation Deposits	64,000	59,000
Equipment (note 4)	1,970	2,267
Mineral Properties (note 5)	2,531,964	2,246,425
	\$ 2,703,577	\$ 2,721,210
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 99,952	\$ 67,542
Loan payable (note 7)	420,000	469,829
	519,952	537,371
Shareholders' Equity		
Capital Stock (note 6)	4,486,986	4,301,816
Reserves (note 6)	302,309	179,599
Deficit	(2,605,670)	(2,297,576)
	2,183,625	2,183,839
	\$ 2,703,577	\$ 2,721,210

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
Six Months Ended June 30
(Expressed in Canadian Dollars)

	Three Months Ended June		Three Months Ended June		Six Months Ended June		Six Months Ended June	
	2017		2016		2017		2016	
Expenses								
Share-based payments (note 6(e))	\$	122,710	\$	-	\$	122,710	\$	-
Management fees (note 7)		25,000		25,000		50,000		50,000
Interest (note 7)		10,123		10,800		20,313		21,355
Rent (note 7)		7,067		6,354		13,635		12,710
Regulatory and filing fees		6,303		6,795		15,322		12,156
Advertising and promotion		32,778		4,240		43,639		10,110
General and administrative		2,560		2,404		8,370		7,496
Insurance		5,258		5,012		5,258		5,012
Professional fees		5,774		4,216		19,504		4,126
Travel		4,890		2,228		9,347		2,773
Amortization		149		204		297		409
Amortization of loan issuance cost		-		18,400		-		36,980
		(222,612)		(85,653)		(308,395)		(163,127)
Interest Income		264		-		299		-
Net Loss and Comprehensive Loss for Period								
	\$	(222,348)	\$	(85,653)	\$	(308,094)	\$	(163,127)
Basic and Diluted Loss Per Common Share								
	\$	(0.01)	\$	(0.01)	\$	(0.01)		(0.01)
Weighted Average Number of Common Shares Outstanding								
		52,744,956		39,821,762		52,744,956		39,821,762

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

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

	Capital Stock		Reserves			Deficit	Total Shareholders' Equity
	Common Shares	Amount	Warrants	Options	Total Reserves		
Balance, December 31, 2015	34,554,448	2,732,832	62,017	156,456	218,473	(1,949,553)	1,001,752
Flow-through units issued for cash (note 6(b))	9,183,331	682,000	-	-	-	-	682,000
Shares issued pursuant to property option agreement (note 6(b))	500,000	35,000	-	-	-	-	35,000
Exercise of warrants	379,333	30,347	-	-	-	-	30,347
Expiration of warrants	-	-	(30,000)	-	(30,000)	-	(30,000)
Share issue costs	-	(41,962)	19,511	-	19,511	-	(22,451)
Net loss for period	-	-	-	-	-	(163,127)	(163,127)
Balance June 30, 2016	44,617,112	3,438,217	51,528	156,456	237,984	(2,027,008)	1,242,458
Balance, December 31, 2016	52,312,779	4,301,816	23,143	156,456	179,599	(2,297,576)	2,183,839
Shares issued pursuant to property option agreement (note 6(b))	2,000,000	180,000	-	-	-	-	180,000
Exercise of warrants	96,000	6,720	-	-	-	-	6,720
Share based payments (note 6(e))	-	-	-	112,710	112,710	-	-
Share issue costs	-	(1,550)	-	-	-	-	(1,550)
Net loss for period	-	-	-	-	-	(308,094)	(308,094)
Balance, June 30, 2017	52,408,779	\$ 4,486,986	\$ 23,143	\$ 279,166	\$ 302,309	\$ (2,605,670)	\$ 2,183,625

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Cash Flows
Six Months Ended June 30
(Expressed in Canadian Dollars)

	2017	2016
Operating Activities		
Net loss for period	\$ (308,094)	\$ (163,127)
Items not involving cash		
Amortization	297	409
Interest	20,000	36,980
Share-based payments	122,710	-
Amortization of loan share issuance cost	-	21,355
	-	-
	(165,087)	(104,383)
Changes in non-cash working capital		
Accounts receivable	17,310	6,451
Accounts payable and accrued liabilities	32,410	(104,116)
Cash (Used in) Provided by Operating Activities	(115,367)	(202,048)
Financing Activities		
Payment on loan	(68,829)	-
Shares issued for cash, net of share issue costs	(1,550)	652,695
Exercise of warrants	6,720	30,347
Cash Provided by Financing Activities	(64,659)	683,041
Investing Activities		
Expenditures on mineral properties	(105,539)	(291,415)
Expenditures on reclamation deposits	(5,000)	(35,000)
Cash Used in Investing Activities	(110,539)	(326,415)
Inflow (Outflow) of Cash	(290,565)	154,579
Cash and Cash Equivalents, Beginning of Period	391,093	7,100
Cash and Cash Equivalents, End of Period	\$ 100,528	\$ 161,679
Supplemental Cash Flow Information		
Accounts payable included in mineral properties	\$ -	\$ -
Shares issued for mineral properties	\$ 180,000	\$ 35,000

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

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

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 June 30, 2017, the Company had cash of \$100,528 (2016 - \$161,679); working capital of \$5,691 (2016 deficiency- \$234,173) and an accumulated deficit of \$2,605,670 (2016 - \$2,082,680). 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 except for financial instruments carried at fair value. Also, the financial statements have been prepared 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 financial statements for the year ended December 31, 2106. Any subsequent

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

2. BASIS OF PRESENTATION (Continued)

changes to IFRS that are given effect in the Company's annual statements for the year ending December 31, 2017 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 June 30, 2017 and for the six months then ended approved and authorized for issue by the Board of Directors on August 29, 2017.

(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.

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

2. BASIS OF PRESENTATION (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, economic assessments/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.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's cash, accounts payable and accrued liabilities and loan payable have carrying values that 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:

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

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

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(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:

	June 30 2017	December 31 2016
Cash – Canadian dollars	\$ 100,528	\$ 391,093

(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 June 30, 2017, the Company had cash in the amount of \$100,528 (2016 - \$161,679), accounts payable and accrued liabilities of \$99,952 (2016 - \$38,182) and loan payable of \$420,000 (2016 - \$419,702). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2017.

(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.

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

4. EQUIPMENT

Cost	
As at June 30, 2017 and December 31, 2015 and 2016	\$ 9,735
Accumulated Amortization	
As at December 31, 2015	\$ 6,651
Charge for the year	817
As at December 31, 2016	7,468
Charge for the period	297
As at June 30, 2017	\$ 7,616
Carrying Value	
As at December 31, 2016	\$ 2,267
As at June 30, 2017	\$ 1,970

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

5. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Shovelnose	Prospect Valley	BEN South	Skoonka Creek	Total
Balance, December 31, 2015	\$ 1,254,310	\$ 141,190	\$ 54,783	\$ -	\$ 1,450,283
Deferred exploration costs					
Acquisition costs	1,094	75,675	-	-	76,769
Geological and assays	99,652	216,358	-	-	316,010
Drilling	211,495	164,743	-	-	376,238
Lab fees	39,421	42,487	-	-	81,908
Total additions during the year	351,662	499,263	54,783	-	850,925
Impairment of acquisition and exploration costs	-	-	(54,783)	-	(54,783)
Net change during the year	351,662	499,263	(54,783)	-	10,914
Balance, December 31, 2016	1,605,972	640,453	-	-	2,246,425
Deferred exploration costs					
Acquisition costs	-	-	-	181,548	181,548
Geological and assays	45,587	47,589	-	10,742	103,918
Drilling	-	-	-	-	-
Lab fees	73	-	-	-	73
Total additions during the period	45,660	47,589	-	192,290	285,539
Impairment of acquisition and exploration costs	-	-	-	-	-
Net change during the period	45,660	47,589	-	192,290	285,539
Balance, June 30, 2017	\$ 1,651,632	\$ 688,042	\$ -	\$ 192,290	\$ 2,531,964

(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 would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring \$1,500,000 (\$750,000 incurred) in exploration expenditures on the property.

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

5. MINERAL PROPERTIES (Continued)

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

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 acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow was 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.

(b) 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.

(c) BEN South Property, British Columbia, Canada

In November 2014, the Company commenced exploration activities on the newly staked BEN South property approximately 20 kilometers south of the BEN property. During the year ended December 31, 2016 the Company made the decision to terminate further exploration activity at BEN South and permit the claims to expire. The property was written-down to \$nil. The recoverable amount of the property was derived from unobservable inputs and required management estimates, it is categorized in Level 3 of the fair value hierarchy.

(d) Skoonka Creek, British Columbia, Canada

On May 24 2017, the Company signed a purchase agreement with Strongbow, and Almadex Minerals Ltd. (Almadex), to acquire 100% of the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt (SBGB), British Columbia. Under the terms of the agreement Westhaven issued 2,000,000 shares to Strongbow and Almadex. In addition, Almadex retained its original net smelter royalty of 2% from future production.

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

5. 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.

6. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

In January, 2017 the Company issued 96,000 shares on the exercise of warrants for total proceed of \$6,720.

On May 30, 2017 the Company issued 2,000,000 common shares to Strongbow and Almedex to acquire 100% of the Skoonka Creek gold project. The proceeds were recorded at a price of \$0.09 per share.

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 a price of \$0.07 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.

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

6. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

On May 16, 2016, the Company issued, under a private placement, 2,326,665 flow-through share units at a price of \$0.12 per share for gross proceeds of \$279,200. 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 \$0.16 for 36 months from the closing date of the private placement. The total proceeds were allocated to capital stock as there was no residual on this flow-through offering.

On May 27, 2016 the Company closed the final tranche of the private placement with the issue of 856,666 flow-through share units at a price of \$0.12 for gross proceeds of \$102,800. Each unit consists of one common share and one non-flow-through common share warrant. Each warrant will entitle the holder to purchase one common share at \$0.16 for 36 months from the closing date of the private placement. The total proceeds were allocated to capital stock as there was no residual on this flow-through offering.

On September 20, 2016 the Company issued, under a private placement, 3,860,000 non flow-through share units at a price of \$0.12 per share for gross proceeds of \$463,200. Each share unit consists of one common share and one common share 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. The total proceeds were allocated to capital stock.

On September 28, 2016 the Company closed the final tranche of the private placement issued with the issue of 3,416,667 non flow-through share units at a price of \$0.12 per share for gross proceeds of \$410,000. Each share unit consists of one common share and one common share 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. The total proceeds were allocated to capital stock.

During the year ended December 31, 2016 the Company issued 798,333 shares on the exercise of warrants for total proceeds of \$60,427.

During the year ended December 31, 2016, the Company issued 280,000 brokers warrants for the private placement completed on February 29, 2016. The fair value of the share purchase warrants was \$19,511 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: 0.51%, expected life: 3 years, annualized volatility: 171%, dividend yield: 0%. The Company paid a total cash finder's fee of \$37,712 and also incurred other share issuance costs of \$24,420.

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

6. CAPITAL STOCK (Continued)

(c) Escrow shares

As at June 30, 2017 and December 31, 2016, there were no shares held in escrow.

(d) Warrants

The following summarizes the Company's warrants as at June 30, 2017 and December 31, 2016 and changes during the period (year):

	June 30, 2017		December 31, 2016	
	Number of	Weighted	Number of	Weighted
	Warrants	Average	Warrants	Average
		Exercise		Exercise
		Price		Price
Outstanding and exercisable, beginning of period (year)	19,638,665	\$ 0.12	8,151,615	\$ 0.13
Issued	-	-	16,739,998	\$ 0.13
Exercised	(96,000)	\$ 0.07	(798,333)	\$ 0.08
Expired	-	-	(4,454,615)	\$ 0.16
Outstanding and exercisable, end of period (year)	19,542,665	\$ 0.12	19,638,665	\$ 0.12

For the year ended December 31, 2016, on expiry of 4,454,615 warrants \$58,385 associated with the warrants in warrant reserve was written off directly to deficit.

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

6. CAPITAL STOCK (Continued)

(d) Warrants (Continued)

As at June 30 2017, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 27, 2018	\$0.08	2,593,667	1.33
November 12, 2018	\$0.08	649,000	1.37
February 29, 2019	\$0.07	5,560,000	1.67
May 17, 2019	\$0.16	2,326,665	1.88
May 28, 2019	\$0.16	856,666	1.91
September 20, 2018	\$0.16	3,860,000	1.22
September 28, 2018	\$0.16	3,416,667	1.25
		19,542,665	

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

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 27, 2018	\$0.08	2,593,667	1.82
November 12, 2018	\$0.08	649,000	1.86
February 29, 2019	\$0.07	5,936,000	2.16
May 17, 2019	\$0.16	2,326,665	2.37
May 28, 2019	\$0.16	856,666	2.40
September 20, 2018	\$0.16	3,860,000	1.72
September 28, 2018	\$0.16	3,416,667	1.74
		19,638,665	

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

6. 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 April 13, 2017 the Company granted 1,400,000 stock options at an exercise price of \$0.10 per share. The options vested April 13, 2017 and expire April 13, 2022. Share-based payment expense of \$122,710 was charged to the statement of loss and comprehensive loss.

There were no options granted during the year ended December 31, 2016.

The following summarizes the Company’s stock options as at June 30, 2017 and December 31, 2016 and changes during the period (year):

	June 30, 2017		December 31, 2016	
	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	2,840,000	\$ 0.07
Granted	1,400,000	\$ 0.10	-	-
Expired	-	-	-	-
Outstanding and exercisable, end of year	4,240,000	\$ 0.08	2,840,000	\$ 0.07

A summary of all stock options outstanding as at June 30, 2017 and December 31, 2016 is as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)	
			June 30, 2017	December 31, 2016
December 4, 2017	\$ 0.20	175,000	0.43	0.92
April 15, 2019	\$ 0.15	365,000	1.79	2.28
December 28, 2020	\$ 0.05	2,300,000	3.50	3.98
April 13, 2022	\$ 0.10	1,400,000	4.79	-
		4,240,000	3.65	3.58

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

7. 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 to personal service corporations for the six months ended June 30 as follows:

	2017	2016
Anglo Celtic Exploration Ltd.	\$ 25,000	\$ 25,000
Gravitas Advisory Services	25,000	25,000
Total key management compensation	\$ 50,000	\$ 50,000

- (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, the Company paid \$13,635 (2016 - \$12,710) of rent and office expenditures to Anglo. On June 30, 2017 a total of \$83,892 (December 31, 2016 - \$43,851) 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.

On January 26, 2017 the Company and Anglo agreed to extend the maturity date of the loan to June 30, 2017 on the same terms.

The balance of the outstanding loan at June 30, 2017 includes accrued interest of \$20,000 (December 31, 2016 - \$69,829).

The aggregate finance fees (bonus shares) and comprehensive loss were recorded against the loan balance and were amortized to the statement of loss and comprehensive

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

7. RELATED PARTY TRANSACTIONS (Continued)

loss over the life of the loan, based on the original maturity date using the effective interest method. The debt discount was fully amortized as at December 31, 2016.

The loan balance is comprised as follows:

	Principal at beginning of the period	Interest Payment	Accrued interest expense	Loan balance at end of period
December 31, 2016	\$ 400,000	-	69,829	\$ 469,829
June 30, 2017	\$ 469,829	(69,829)	20,000	\$ 420,000

8. 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 six months ended June 30, 2017 or year ended December 31, 2016. The Company is not subject to externally imposed capital requirements.

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

9. COMMITMENTS

On January 1, 2017, 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, 2019. Under the terms of the agreement, the Company is committed to minimum annual payments of \$26,605 for fiscal 2017.

10. 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.

11. EVENTS AFTER REPORTING PERIOD

On July 1, 2017 the Company and Anglo agreed to extend the maturity date of the loan (note 7) to June 30, 2018 on the same terms.