

ETHOS GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013
(Stated in Canadian dollars)
(Unaudited)

NOTICE TO READER

These condensed interim financial statements have been prepared by the management of Ethos Gold Corp. and have not been reviewed by the auditors of Ethos Gold Corp.

ETHOS GOLD CORP.
Interim Statements of Financial Position
(Stated in Canadian Dollars)
(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,129,936	\$ 8,405,049
Amounts receivable	4,321	13,892
Prepaid expenses	16,355	37,724
	8,150,612	8,456,665
Mineral interests (note 3)	1	1
Equipment (note 4)	22,482	27,084
	\$ 8,173,095	\$ 8,483,750
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 14,776	\$ 23,220
Due to related parties (note 6)	18,800	-
	33,576	23,220
Shareholders' Equity		
Share capital (note 5)	22,441,603	22,441,603
Share option reserve	2,168,056	2,133,793
Share warrant reserve	3,065,932	3,065,932
Deficit	(19,536,072)	(19,180,798)
	8,139,519	8,460,530
	\$ 8,173,095	\$ 8,483,750

Approved by the Board of Directors and authorized for issue on November 25, 2014

“Chris Theodoropoulos” Director

“Gary Freeman” Director

See accompanying notes to the interim financial statements.

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

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Expenses				
Amortization of equipment	\$ 1,534	\$ 2,090	\$ 4,602	\$ 6,271
Bank charges	281	600	1,428	1,529
Consulting (note 6)	71,429	80,600	176,102	205,889
Exploration and project evaluation	-	(13,967)	-	63,107
Investor relations	-	-	-	1,031
Listing and filing fees	10,016	5,288	38,704	44,033
Office and administrative	25,027	32,271	76,202	102,534
Professional fees	8,125	37,066	24,673	57,023
Rent	12,408	13,608	40,224	33,151
Salaries and benefits	2,956	42,539	15,421	105,946
Share-based compensation	3,663	64,805	34,263	127,854
Travel and expenses	4,488	13,698	18,158	43,334
Loss before the undernoted	(139,927)	(278,598)	(429,777)	(791,702)
Other income (expenses)				
Interest income	24,373	26,261	73,669	79,799
Foreign exchange gain (loss)	42	(783)	834	1,314
Net loss and comprehensive loss for the period	\$ (115,512)	\$ (253,120)	\$ (355,274)	\$ (710,589)
Basic and diluted loss per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.02
Weighted average number of shares outstanding	43,458,911	43,458,911	43,458,911	43,458,911

See accompanying notes to the interim financial statements.

ETHOS GOLD CORP.
Interim Statements of Changes in Equity
(Stated in Canadian Dollars)
(Unaudited)

	Share Capital		Share Reserves			Total
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve	Deficit	
Balance, December 31, 2012	43,458,911	\$22,441,603	\$1,974,487	\$3,065,932	\$(18,282,429)	\$9,199,593
Share-based compensation	-	-	127,854	-	-	127,854
Net loss for the period	-	-	-	-	(710,589)	(710,589)
Balance, September 30, 2013	43,458,911	\$22,441,603	\$2,102,341	\$3,065,932	\$(18,993,018)	\$8,616,858
Share-based compensation	-	-	31,452	-	-	31,452
Net loss for the period	-	-	-	-	(187,780)	(187,780)
Balance, December 31, 2013	43,458,911	\$22,441,603	\$2,133,793	\$3,065,932	\$(19,180,798)	\$8,460,530
Share-based compensation	-	-	34,263	-	-	34,263
Net loss for the period	-	-	-	-	(355,274)	(355,274)
Balance, September 30, 2014	43,458,911	\$22,441,603	\$2,168,056	\$3,065,932	\$(19,536,072)	\$8,139,519

See accompanying notes to the interim financial statements.

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

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
Operating activities		
Net loss for the period	\$ (355,274)	\$ (710,589)
Item not affecting cash:		
Amortization of equipment	4,602	6,271
Share-based compensation	34,263	127,854
	(316,409)	(576,464)
Changes in non-cash working capital components		
Amounts receivable	9,571	34,529
Prepaid expenses	21,369	33,212
Accounts payable and accrued liabilities	(8,444)	(2,976)
Due to related parties	18,800	(14,512)
Cash used in operating activities	(275,113)	(526,211)
Decrease in cash and cash equivalents	(275,113)	(526,211)
Cash and cash equivalents, beginning of period	8,405,049	9,059,938
Cash and cash equivalents, end of period	\$ 8,129,936	\$ 8,533,727
Cash and cash equivalents consisted of		
Cash on deposit with a Canadian Senior Bank	\$ 8,089,868	\$ 7,892,591
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	40,068	641,136
	\$ 8,129,936	\$ 8,533,727

Supplemental Cash Flow Information (note 7)

See accompanying notes to the interim financial statements

ETHOS GOLD CORP.

Notes to the Interim Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Ethos Gold Corp. (the “Company”) was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2009, it began trading on the TSX Venture Exchange (“TSX-V”) as a Tier 2 company under the symbol ECC. Its registered office is located at 480 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

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 nine months ended September 30, 2014 were primarily directed towards the search for mineral properties to acquire 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 Company has sufficient resources at this time to locate and explore a mineral property or properties with sufficient potential for further development. Should the Company succeed in identifying and exploring one or more mineral properties, it may need to obtain additional financing through the issuance of debt or equity. There is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company to complete the successful development of these properties.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements, including the comparative statements, have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* using the same accounting policies and methods as were used for the Company’s financial statements and the notes thereto for the year ended December 31, 2013 (“Annual Financial Statements”), except for the new accounting pronouncements, listed below, which have been adopted on January 1, 2014. The Financial Statements should be read in conjunction with the Annual Financial Statements.

(b) Changes to accounting standards

IAS 32: *Offsetting Financial Assets and Financial Liabilities* (Amended). The Company adopted the amendment on January 1, 2014 and there was no impact on the condensed interim financial statements.

(c) Changes in accounting standards not yet adopted

IFRS 9 *Financial Instruments* (“IFRS 9”): This standard replaces the current IAS 39 *Financial Instruments Recognition and Measurement*. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective implementation date of IFRS 9 is January 1, 2018. The Company is currently evaluating the impact on the financial statements.

ETHOS GOLD CORP.

Notes to the Interim Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

(Expressed in Canadian Dollars)

(Unaudited)

3. MINERAL INTERESTS

		Yukon Canada		Total
Acquisition Costs				
Balance, December 31, 2012	\$	1	\$	1
Additions		-		-
Write-off		-		-
Balance, December 31, 2013 and September 30, 2014	\$	1	\$	1

During the year ended December 31, 2012, the Company staked 44 mineral property claims near the Betty property in the White Gold area, west-central Yukon. These claims are 100% owned by the Company and will remain in good standing for five years to 2018 with no further expenditures required.

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.

4. EQUIPMENT

		Computer Equipment		Office Equipment		Total
Cost						
Balance, December 31, 2012	\$	20,815	\$	31,558	\$	52,373
Additions		-		-		-
Balance, December 31, 2013 and September 30, 2014	\$	20,815	\$	31,558	\$	52,373
Accumulated amortization						
Balance, December 31, 2012	\$	8,092	\$	8,836	\$	16,928
Amortization		3,817		4,544		8,361
Balance, December 31, 2013	\$	11,909	\$	13,380	\$	25,289
Amortization		2,004		2,598		4,602
Balance, September 30, 2014	\$	13,913	\$	15,978	\$	29,891
Net book value						
December 31, 2013	\$	8,906	\$	18,178	\$	27,084
September 30, 2014	\$	6,902	\$	15,580	\$	22,482

ETHOS GOLD CORP.

Notes to the Interim Financial Statements

For the Nine Months Ended September 30, 2014 and 2013

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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 September 30, 2014 and December 31, 2013, the Company had 43,458,911 common shares 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 ("Plan") for the benefit of directors, 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 September 30, 2014, 3,303,570 share purchase options were outstanding.

The continuity of incentive stock options issued and outstanding is as follows:

	September 30, 2014		December 31, 2013	
	Number of Share Options	Weighted Average Exercise Price	Number of Share Options	Weighted Average Exercise Price
Outstanding, beginning of period	3,453,570	\$0.47	1,853,570	\$0.56
Granted	100,000	\$0.20	1,780,000	\$0.36
Expired	(100,000)	\$0.25	(180,000)	\$0.41
Cancelled	(150,000)	\$0.47	-	-
Outstanding, end of period	3,303,570	\$0.47	3,453,570	\$0.47

The following weighted-average grant date assumptions were used in the Black-Scholes model in valuing share purchase options granted during the nine months ended September 30, 2014 to an officer: weighted average grant-date fair value: \$0.11; weighted average share price: \$0.19; weighted average exercise price: \$0.20; risk-free interest rate: 1.46%; expected volatility: 70.72%; expected years of option life: 5; expected dividends: nil. Volatility is based on the Company's historical share price volatility.

ETHOS GOLD CORP.

Notes to the Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

5. SHARE CAPITAL (continued)

As at September 30, 2014, the following share purchase options were outstanding and exercisable:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options	Weighted Average Exercise Price
Apr 1, 2015	25,000	\$0.39	0.50	25,000	\$0.39
May 4, 2015	80,000	\$0.43	0.59	80,000	\$0.43
Sep 22, 2015	638,570	\$0.42	0.98	638,570	\$0.42
Jun 22, 2016	250,000	\$0.83	1.73	250,000	\$0.83
Dec 19, 2016	610,000	\$0.69	2.22	610,000	\$0.69
May 16, 2018	1,600,000	\$0.36	3.63	1,600,000	\$0.36
August 2, 2019	100,000	\$0.20	4.84	-	\$0.20
	3,303,570	\$0.47	2.65	3,203,570	\$0.47

6. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. The Company entered into the following transactions with related parties during the nine months ended September 30, 2014 and 2013:

- The Company paid \$154,738 (2013 - \$249,000) in consulting fees to private companies controlled by certain directors and officers of the Company.
- As at September 30, 2014, \$18,800 (December 31, 2013 - \$Nil) was due to related parties.

All amounts due to related parties are payable on demand. Interest is not charged on outstanding balances.

Key management personnel compensation:

Key management personnel comprises directors and executive officers. The following compensation was paid to key management personnel:

	For the nine months ended September 30,	
	2014	2013
Consulting fees	\$ 154,738	\$ 249,000
Directors fees	40,000	45,600
Share-based compensation	34,263	107,620
	\$ 229,001	\$ 402,220

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Notes to the Interim Financial Statements

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(Unaudited)

7. SUPPLEMENTAL CASH FLOW INFORMATION

	For the nine months ended September 30,	
	2014	2013
Interest received	\$ 73,669	\$ 79,799

8. COMMITMENT

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:

2014	\$15,972
2015	\$ 5,324