

ETHOS GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(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.
Condensed Interim Statements of Financial Position
(Stated in Canadian Dollars)
(Unaudited)

	Note	March 31, 2016	December 31, 2015
Assets			
Current assets:			
Cash and cash equivalents		\$ 7,491,752	\$ 7,601,335
Amounts receivable		9,174	9,513
Prepaid expenses		8,306	9,727
		7,509,232	7,620,575
Mineral interests		1	1
Equipment	4	13,279	14,813
		\$ 7,522,512	\$ 7,635,389
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 23,325	\$ 59,963
Due to related parties	6	6,022	2,400
		29,347	62,363
Shareholders' Equity			
Share capital	5	22,441,603	22,441,603
Share option reserve		2,228,074	2,228,074
Share warrant reserve		3,065,932	3,065,932
Deficit		(20,242,444)	(20,162,583)
		7,493,165	7,573,026
		\$ 7,522,512	\$ 7,635,389

Approved by the Board of Directors and authorized for issue on May 25, 2016.

 "Darren Devine" Director

 "Gary Freeman" Director

See accompanying notes to the condensed interim financial statements.

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

		Three months ended	
		March 31	
	Note	2016	2015
Expenses			
Amortization of equipment		\$ 1,534	\$ 1,534
Bank charges		482	389
Consulting	6	44,708	51,358
Exploration and project evaluation		-	-
Investor relations		-	-
Listing and filing fees		11,643	7,206
Office and administrative	6	15,419	27,152
Professional fees		5,338	4,545
Rent		3,750	11,328
Salaries and benefits		-	-
Share-based compensation	6	-	2,066
Travel and expenses		10,843	1,997
Loss before the undernoted		(93,717)	(107,575)
Other income (expenses)			
Interest income		14,211	19,935
Foreign exchange (loss)/gain		(355)	-
Net loss and comprehensive loss for the period		\$ (79,861)	\$ (87,640)
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding		43,458,911	43,458,911

See accompanying notes to the condensed interim financial statements.

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

	Share Capital		Share Reserves		Deficit	Total
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve		
Balance, December 31, 2014	43,458,911	\$ 22,441,603	\$ 2,162,121	\$ 3,065,932	\$ (19,607,634)	\$ 8,062,022
Share-based compensation	-	-	2,066	-	-	2,066
Net loss for the period	-	-	-	-	(87,640)	(87,640)
Balance, March 31, 2015	43,458,911	22,441,603	2,164,187	3,065,932	(19,695,274)	7,976,448
Share-based compensation	-	-	63,887	-	-	63,887
Net loss for the period	-	-	-	-	(467,309)	(467,309)
Balance, December 31, 2015	43,458,911	22,441,603	2,228,074	3,065,932	(20,162,583)	7,573,026
Net loss for the period	-	-	-	-	(79,861)	(79,861)
Balance, March 31, 2016	43,458,911	\$ 22,441,603	\$ 2,228,074	\$ 3,065,932	\$ (20,242,444)	\$ 7,493,165

See accompanying notes to the condensed interim financial statements.

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

	For the three months ended March 31,	
	2016	2015
Operating activities		
Net loss for the period	\$ (79,861)	\$ (87,640)
Item not affecting cash:		
Amortization of equipment	1,534	1,534
Share-based compensation	-	2,066
	(78,327)	(84,040)
Changes in non-cash working capital components		
Amounts receivable	339	(1,202)
Prepaid expenses	1,421	4,873
Accounts payable and accrued liabilities	(36,638)	(7,397)
Due to related parties	3,622	2,750
Cash used in operating activities	(109,583)	(85,016)
Decrease in cash and cash equivalents	(109,583)	(85,016)
Cash and cash equivalents, beginning of period	7,601,335	8,046,537
Cash and cash equivalents, end of period	\$ 7,491,752	\$ 7,961,521
Cash and cash equivalents consisted of		
Cash on deposit with a Canadian Senior Bank	\$ 7,451,583	\$ 7,921,293
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	40,169	40,228
	\$ 7,491,752	\$ 7,961,521

Supplemental Cash Flow Information (note 7)

See accompanying notes to the condensed interim financial statements

ETHOS GOLD CORP.

Notes to the Condensed Interim Financial Statements For the Three Months Ended March 31, 2016 and 2015 (Stated 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 800 – 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.

The Company’s operations during the three months ended March 31, 2016 were primarily directed towards the search for business opportunities in favorable jurisdictions.

These condensed interim 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, 2015 (“Annual Financial Statements”). These financial statements should be read in conjunction with the Annual Financial Statements.

(b) 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.

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Notes to the Condensed Interim Financial Statements For the Three Months Ended March 31, 2016 and 2015 (Stated in Canadian Dollars) (Unaudited)

3. MINERAL INTERESTS

		Yukon Canada		Total
Acquisition Costs				
Balance, December 31, 2014	\$	1	\$	1
Additions		-		-
Write-off		-		-
Balance, December 31, 2015 and March 31, 2016	\$	1	\$	1

The Company staked a 44 mineral claim property in 2012 in the White Gold area, west central Yukon. The 44 mineral claims are 100% owned by the Company and will remain in good standing until to 2018 with no further expenditures.

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, 2014	\$	20,815	\$	31,558	\$	52,373
Additions		-		-		-
Balance, December 31, 2015 and March 31, 2016	\$	20,815	\$	31,558	\$	52,373
Accumulated amortization						
Balance, December 31, 2014	\$	14,580	\$	16,844	\$	31,424
Amortization		2,672		3,464		6,135
Balance, December 31, 2015	\$	17,252	\$	20,308	\$	37,560
Amortization		668		866		1,534
Balance, March 31, 2016	\$	17,920	\$	21,174	\$	32,958
Net book value						
December 31, 2015	\$	3,563	\$	11,250	\$	14,813
March 31, 2016	\$	2,895	\$	10,384	\$	13,279

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Notes to the Condensed Interim Financial Statements For the Three Months Ended March 31, 2016 and 2015 (Stated in Canadian Dollars) (Unaudited)

5. SHARE CAPITAL

(a) Authorized

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

(b) Issued and outstanding

Common shares - At March 31, 2016 and December 31, 2015, the Company had 43,458,911 common shares issued and outstanding.

Preferred shares – At March 31, 2016 and December 31, 2015 no preferred 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 ("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 March 31, 2016, 2,085,000 share purchase options were outstanding.

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

	March 31, 2016		December 31, 2015	
	Number of Share Options	Weighted Average Exercise Price	Number of Share Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,085,000	\$0.31	3,303,570	\$0.47
Granted	-	-	750,000	\$0.15
Expired	-	-	(1,968,570)	\$0.51
Outstanding, end of period	2,085,000	\$0.31	2,085,000	\$0.31

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Notes to the Condensed Interim Financial Statements For the Three Months Ended March 31, 2016 and 2015 (Stated in Canadian Dollars) (Unaudited)

5. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

As at March 31, 2016, the following share purchase options were outstanding:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options
Dec 19, 2016	235,000	\$0.69	0.72	235,000
May 16, 2018	1,000,000	\$0.36	2.13	1,000,000
Aug 2, 2019	100,000	\$0.20	3.34	100,000
Jul 29, 2020	750,000	\$0.15	4.33	750,000
	2,085,000	\$0.31	2.82	2,085,000

The weighted average grant-date fair value of share purchase options granted during the fiscal year ended December 31, 2015 was \$0.08 (2014 - \$0.10) per share purchase option. The Company determines the fair value of options granted using the Black-Scholes model for share purchase options issued to directors, officers and employees. The Company determines the fair value of share purchase options issued to non-employees using the value of services provided by the non-employees.

The following weighted-average grant date assumptions were used in valuing share purchase options granted during the years to directors, officers and employees:

	2016	2015
Weighted average share price	-	\$0.15
Weighted average exercise price	-	\$0.15
Risk-free interest rate	-	0.83%
Expected volatility ⁽¹⁾	-	67%
Expected years of option life ⁽²⁾	-	5
Expected dividends	-	Nil

⁽¹⁾ Expected volatility was determined based on the historical volatility of the Company over a period commensurate with the expected option life.

⁽²⁾ The effects of early exercise were not incorporated into the model as the options are expected to be held for the contractual life.

(d) Share purchase warrants

As at March 31, 2016 the Company has no share purchase warrants outstanding.

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Notes to the Condensed Interim Financial Statements For the Three Months Ended March 31, 2016 and 2015 (Stated in Canadian Dollars) (Unaudited)

6. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the three months ended March 31, 2016 and 2015:

- a) The Company paid \$35,750 (2014 - \$40,200) in consulting fees to private companies controlled by certain directors and officers of the Company.
- b) As at March 31, 2016, \$6,022 (December 31, 2015 - \$2,400) was due to related parties. These amounts are non-interest bearing and are payable on demand.

Key management personnel compensation:

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

	For the three months ended March 31,	
	2016	2015
Consulting fees	\$ 35,750	\$ 40,200
Directors fees	7,200	12,000
Share-based compensation	-	2,066
	\$ 42,950	\$ 54,266

7. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended March 31,	
	2016	2015
Interest received	\$ 14,211	\$ 19,856

8. EVENTS AFTER THE REPORTING PERIOD

- a) On May 12, 2016, the Company completed a non-brokered private placement of 3,876,470 units at a price of \$0.17 per unit for gross proceeds of \$659,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant exercisable for a term of two years. Each common share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.30 per common share during the term of the warrant.