

WESTKAM GOLD CORP.

FINANCIAL STATEMENTS

For the Years Ended October 31, 2017 and 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
WestKam Gold Corp.

We have audited the accompanying financial statements of WestKam Gold Corp., which comprise the statements of financial position as at October 31, 2017 and 2016 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of WestKam Gold Corp. as at October 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about WestKam Gold Corp.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

February 28, 2018

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

	Note	Oct. 31, 2017	Oct. 31, 2016
ASSETS			
Current Assets			
Cash		\$ 56,950	\$ 83,038
Receivables	3	30,522	155,789
Prepaid expense	7	-	58,846
Exploration advance	5	-	21,438
		87,472	319,111
Equipment	4	6,540	8,095
Exploration and evaluation assets	5	14,341,198	14,341,198
Reclamation bonds	5	100,000	40,000
		\$ 14,535,210	\$ 14,708,404
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 570,557	\$ 259,119
Reclamation obligation	5	41,000	41,000
		611,557	300,119
SHAREHOLDERS' EQUITY			
Share capital	6	52,209,369	51,899,369
Share-based payments reserve	6	402,381	402,381
Share subscriptions received	14	626,000	-
Share subscriptions receivable	6	-	(15,000)
Deficit		(39,314,097)	(37,878,465)
		13,923,653	14,408,285
		\$ 14,535,210	\$ 14,708,404

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 14)

On behalf of the Board:

"Matt Wayrynen" Director

"Akash Patel" Director

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

		Year Ended Oct. 31,	
	Note	2017	2016
EXPENSES			
Consulting	7	231,403	272,220
Depreciation	4	1,555	1,933
Exploration expenses	5	668,053	1,806,710
Investor relations and shareholder information		16,095	66,578
Management fees	7	350,667	200,000
Office	7	56,101	36,910
Professional fees		73,825	40,718
Regulatory and filing fees		27,728	47,877
Operating loss		(1,425,427)	(2,472,946)
Interest expense		(10,205)	(4,077)
Write-off of payables		-	329,507
Loss and comprehensive loss for the year		\$ (1,435,632)	\$ (2,147,516)
Loss per share (Basic and Diluted)	9	(0.01)	\$ (0.02)
Weighted average number of common shares outstanding		205,076,954	146,754,606

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, 2015	100,234,910	\$49,010,976	\$ -	\$ -	\$ 340,548	\$(35,730,949)	\$13,620,575
Private placements	83,709,831	2,511,295	(15,000)	-	-	-	2,496,295
Share issuance costs	-	(322,800)	-	-	61,833	-	(260,967)
Exercise of warrants	13,997,966	699,898	-	-	-	-	699,898
Loss and comprehensive loss	-	-	-	-	-	(2,147,516)	(2,147,516)
Balance, Oct. 31, 2016	197,942,707	\$51,899,369	\$ (15,000)	\$ -	\$ 402,381	\$ (37,878,465)	\$ 14,408,285
Private placements	15,500,000	310,000	15,000	-	-	-	325,000
Subscriptions received in advance	-	-	-	626,000	-	-	626,000
Loss and comprehensive loss	-	-	-	-	-	(1,435,632)	(1,435,632)
Balance, Oct. 31, 2017	213,442,707	\$52,209,369	\$ -	\$ 626,000	\$ 402,381	\$ (39,314,097)	\$13,923,653

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

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

	2017	Year ended October 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	\$ (1,435,632)	\$ (2,147,516)
Items not affecting cash:		
Depreciation	1,555	1,933
Gain on write off of accounts payable	-	(329,507)
Changes in non-cash working capital items:		
Decrease (increase) in receivables	125,267	(108,866)
Decrease (increase) in prepaid expenses	58,846	(48,320)
Decrease (increase) in exploration advances	21,438	(21,438)
(Decrease) increase in accounts payable	311,438	(248,770)
Net cash used in operating activities	(917,088)	(2,902,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation bond	(60,000)	(15,000)
Net cash used in investing activities	(60,000)	(15,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares for cash	325,000	3,196,193
Share subscriptions received in advance	626,000	-
Share issuance costs	-	(260,967)
Net cash provided by financing activities	951,000	2,935,226
CHANGE IN CASH DURING THE YEAR	(26,088)	17,742
CASH, beginning of year	83,038	65,296
CASH, end of year	\$ 56,950	\$ 83,038

Supplemental disclosure with respect to cash flows (Note 13)

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

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

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 financial statements have been prepared in accordance with IAS 1 "Presentation of Financial Statements" ("IAS 1") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized by the Audit Committee and Board of Directors of the Company on February 28, 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 years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

d) Equipment:

Equipment is stated at cost less accumulated depreciation and any accumulated impairment in value. The cost of equipment includes the purchase price, costs that can be directly attributed to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs for dismantling, removal and restoration of the site on which it is located.

Depreciation is recorded over the estimated useful life of the asset on a declining balance basis at the following annual rates:

Office furniture and equipment	20%
Computer equipment	30%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

e) Exploration and evaluation assets:

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries.

Development expenditures incurred to increase or to extend the life of existing production and incurred subsequent to the development decision, are capitalized and amortized on the unit-of-production method using estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period that such a determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

f) Provisions:

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual and constructive or legal obligations, resulting from the acquisition, construction, development or normal operations of exploration and evaluation assets and property, plant and equipment including those associated with the reclamation of these assets. Initially, a liability for an decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized costs are amortized over the life of the related assets. At the end of each reporting period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional decommissioning costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Rehabilitation expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

g) Related party transactions:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

h) Significant accounting estimates and judgments:

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

h) Significant accounting estimates and judgments (cont'd):

Critical judgements exercised relates primarily to the going concern issue in Note 1.

Critical Accounting Estimates

- i) Share-based compensation – The fair value of share-based payments is determined using the Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.
- ii) Deferred income taxes – Judgment is required in determining whether deferred income tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.
- iii) Recoverability of the carrying value of the Company's exploration and evaluation assets – Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

i) Share-based compensation:

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based compensation to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services when received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

j) Income taxes:

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local statutory tax rates enacted or substantively enacted at the balance sheet date, and include adjustments to income tax payable or receivable for previous years.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be in effect when the temporary differences are likely to be settled. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

No deferred income tax assets have been recognized for the years presented.

k) Earnings (loss) per share:

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

l) Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through statements of loss and comprehensive loss. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost using the effective interest rate. The Company’s receivables and reclamation bonds are classified as loans and receivables.

Financial assets classified as available for sale or held for maturity are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in the statements of loss and comprehensive loss. The Company has not classified any financial assets as available for sale or held to maturity.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

l) Financial assets (cont'd):

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less direct attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

m) Impairment:

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

n) Flow-through shares:

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in profit or loss. The liability is reduced on a proportionate basis as the qualifying expenditures are made.

o) Share capital:

Share capital represents the amount received on the issue of shares, less issuance costs. Reserves includes charges related to stock options and warrants until such equity instruments are exercised. The Company transfers to share capital or deficit the value of expired, forfeited or canceled warrants or options respectively. Warrants that are part of units are assigned a value based on the residual value, if any, and are included in reserves. Deficit includes all current and prior year losses.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)

p) 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:

	October 31, 2017	October 31, 2016
GST Receivable	\$ 30,522	\$ 98,678
BCMETC	-	57,111
Total	<u>\$ 30,522</u>	<u>\$ 155,789</u>

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 4 – EQUIPMENT

	Computer equipment	Furniture, fixtures and equipment	Total
Cost			
Balance at October 31, 2015, 2016 and 2017	\$ 41,035	\$ 68,065	\$ 109,100
Depreciation and impairment			
Balance at October 31, 2015	\$ 40,152	\$ 58,920	\$ 99,072
Depreciation	237	1,696	1,933
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
Carrying values			
Balance at October 31, 2016	\$ 646	\$ 7,449	\$ 8,095
Balance at October 31, 2017	\$ 473	\$ 6,067	\$ 6,540

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 2016	\$ 14,341,198

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

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 years ended October 31, 2017 and 2016:

	2017	2016
	Bonaparte	Bonaparte
Exploration Expenses		
Assays	6,599	5,948
Advanced exploration fees	-	175,000
Camp supplies, maintenance and miscellaneous	65,588	184,518
Drilling and field support	-	1,248,368
Excavation and support	397,013	-
Geological consulting	114,627	217,825
Other	23,545	106
Travel and accommodation	23,414	-
Water monitoring and testing	37,267	31,668
BCMETS	-	(56,723)
Net Exploration	\$ 668,053	\$ 1,806,710

As at October 31, 2017, the Company had \$nil in advances (2016 - \$21,438) to certain vendors for future exploration costs and had issued reclamation bonds of \$100,000 (2016 - \$40,000) for future reclamation work on the Bonaparte Gold property.

As at October 31, 2017, the Company has recognized a reclamation obligation of \$41,000 (2016 - \$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%.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 6 – SHARE CAPITAL

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

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.

Fiscal 2016 Transactions

On January 27, 2016, the Company completed a non-brokered private placement of 17,900,000 units for gross proceeds of \$537,000. The Company sold 11,700,000 flow-through units and 6,200,000 units at a price of \$0.03 per unit. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 for a period of five years from the date of close. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 for a period of five years from the date of close.

On April 29, 2016, the Company closed the first tranche of a non-brokered private placement of 58,047,499 units for gross proceeds of \$1,741,425. The Company sold 42,626,333 flow-through units and 15,421,166 units at a price of \$0.03 per unit. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 for a period of five years from the date of close. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 for a period of five years from the date of close. The Company paid financing fees totaling \$332,876 and issued 1,650,000 broker warrants valued at \$61,833 with respect to this private placement.

On May 16, 2016, the Company completed the second tranche of a non-brokered private placement of 7,762,332 units for gross proceeds of \$232,870 through the sale of 7,762,332 units at a price of \$0.03 per unit. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 for a period of five years from the date of close. The Company paid financing fees totaling \$35,286 with respect to this private placement.

During fiscal 2016, the Company issued 13,997,966 common shares on the exercise of warrants for gross proceeds of \$699,898 of which \$15,000 is included in share subscriptions receivable as at October 31, 2016.

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.

No options were granted during fiscal 2017 or 2016.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 6 – SHARE CAPITAL - (Continued)

As at October 31, 2017 and 2016, the Company had outstanding and exercisable stock options as follows:

Exercise price	Expiry date	Number outstanding	
\$0.05	Aug. 21, 2019	4,300,000	
\$0.05	Weighted average	4,300,000	Total

The continuity of stock options for the years ended October 31, 2017 and 2016 is as follows:

	Number of Options	Weighted average exercise price
Outstanding as at October 31, 2017 and 2016	4,300,000	\$0.05

Warrants

The continuity of warrants for the years ended October 31, 2017 and 2016 is as follows:

Expiry Date	Exercise Price	Oct. 31, 2016	Granted	Exercised	Expired/ cancelled	Oct. 31, 2017
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
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
		119,820,165	15,500,000			135,320,165
Weighted average		\$0.06	\$0.05	-	-	\$0.06

⁽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
For the years ended October 31, 2017 and 2016

NOTE 6 – SHARE CAPITAL - (Continued)

Warrants (Continued)

Expiry Date	Exercise Price	Oct. 31, 2015	Granted	Exercised	Expired/ cancelled	Oct. 31, 2016
Nov. 8, 2015	\$1.50/ \$2.00(i)	1,300,000	-	-	(1,300,000)	-
July 26, 2018	\$0.10	10,626,000	-	-	-	10,626,000
July 26, 2018	\$0.10/ \$0.20(ii)	3,300,000	-	-	-	3,300,000
Aug. 21, 2019	\$0.07/ \$0.10(iii)	3,008,333	-	-	-	3,008,333
Aug. 21, 2019	\$0.05/ \$0.10(iv)	13,631,300	-	(13,631,300)	-	-
Aug. 21, 2019	\$0.10	656,000	-	-	-	656,000
June 17, 2020	\$0.05	16,666,666	-	(366,666)	-	16,300,000
June 17, 2020	\$0.05	570,000	-	-	-	570,000
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
		49,758,299	85,359,832	(13,997,966)	(1,300,000)	119,820,165
Weighted average		\$0.08	\$0.05	\$0.05	\$2.00	\$0.06

(i) the exercise price of the warrants is \$1.50 in the first year and \$2.00 thereafter

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

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

(iv) the exercise price of the warrants is \$0.05 in the first two years, and \$0.10 thereafter

The fair value of agent's warrants is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2017	2016
Dividend yield	Nil	Nil
Expected volatility	-	224.39%
Risk free rate of return	-	0.77%
Expected life	-	5 years
Fair value	-	\$0.05

WESTKAM GOLD CORP.
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For the years ended October 31, 2017 and 2016

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 subsequent to year-end.

⁽²⁾ Mr. Dziurzynski was appointed on October 12, 2017 and resigned subsequent to year-end.

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.

	October 31, 2017	October 31, 2016
Management and consulting fees	\$ 359,000	\$ 200,000
Office	5,977	\$ 7,500
Rent (included in Office)	31,609	\$ 9,512
Total	\$ 396,586	\$ 217,012

Included in prepaid expenses is \$Nil (2016 - \$32,000) to the CEO.

Included in accounts payable is \$27,819 (2016 - \$5,069) to directors and officers or companies controlled by them.

Compensation of related parties other than key management included \$20,000 in consulting fees, which remains in accounts payable as of October 31, 2017.

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 year ended October 31, 2017 is based on the loss attributable to common shareholders of \$1,435,632 (2016 - \$2,147,516) and a weighted average number of common shares outstanding of 205,076,954 (2016 – 146,754,606).

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 10 - INCOME TAX

A reconciliation of current income taxes at statutory rates with reported taxes is as follows:

	2017	2016
Loss for the year	\$ (1,435,632)	\$ (2,147,516)
Expected income tax (recovery)	(373,000)	(558,000)
Change in statutory rates and other	(362,000)	19,000
Impact of flow through share	34,000	370,000
Share issuance cost	-	(79,000)
Expiry of non-capital losses	-	236,000
Change in unrecognized deductible temporary differences	701,000	12,000
Deferred income tax recovery	\$ -	\$ -

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The significant components of the Company's deferred tax assets that have not been included on the statement of financial positions are as follows:

	2017	2016
Share issuance costs	55,000	76,000
Non-capital losses	3,777,000	3,081,000
Reclamation obligation	11,000	11,000
Equipment	18,000	17,000
Exploration and evaluation assets	1,053,000	1,028,000
Unrecognized deferred tax assets	\$ 4,914,000	\$ 4,213,000

The Company has non-capital losses of approximately \$13,988,000 (2016 - \$11,849,000) available for deduction against future taxable income. These losses, if not utilized, will expire through 2037. The Company has resource expenditures of approximately \$18,242,000 (2016 - \$18,296,000) available for deduction against future taxable income. Deferred tax benefits which may arise as a result of these tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

NOTE 11 – 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;

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

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

- 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.

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.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

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

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 year ended October 31, 2017. The Company is not subject to externally imposed capital requirements.

WESTKAM GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended October 31, 2017 and 2016

NOTE 13 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the years presented include:

	October 31, 2017	October 31, 2016
Finders' warrants issued as share issue costs	\$ -	\$ 61,833
Reclamation obligation	\$ -	\$ 41,000
Shares issued for share subscription receivable	\$ -	\$ 15,000

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to the year ended October 31, 2017, the Company:

- Closed a private placement for aggregate proceeds of \$912,000 through the issuance of 31,750,000 flow-through units and 13,850,000 units of which \$903,000 has been received. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.05 per warrant share for a period of three years. As at October 31, 2017 an amount of \$626,000 related to the issuance had been received by the Company. The Company issued 28,000 finders' warrants in connection with the financing.
- Granted 22,400,000 options on January 31, 2018 at a price \$0.05 per share for a period of five years to officers, directors and consultants of the Company.