

WESTKAM GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

July 31, 2018

(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements for the Company for the third quarter ended July 31, 2018 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these unaudited interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

WESTKAM GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	July 31, 2018	Oct. 31, 2017
ASSETS			
Current Assets			
Cash		\$ 12,362	\$ 56,950
Receivables	3	38,348	30,522
Prepaid expenses		24,058	-
		74,768	87,472
Equipment	4	5,576	6,540
Exploration and evaluation assets	5	14,341,198	14,341,198
Reclamation bonds	5	100,000	100,000
		\$ 14,521,542	\$ 14,535,210
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,165,217	\$ 570,557
Reclamation obligation	5	41,000	41,000
		1,206,217	611,557
SHAREHOLDERS' EQUITY			
Share capital	6	52,979,152	52,209,369
Share-based payments reserve	6	1,301,851	402,381
Share subscriptions received		-	626,000
Deficit		(40,965,678)	(39,314,097)
		13,315,325	13,923,653
		\$ 14,521,542	\$ 14,535,210

Nature of Operations and Going Concern (note 1)

On behalf of the Board:

"Matt Wayrynen" Director

"Akash Patel" Director

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

WESTKAM GOLD CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Three months ended July 31		Nine months ended July 31	
	Note	2018	2017	2018	2017
EXPENSES					
Consulting		\$ -	\$ 75,979	\$ 40,000	\$ 173,708
Depreciation		304	377	964	1,197
Exploration expenditures (recoveries), net		2,379	68,328	622,557	277,230
Investor relations and shareholder information		3,879	4,000	11,504	13,095
Management fees	7	45,000	35,000	135,000	135,000
Office		6,291	17,932	22,177	38,559
Professional fees		-	2,500	22,802	31,059
Regulatory and filing fees		1,590	4,406	37,088	25,365
Share-based payments		-	-	920,023	-
Operating Loss		\$ (59,443)	\$(208,522)	(1,812,115)	(695,213)
Interest income (expense)		(976)	(1,853)	(976)	(1,464,)
Loss and comprehensive loss for the period		\$ (60,419)	\$(210,375)	\$ (1,813,091)	\$ (696,677)
Loss per share (Basic and Diluted)	9	\$ -	\$ -	\$ (0.01)	\$ -
Weighted average number of common shares outstanding		249,932,842	199,205,431	243,811,199	183,801,767

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

WESTKAM GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of common shares	Share Capital	Share Subscriptions Receivable	Share Subscriptions in advance	Share- based payments reserve	Deficit	Total shareholders equity
Balance, Oct. 31, 2016	197,942,707	\$51,899,369	\$ (15,000)	\$ -	\$ 402,381	\$(37,878,465)	\$14,408,285
Share subscriptions receivable	-	-	7,500	-	-	-	7,500
Private placement	15,500,000	310,000	(5,000)	-	-	-	305,000
Loss and comprehensive loss	-	-	-	-	-	(696,677)	(696,677)
Balance, July 31, 2017	213,442,707	\$52,202,369	\$ (12,500)	\$ -	\$ 402,381	\$ (38,575,142)	\$ 14,024,108
Balance, Oct. 31, 2017	213,442,707	\$52,209,369	\$ -	\$ 626,000	\$ 402,381	\$ (39,314,097)	\$13,923,653
Private placement	45,600,000	910,440	-	(626,000)	-	-	284,440
Residual value of warrants	-	(228,000)	-	-	228,000	-	-
Reversal of expired options	-	-	-	-	(161,210)	161,210	-
Reversal of expired warrants	-	87,343	-	-	(87,343)	-	-
Share-based payments	-	-	-	-	920,023	-	920,023
Loss and comprehensive loss	-	-	-	-	-	(1,813,091)	(1,813,091)
Balance, July 31, 2018	259,042,707	52,979,152	-	-	1,301,851	(40,965,978)	13,315,025

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

WESTKAM GOLD CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three months ended July 31		Nine months ended July 31	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	\$ (60,419)	\$ (210,375)	\$(1,813,091)	\$ (696,677)
Items not affecting cash:				
Amortization	304	377	964	1,197
Share-based payments	-	-	920,023	-
Changes in non-cash working capital items				
Decrease (increase) in receivables	13,827	(1,110)	(7,826)	147,754
Decrease (increase) in prepaid expenses	-	26,457	(24,058)	26,457
Increase (decrease) in accounts payable and accrued liabilities	50,705	(73,425)	594,960	199,414
Net cash provided by (used in) operating activities	\$ 4,417	\$ (258,076)	\$ (329,028)	\$ (321,855)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of common shares for cash	-	310,000	910,440	310,000
Share subscriptions receivable	-	(5,000)	-	2,500
Share subscriptions received	-	-	(626,000)	-
Net cash provided by financing activities	-	305,000	284,440	312,500
CHANGE IN CASH DURING THE PERIOD	4,417	46,924	(44,588)	(9,355)
CASH, beginning of period	7,945	26,759	56,950	83,038
CASH, end of period	\$ 12,362	\$ 73,683	\$ 12,362	\$ 73,683

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

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2018

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

WestKam Gold Corp. (the "Company") was incorporated October 2, 1982 under the laws and Company Act of British Columbia, Canada, is domiciled in Canada and is a reporting issuer in the provinces of British Columbia and Alberta, Canada. The Company trades on the TSX Venture Exchange under the symbol "WKG". The Company's head and registered offices are located at Suite 900 – 570 Granville Street, Vancouver, BC, V6C 3P1.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recovery of amounts comprising the exploration and evaluation assets is dependent upon the confirmation of recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of these reserves, the potential future profitability of these reserves or alternatively, the disposition, on an advantageous basis, of the Company's interests in the exploration and evaluation assets. The Company continues to incur losses and will require additional financing for the upcoming year. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance:

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements and notes thereto for the fiscal year ended October 31, 2017.

The financial statements were authorized by the Board of Directors of the Company on October 11, 2018.

b) Basis of presentation:

The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

c) New standards, amendments and interpretations adopted:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2018 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16, Leases. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

NOTE 3 – RECEIVABLES

Receivables are comprised of the following:

	July 31, 2018	October 31, 2017
GST Receivable	\$ 38,348	\$ 24,170
Total	<u>\$ 38,348</u>	<u>\$ 24,170</u>

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2018

NOTE 4 – EQUIPMENT

	Computer equipment		Furniture, fixtures and equipment		Total
Cost					
Balance at October 31, 2017 and 2018	\$	41,035	\$	68,065	\$ 109,100
	Computer equipment		Furniture, fixtures and equipment		Total
Depreciation and impairment					
Balance at October 31, 2016	\$	40,389	\$	60,616	\$ 101,005
Depreciation		173		1,382	1,555
Balance at October 31, 2017	\$	40,562	\$	61,998	\$ 102,560
Depreciation		99		865	964
Balance, July 31, 2018	\$	40,661	\$	62,863	\$ 103,524
	Computer equipment		Furniture, fixtures and equipment		Total
Carrying values					
Balance at October 31, 2017	\$	473	\$	6,067	\$ 6,540
Balance at July 31, 2018	\$	374	\$	5,202	\$ 5,576

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

Exploration and evaluation assets costs are set out below:

	Bonaparte	
As at October 31, 2017 and July 31, 2018	\$	14,341,198

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2018

NOTE 5 – EXPLORATION AND EVALUATION ASSETS – (Continued)

Bonaparte Gold property - Kamloops, British Columbia

The Company entered into a farm-in agreement with MX Gold (“MX”), a company related by virtue of a common director, whereby MX could acquire a 5% interest by incurring \$650,000 in exploration costs. The agreement was subsequently terminated.

The Company has a 100% interest in the Bonaparte Gold property located in the Kamloops mining district in British Columbia.

The Company entered into an advanced exploration agreement with the Stk'emlupsemc Te Secwepemc Nation requiring payments as follows:

- 1) \$25,000 on or before August 14, 2015 (paid)
- 2) \$25,000 on or before August 14, 2016 (paid)

The Company will also fund a Cultural Heritage Study (the “Study”) with funding requirements as follows:

- 1) \$100,000 upon receipt of Study proposal (paid)
- 2) \$50,000 within 12 months of receipt of proposal (paid)
- 3) \$150,000 upon receipt of final Study

The above payments have been included in exploration expenditures as advanced exploration fees.

The table below is a summary of exploration expenditures recognized in profit or loss for the periods ended July 31, 2018 and 2017:

	July 31, 2018	July 31, 2017
	Bonaparte	Bonaparte
Exploration Expenses		
Assays	-	2,259
Camp supplies, maintenance and miscellaneous	508,352	110,660
Geological consulting	49,025	6,700
Other	29,200	89,283
Travel	35,980	-
Net Exploration	\$ 622,557	\$ 208,902

As at July 31, 2018, the Company had issued reclamation bonds of \$100,000 (2017 - \$40,000) for future reclamation work on the Bonaparte Gold property.

As at July 31, 2018, the Company has recognized a reclamation obligation of \$41,000 (2017 - \$41,000). The undiscounted amount of estimated cash flows was estimated at \$40,000. The liability was estimated using an expected life of five years and net discount rate of 0.23%.

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NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2018

NOTE 6 – SHARE CAPITAL

The Company's share capital consists of an unlimited number of common shares without par value.

Fiscal 2018 Transactions

On December 13, 2017, the Company completed a non-brokered private placement of 31,750,000 flow-through units and 13,850,000 non-flow-through units at a price of \$0.02 per unit for gross proceeds of \$912,000. Units and flow-through units consisted of one common share and one common share purchase warrant exercisable at a price of \$0.05 for a period of three years following the close of the private placement.

Fiscal 2017 Transactions

On May 16, 2017, the Company completed a non-brokered private placement of 6,500,000 Flow-Through units and 9,000,000 non-flow units at a price of \$0.02 per unit for gross proceeds of \$310,000. Units and flow-through units consisted of one common share and one common share purchase warrant exercisable at a price of \$0.05 for a period of three years following the close of the private placement.

Share-based compensation

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

On February 6, 2018, the Company granted incentive stock options for the purchase of up to 22,400,000 common shares, at a price of \$0.05 per share, and exercisable on or before February 6, 2023, to directors, officers and consultants of the Company. The total fair value of options granted using the Black-Scholes option pricing model was \$920,023. A total of \$920,023 was charged to operations, offset to share-based payment reserves.

As at July 31, 2018 and October 31, 2017, the Company had outstanding and exercisable stock options as follows:

Number outstanding Oct. 31, 2017	Granted	Exercised	Expired/ Cancelled	Number outstanding July 31, 2018	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
4,300,000	-	-	(2,450,000)	1,850,000	\$0.05	Aug. 21, 2019	1.08
-	22,400,000	-	-	22,400,000	\$0.05	Feb. 6, 2023	4.66
4,300,000	22,400,000	-	(2,450,000)	24,250,000	\$0.05	<i>(weighted average)</i>	4.16
				Exercisable			
-	-	-	-	24,250,000	\$0.05	<i>(weighted average)</i>	4.16

WESTKAM GOLD CORP.
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Warrants

The continuity of warrants for the period ended July 31, 2018 is as follows:

Expiry Date	Exercise Price	Oct. 31, 2017	Granted	Exercised	Expired/ cancelled	July 31, 2018
July 26, 2018	\$0.10	10,626,000	-	-	(10,626,000)	-
July 26, 2018	\$0.10/ \$0.20 ⁽ⁱ⁾	3,300,000	-	-	(3,300,000)	-
Aug. 21, 2019	\$0.07/ \$0.10 ⁽ⁱⁱ⁾	3,008,333	-	-	-	3,008,333
Aug. 21, 2019	\$0.10	656,000	-	-	-	656,000
May 16, 2020	\$0.05	15,500,000	-	-	-	15,500,000
June 17, 2020	\$0.05	16,300,000	-	-	-	16,300,000
June 17, 2020	\$0.05	570,000	-	-	-	570,000
Dec. 13, 2020	\$0.05	-	45,600,000	-	-	45,600,000
Jan. 27, 2021	\$0.05	17,900,000	-	-	-	17,900,000
Apr. 29, 2021	\$0.05	59,697,499	-	-	-	59,697,499
May 16, 2021	\$0.05	7,762,333	-	-	-	7,762,333
		135,320,165	45,600,000		(13,926,000)	166,994,165
Weighted average		\$0.06	\$0.05	-	-	\$0.05

⁽ⁱ⁾ the exercise price of the warrants is \$0.10 in the first three years, and \$0.20 thereafter

⁽ⁱⁱ⁾ the exercise price of the warrants is \$0.07 in the first two years, and \$0.10 thereafter

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 – RELATED PARTY TRANSACTIONS

The Company's related parties which consist of individuals who are executive officers and/or directors of the Company and or are directly related to a director of the Company are as follows:

Name	Nature of transaction
Matt Wayrynen, CEO, Director ⁽¹⁾	Management fees, office
Dana Dziurzynski ⁽²⁾	Management fees
Pamela Saulnier, CFO	Management fees and Consulting fees

⁽¹⁾ Mr. Wayrynen resigned on October 12, 2017 and was reappointed as CEO on January 25, 2018.

⁽²⁾ Mr. Dziurzynski was appointed on October 12, 2017 and resigned on January 25, 2018.

Key management consist of the chief executive officer, chief financial officer, directors and a company controlled by a director.

The Company incurred the following fees and expenses with key management.

	July 31, 2018	July 31, 2017
Management and consulting fees	\$ 145,000	\$ 100,000
Rent and office	20,699	21,065
Total	\$ 165,699	\$ 121,065

Included in accounts payable is \$171,558 (2017 - \$2,751) to directors and officers or companies controlled by them.

NOTE 8 – SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets in Canada.

NOTE 9 – BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended July 31, 2018 is based on the loss attributable to common shareholders of \$1,813,091 (2017 - \$696,677) and a weighted average number of common shares outstanding of 243,811,199 (2017 – 183,801,757).

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation bonds and accounts payable and accrued liabilities are measured at amortized cost using effective interest rate.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of amounts due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

NOTE 11 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – (Continued)

Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates.

Foreign currency risk

The Company has limited exposure to foreign currency risk on currency fluctuations related to monetary items with a settlement currency other than Canadian dollars.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 12 – CAPITAL MANAGEMENT

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments. There have been no changes to the Company's approach to capital management during the period ended July 31, 2018. The Company is not subject to externally imposed capital requirements.