

ETHOS GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(Stated in Canadian dollars)
(Unaudited)

ETHOS GOLD CORP.
Condensed Balance Sheets
(Stated in Canadian Dollars)

	March 31 2013 (Unaudited)	December 31 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,947,906	\$ 9,059,938
Amounts receivable	35,625	130,532
Prepaid expenses	32,692	65,775
	9,016,223	9,256,245
Mineral Interests (note 3)	1	1
Equipment (note 4)	33,355	35,445
	\$ 9,049,579	\$ 9,291,691
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 66,710	\$ 74,818
Due to related parties (note 6)	15,720	17,280
	82,430	92,098
Shareholders' Equity		
Share capital (note 5)	22,441,603	22,441,603
Share option reserve	1,986,122	1,974,487
Share warrant reserve	3,065,932	3,065,932
Deficit	(18,526,508)	(18,282,429)
	8,967,149	9,199,593
	\$ 9,049,579	\$ 9,291,691

Approved by the Board of Directors and authorized for issue on May 23, 2013

“Chris Theodoropoulos” Director

“Gary Freeman” Director

ETHOS GOLD CORP.**Condensed Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars)**

	Three months ended March 31, 2013	Three months ended March 31, 2012
Expenses		
Amortization of equipment	\$ 2,090	\$ 2,663
Bank charges	422	1,107
Consulting	63,000	58,500
Exploration and project evaluation	43,327	171,284
Investor relations	3,762	41,763
Listing and filing fees	21,799	24,648
Office and administrative	44,180	41,972
Professional fees	12,457	11,248
Rent	11,082	16,082
Salaries	37,654	55,091
Share-based compensation	11,635	186,231
Travel and expenses	19,800	52,926
Loss before the undernoted	(271,208)	(663,515)
Other income (expenses)		
Interest income	26,335	43,782
Foreign exchange gain (loss)	794	(1,782)
Net loss and comprehensive loss for the period	(244,079)	(621,515)
Basic and diluted loss per share	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding	43,458,911	42,617,691

ETHOS GOLD CORP.**Condensed Statements Changes in Equity****For the three months ended March 31, 2013 and 2012****(Stated in Canadian Dollars)**

	Share Capital		Share Reserves			Deficit	Total
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve			
Balances, January 1, 2012	42,097,911	\$21,337,822	\$1,693,527	\$3,065,932	\$(9,997,900)	\$16,099,381	
Shares issued for mineral interests	850,000	812,000	-	-	-	812,000	
Share-based compensation	-	-	186,231	-	-	186,231	
Net loss for the period	-	-	-	-	(621,515)	(621,515)	
Balances, March 31, 2012	42,947,911	\$22,149,822	\$1,879,758	\$3,065,932	\$(10,619,415)	\$16,476,097	
Balances, January 1, 2013	43,458,911	\$22,441,603	\$1,974,487	\$3,065,932	\$(18,282,429)	\$9,199,593	
Share-based compensation	-	-	11,635	-	-	11,635	
Net loss for the period	-	-	-	-	(244,079)	(244,079)	
Balances, March 31, 2013	43,458,911	\$22,441,603	\$1,986,122	\$3,065,932	\$(18,526,508)	\$8,967,149	

ETHOS GOLD CORP.
Condensed Statements of Cash Flows
(Stated in Canadian Dollars)

	Three months ended March 31, 2013	Three months ended March 31, 2012
Operating activities		
Net loss for the period	\$ (244,079)	\$ (621,515)
Item not affecting cash:		
Amortization of equipment	2,090	2,663
Share-based compensation	11,635	186,231
	<u>(230,354)</u>	<u>(432,621)</u>
Changes in non-cash working capital components		
Amounts receivable	94,907	228,916
Prepaid expenses	33,083	(145,889)
Accounts payable and accrued liabilities	(8,108)	(158,061)
Due to related parties	(1,560)	(79,635)
	<u>(112,032)</u>	<u>(587,290)</u>
Investing activities		
Acquisition and exploration of mineral property interests	-	(300,000)
	-	(300,000)
Financing activities		
	-	-
Decrease in cash and cash equivalents	(112,032)	(887,290)
Cash and cash equivalents, beginning of period	9,059,938	14,291,378
Cash and cash equivalents, end of period	\$ 8,947,906	\$ 13,404,088
Cash and cash equivalents, end of year, consisted of		
Cash on deposit with a Canadian Senior Bank	\$ 8,306,625	\$ 11,758,123
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	641,281	1,645,965
	<u>\$ 8,947,906</u>	<u>\$ 13,404,088</u>

Supplemental Cash Flow Information (note 7)

ETHOS GOLD CORP.

Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2013 and 2012 (Stated in Canadian Dollars)

1. NATURE OF OPERATIONS

Ethos Gold Corp. formerly known as Ethos Capital Corp. (the “Company”) was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2007, the Company completed an initial public offering (“IPO”) and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the “TSX-V”). In 2008, the Company announced a proposed qualifying transaction (“Qualifying Transaction”). In 2009, the TSX-V accepted the Company’s Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC. In March 2011, the Company began trading on the OTCQX under the symbol ETHOF. Its registered office is located at 480 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

The Company’s principal business activities are the identification, exploration and development of economically viable mineral properties. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company’s operations during the three months ended March 31, 2013 were primarily directed towards the evaluation of mineral properties to potentially acquire, explore and develop.

These financial statements have been prepared on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing and if required through the issuance of debt or equity. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations in the normal course of business.

2. BASIS OF PREPARATION

Statement of compliance

- (a) These condensed interim financial statements, including the comparative statements, have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with our financial statements for the year ended December 31, 2012. The policies applied in these condensed interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and effective as of May 23, 2013, the date the Board of Directors approved the financial statements.
- (b) The significant accounting policies applied in preparing these condensed interim financial statements are consistent with those disclosed in the annual financial statements. Several new standards and amendments came into effect on January 1, 2013; however, they do not impact the condensed interim financial statements and are not anticipated to impact the Company’s annual financial statements.

ETHOS GOLD CORP.

Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2013 and 2012 (Stated in Canadian Dollars)

3. MINERAL INTERESTS

	Santa Teresa Mexico	Corrales Mexico	Yukon Canada	Total
Acquisition Costs				
Balance, January 1, 2012	\$ -	\$ -	\$ 1,716,000	\$ 1,716,000
Additions	-	-	1,112,000	1,112,000
Balance, March 31, 2012	-	-	2,828,000	2,828,000
Additions	-	-	1	1
Write-off	-	-	(2,828,000)	(2,828,000)
Balance, December 31, 2012 and March 31, 2013	\$ -	\$ -	\$ 1	\$ 1

Betty & Wolf Option Agreements, Yukon

On December 21, 2010, the TSX-V accepted for filing two option agreements dated November 30, 2010 between the Company and Shawn Ryan (“Ryan”) and Wildwood Exploration Inc. (“Wildwood”) whereby the Company had the option to acquire a 100% interest in the Betty and Wolf properties, located in the White Gold area, west-central Yukon.

During the year ended December 31, 2012, the Company made cash payments of \$200,000 (2011 – Nil) and issued 500,000 common shares with a fair value of \$455,000 (2011 – Nil) pursuant to the option agreements.

In February 2013, the Company terminated its option to acquire a 100% interest in the Betty and Wolf properties. Accordingly, the Company has written off the capitalized acquisition costs as at December 31, 2012.

Bridget & Hen Option Agreements, Yukon

The Company entered into two option agreements dated March 1, 2011 between the Company and Ryan and Wildwood, whereby the Company had the option to acquire a 100% interest in the Bridget and Hen properties, located in the White Gold area. The TSXV approved this transaction during the second quarter of 2011. In February, 2012, the Company and Ryan and Wildwood amended the terms of these two option agreements. 1,633 claims were removed from the Hen Agreement and added to the Bridget Agreement, and 476 former Hen claims were determined not to be required for the Company’s exploration objectives, and were returned to Ryan and Wildwood. Consequently, the revised claim package was all covered under the Bridget agreement and the Hen agreement had been terminated.

During the year ended December 31, 2012, the Company made cash payments of \$100,000 (2011 – \$225,000) and issued 350,000 common shares with a fair value of \$357,000 (2011 – 600,000 common shares with a fair value of \$726,000) pursuant to the option agreements.

In March 2013, the Company terminated its option to acquire a 100% interest in the Bridget and Hen properties. Accordingly, the Company has written off the capitalized acquisition costs as at December 31, 2012.

Other Claims, Yukon

During the year ended December 31, 2012, the Company staked an additional 44 mineral property claims near the Betty property in the White Gold area, west-central Yukon. These claims are 100% owned by the Company.

ETHOS GOLD CORP.

Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2013 and 2012 (Stated in Canadian Dollars)

4. EQUIPMENT

	Computer Equipment	Office Equipment	Total
Cost			
Balance, January 1, 2012	\$ 19,490	\$ 31,558	\$ 51,048
Additions	-	-	-
Balance, March 31, 2012	\$ 19,490	\$ 31,558	\$ 51,048
Additions	1,325	-	1,325
Balance, December 31, 2012 and March 31, 2013	\$ 20,815	\$ 31,558	\$ 52,373
Accumulated amortization			
Balance, January 1, 2012	\$ 2,923	\$ 3,156	\$ 6,079
Amortization	5,169	5,680	10,849
Balance, December 31, 2012	\$ 8,092	\$ 8,836	\$ 16,928
Amortization	954	1,136	2,090
Balance, March 31, 2013	9,046	9,972	19,018
Net book value, December 31, 2012	\$ 12,723	\$ 22,722	\$ 35,445
Net book value, March 31, 2013	\$ 11,769	\$ 21,586	\$ 33,355

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Common shares – Issued and outstanding

At December 31, 2012 and March 31, 2013, 43,458,911 common shares were issued and outstanding.

(c) Share purchase options

Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant.

On June 22, 2010, the Company implemented a new Share Option Plan for the benefit of directors, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant. At December 31, 2012 and March 31, 2013, 1,853,570 share purchase options were outstanding.

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Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2013 and 2012 (Stated in Canadian Dollars)

5. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

A summary of the status of the Company's share purchase options outstanding as at March 31, 2013 and December 31, 2012 and changes during the three months ended March 31, 2013 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	1,853,570	\$0.56
Granted	-	-
Exercised	-	-
Cancelled	-	-
Outstanding at March 31, 2013	1,853,570	\$0.56

As at March 31, 2013, the following share purchase options were outstanding:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options	Weighted Average Exercise Price
Sep 24, 2014	100,000	\$0.25	1.48	100,000	\$0.25
Apr 1, 2015	25,000	\$0.39	2.00	25,000	\$0.39
May 4, 2015	80,000	\$0.43	2.09	80,000	\$0.43
Sep 22, 2015	638,570	\$0.42	2.48	638,570	\$0.42
Jun 22, 2016	250,000	\$0.83	3.23	250,000	\$0.83
Sep 30, 2016	100,000	\$0.53	3.50	100,000	\$0.53
Sep 30, 2013	50,000	\$0.53	0.50	50,000	\$0.53
Dec 19, 2016	610,000	\$0.69	3.72	457,500	\$0.69
	1,853,570	\$0.56	2.92	1,701,070	\$0.74

6. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

- During the three months ended March 31, 2013, the Company paid \$63,000 (2012 - \$91,500) in consulting fees to private companies controlled by certain directors and officers of the Company.
- \$15,720 in Director fees was payable at March 31, 2013 (December 31, 2012 – \$17,280).

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Notes to the Condensed Interim Financial Statements For the three months ended March 31, 2013 and 2012 (Stated in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

	For the three months ended	
	March 31, 2013	March 31, 2012
Salaries	\$33,000	\$55,091
Consulting fees	\$63,000	\$91,500
Directors fees	\$15,000	\$17,000
Share-based compensation	\$11,635	\$186,231
	<u>\$122,635</u>	<u>\$349,822</u>

7. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended	
	March 31, 2013	March 31, 2012
Interest received	\$ 26,335	\$ 43,782
Interest paid	-	-
Non-cash activities		
Acquisition of mineral property through issue of shares	-	812,000

8. SEGMENT INFORMATION

- a) The Company operates in one industry segment (note 1).
- b) At March 31, 2013 and March 31, 2012, the Company's mineral interests were located as follows:

	March 31, 2013	March 31, 2012
Canada	<u>\$ 1</u>	<u>\$ 2,828,000</u>

The Company's other assets and liabilities and net expenses are attributable to its corporate office activities in Canada.

9. COMMITMENT AND CONTINGENCIES

The Company's exploration activities in the Yukon Territory are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment, and believes its operations are materially in compliance with all applicable laws and regulations. The Company makes, and expects to make in the future, expenditures to comply with such laws and regulations, including any reclamation at its mineral properties, on a continuous basis.

The Company leases its premises in Vancouver, British Columbia and the minimum annual rent in each of the next five years until the lease agreement's expiry on January 31, 2015 are as follows:

2013	\$47,814
2014	\$63,927
2015	\$ 5,327

ETHOS GOLD CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2013 and 2012

(Stated in Canadian Dollars)

10. SUBSEQUENT EVENTS

In May 2013, the Company granted, under its Share Option Plan, incentive stock options to certain directors, officers, employees and consultants of the Company to purchase an aggregate of 1,780,000 common shares exercisable for a period of up to five years from the date of grant at a price of \$0.36 per share. 100,000 of the aforementioned incentive stock options were granted to Fred Leigh, the investor relations manager of the Company. 1,250,000 of the options are subject to acceptance for filing by the TSX Venture Exchange and 1,200,000 of those options are also subject to disinterested shareholder approval at the Annual General Meeting of the Company to be held on June 19, 2013.