

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements

September 30, 2018

Unaudited –Prepared by Management

(Expressed in Canadian Dollars)

Notice

Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Westhaven Ventures Inc. (“Westhaven” or the “Company”) for the nine months ended September 30, 2018, have been prepared by management and have not been the subject of a review by Westhaven’s independent auditors.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	September 30 2018	December 31 2017
Assets		
Current		
Cash	\$ 505,789	\$ 59,514
Accounts receivable	74,520	241,388
	580,309	300,902
Reclamation Deposits	59,000	54,000
Equipment (note 4)	1,350	1,674
Mineral Properties (note 5)	4,018,615	2,962,833
	\$ 4,659,274	\$ 3,319,409
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 15,908	\$ 212,148
Loan payable (note 7)	273,000	440,000
	288,908	652,148
Shareholders' Equity		
Capital Stock (note 6)	7,040,258	5,046,804
Reserves (note 6)	449,897	306,614
Deficit	(3,119,789)	(2,685,157)
	4,370,366	2,667,261
	\$ 4,659,274	\$ 3,319,409

These financial statements are signed on behalf of the Board of Directors by:

"Gareth Thomas" (signed)

Director

"Shaun Pollard" (signed)

Director

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
Nine Months Ended September 30
(Expressed in Canadian Dollars)

	Three Months Ended September		Three Months Ended September		Nine Months Ended September		Nine Months Ended September	
	2018		2017		2018		2017	
Expenses								
Share-based payments (note 6(e))	\$	-	\$	-	\$	163,500	\$	100,469
Management fees (note 7)		37,500		25,000		112,500		75,000
Advertising and promotion		3,149		10,444		46,585		54,083
Interest (note 7)		11,520		10,087		34,279		30,400
Rent (note 7)		6,749		6,819		20,247		20,454
Property investigation costs		-		-		16,036		-
General and administrative		7,810		2,474		17,975		15,314
Regulatory and filing fees		320		620		19,821		11,477
Professional fees		712		-		7,966		19,504
Insurance		-		-		4,508		5,258
Travel		482		545		4,244		7,761
Amortization		108		149		324		445
		(68,350)		(56,138)		(447,985)		(340,165)
Interest Income		-		225		-		524
Net Loss and Comprehensive Loss for Period								
	\$	(68,350)	\$	(55,913)	\$	(447,985)	\$	(339,641)
Basic and Diluted Loss Per Common Share								
	\$	(0.01)	\$	(0.01)	\$	(0.01)		(0.01)
Weighted Average Number of Common Shares Outstanding								
		67,200,053		53,305,658		67,200,053		53,305,658

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock		Reserves			Deficit	Total Shareholders' Equity
	Common Shares	Amount	Warrants	Options	Total Reserves		
Balance, December 31, 2016	52,312,779	4,301,816	23,143	156,456	179,599	(2,297,576)	2,183,839
Shares issued pursuant to property Option agreement (note 6(b))	2,000,000	180,000	-	-	-	-	180,000
Exercise of warrants	96,000	6,720	-	-	-	-	6,720
Share based payments (note 6(e))	-	-	-	100,469	100,469	-	100,469
Share issue costs	-	(2,274)	-	-	-	-	(2,274)
Net loss for period	-	-	-	-	-	(339,641)	(339,641)
Balance September 30, 2017	54,408,779	4,486,262	23,143	256,925	280,068	(2,637,217)	(2,129,113)
Balance, December 31, 2017	61,757,642	5,046,804	68,939	237,675	306,614	(2,686,157)	2,667,261
Exercise of warrants	15,788,831	1,981,953	-	-	-	-	1,981,953
Exercise of options	115,000	13,114	-	(5,864)	(5,864)	-	7,250
Cancellation of options	-	-	-	(14,353)	(14,353)	14,353	-
Share based payments (note 6(e))	-	-	-	163,500	163,500	-	163,500
Share issue costs	-	(1,613)	-	-	-	-	(1,613)
Net loss for period	-	-	-	-	-	(447,985)	(447,985)
Balance, September 30, 2018	77,661,473	\$ 7,040,258	\$ 68,939	\$ 380,958	\$ 449,897	\$ (3,119,789)	\$ 4,370,366

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Statements of Cash Flows
Nine Months Ended September 30
(Expressed in Canadian Dollars)

	2018	2017
Operating Activities		
Net loss for year	\$ (447,985)	\$ (285,853)
Items not involving cash		
Amortization	324	297
Interest	-	20,000
Share based payments	163,500	100,469
	(284,161)	(165,087)
Changes in non-cash working capital		
Accounts receivable	166,868	17,310
Accounts payable and accrued liabilities	(196,240)	32,410
Cash (Used in) Provided by Operating Activities	(313,533)	(115,367)
Financing Activities		
Payment on loan	(167,000)	(69,829)
Shares issued for cash, net of share issue costs	(1,613)	(1,550)
Exercise of warrants	1,981,953	6,720
Exercise of options	7,250	-
Cash Provided by Financing Activities	1,820,590	(64,659)
Investing Activities		
Expenditures on mineral properties	(1,055,782)	(105,539)
Expenditures on reclamation deposits	(5,000)	(5,000)
Cash Used in Investing Activities	(1,060,782)	(110,539)
Inflow (Outflow) of Cash	446,275	(290,565)
Cash and Cash Equivalents, Beginning of Period	59,514	391,093
Cash and Cash Equivalents, End of Period	\$ 505,789	\$ 100,528
Supplemental Cash Flow Information		
Accounts payable included in mineral properties	\$ 7,565	\$ 9,878
Shares issued for mineral properties	\$ -	\$ 180,000
Interest paid	\$ 33,000	\$ 69,829

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

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Westhaven Ventures Inc. (the “Company”) is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

The head office and records office of the Company is located at 1056 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business.

The Company has sustained recurring losses and negative cash flows from operations. As at September 30, 2018, the Company had cash of \$505,789 (2017 - \$9,551); working capital of \$564,401 (2017 deficiency - \$118,675) and an accumulated deficit of \$3,119,790 (2017 - \$2,659,458). The Company has ongoing requirements for capital investment for its mineral property interests. The Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these mineral property interests, and establish future profitable production, or realize proceeds from the disposition of mineral interests. The carrying value of the Company’s mineral property interests does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. Also, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company’s functional and presentation currency is the Canadian dollar.

The same accounting policies and method of computation are followed in these unaudited condensed interim financial statements as compared with the most recent audited financial statements for the year ended December 31, 2107. Any subsequent

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

changes to IFRS that are given effect in the Company's annual statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed financial statements. Significant accounting policies have been applied consistently to all periods presented.

(b) Approval of the financial statements

The financial statements of the Company as at September 30, 2018 and for the Nine months then ended approved and authorized for issue by the Board of Directors on November 28, 2018.

(c) Use of judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

Recoverability of mining exploration tax credits

The Company is entitled to refundable tax credits on qualified mining exploration expenses incurred in the province of British Columbia. Management's judgment is applied in determining whether the mining exploration expenses are eligible for claiming such credits. Those benefits are recognized when the Company estimates that it has reasonable assurance that the tax credits will be realized. Upon review of the mining exploration tax credit claim by the Canada Revenue Agency, any adjustments to the estimate made by the Company are recorded in the period of the tax assessment.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's cash, accounts payable and accrued liabilities and loan payable have carrying values that approximate their fair values due to their short term to maturity.

The carrying amounts of financial assets and liabilities presented in the statements of financial position relate to the following measurement categories as defined in IAS 39:

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	September 30 2018	December 31 2017
Cash – Canadian dollars	\$ 505,789	\$ 59,514

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At September 30, 2018, the Company had cash in the amount of \$505,789 (2017 - \$9,551), accounts payable and accrued liabilities of \$15,908 (2017 - \$131,846) and loan payable of \$273,000 (2017 - \$430,000). All the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2018. The loan is repayable on September 30, 2019.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

4. EQUIPMENT

Cost	
As at September 30, 2018 and December 31, 2016 and 2017	\$ 9,735

Accumulated Amortization	
As at December 31, 2016	\$ 7,468
Charge for the year	593
As at December 31, 2017	8,061
Charge for the period	324
As at September 30, 2018	\$ 8,385

Carrying Value	
As at December 31, 2017	\$ 1,674
As at September 30, 2018	\$ 1,350

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

5. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2016	\$ 1,605,972	\$ 640,453	\$ -	\$ -	\$ 2,246,425
Deferred exploration costs					
Acquisition costs	-	-	182,048	-	182,048
Geological and assays	195,865	54,242	45,748	-	295,855
Drilling	367,415	-	-	-	367,415
Lab fees	70,517	-	8,469	-	78,986
Total additions during the year	633,797	54,242	236,265	-	924,304
Mining tax credits	(177,455)	(15,224)	(15,217)	-	(207,896)
Net change during the year	456,279	39,018	221,048	-	716,408
Balance, December 31, 2017	2,062,314	679,471	221,048	-	2,962,833
Deferred exploration costs					
Acquisition costs	-	-	-	10,793	10,793
Geological and assays	184,404	6,413	4,340	-	195,157
Drilling	704,133	-	-	-	704,133
Lab fees	145,699	-	-	-	145,699
Total additions during the	1,034,236	6,413	4,340	10,793	1,055,782
Net change during the period	1,034,236	6,413	4,340	10,793	1,055,782
Balance, September 30, 2018	\$ 3,096,550	\$ 685,884	\$ 225,388	\$ 10,793	\$ 4,018,615

(a) Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Strongbow Exploration Inc. (“Strongbow”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring \$1,500,000 (\$750,000 incurred) in exploration expenditures on the property.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

5. MINERAL PROPERTIES (Continued)

(a) Shovelnose Gold Property, British Columbia, Canada (Continued)

On September 1, 2015 the Company entered into a new purchase agreement with Strongbow to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow was granted a 2% net smelter returns royalty (“NSR”) on the property. The Company will retain the right to reduce the NSR to 1% by paying Strongbow \$500,000 at any time prior to the commencement of commercial production.

(b) Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015 the Company entered into an option and purchase agreement with Berkwood Resources Ltd. (“Berkwood”) to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid \$20,000 to Berkwood upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of \$80,000 and issued 500,000 common shares. The common shares have a hold period of five years.

On February 16, 2016 the Company acquired the remaining 30% interest in the Property for a cash payment of \$40,000 and the issue of 500,000 common shares. The common shares have a hold period of five years.

(c) Skoonka Creek Gold Property, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Strongbow Exploration Inc. (“Strongbow”), and Almadex Minerals Ltd. (“Almadex”), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt (SBGB), British Columbia. Under the terms of the agreement the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of \$0.09 per share. Almadex retains its original net smelter royalty of 2% from future production.

(d) Skoonka North Gold Property, British Columbia, Canada

In May 2018 the Company staked an additional gold mineral property, Skoonka North, within the Spences Bridge Gold Belt, British Columbia.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

5. MINERAL PROPERTIES (Continued)

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

During the Nine months ended September 30, 2018 the Company issued 15,788,831 shares on the exercise of warrants for total proceeds of \$1,981,953 and issued 115,000 shares on the issue of stock options for total proceeds of \$7,250.

On May 30, 2017 the Company issued 2,000,000 common shares to Strongbow and Almadex to acquire 100% interest in Skoonka Creek gold project. The fair value was recorded at a price of \$0.09 per share.

On October 17, 2017 the Company closed the first tranche of a private placement with the issue of 5,462,500 non-flow-through share units and 1,136,363 flow-through share units for total proceeds of \$562,000. The non-flow-through share units were issued at a price of \$0.08 per unit. Each non-flow-through share unit consists of one common share and one common share warrant. Each warrant will entitle the holder to purchase one common share at \$0.10 for 24 months from the closing date of the private placement. The total proceeds were allocated to capital stock.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6 CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

The flow-through share units were issued at a price of \$0.11 per unit. Each flow-through share unit consists of one common share and one common share warrant. Each warrant will entitle the holder to purchase one common share at \$0.13 for 24 months from the closing date of the private placement.

On October 25, 2017 the Company closed the second and final tranche of the private placement with the issue of 650,000 non-flow-through share units at a price of \$0.08 per unit for gross proceeds of \$52,000. Each non-flow-through share unit consists of one common share and one common share warrant. Each warrant will entitle the holder to purchase one common share at \$0.10 for 24 months from the closing date of the private placement. The total proceeds were allocated to capital stock as there was no residual on this flow-through offering.

During the year ended December 31, 2017, the Company issued 196,000 common shares on the exercise of warrants for total proceeds of \$13,720.

During the year ended December 31, 2017, the Company issued 280,000 brokers' warrants for the private placement completed on October 17, 2017. The brokers' warrants are exercisable at a price of \$0.10 for 24 months from the closing of the private placement. The fair value of the share purchase warrants was \$17,387 and was calculated using the Black-Scholes option pricing model. The assumptions used for the Black-Scholes option pricing model valuation of the warrants were: risk-free interest rate: 0.99%, expected life: 2 years, annualized volatility: 101%, dividend yield: 0%. The Company paid a total cash finder's fee of \$5,180 and incurred other share issuance costs of \$11,756.

(c) Escrow shares

As at September 30, 2018 and December 31, 2017, there were no shares held in escrow.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(d) Warrants

The following summarizes the Company's warrants as at September 30, 2018 and December 31, 2017 and changes during the period (year):

	September 30, 2018		December 31, 2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period (year)	26,971,528	\$ 0.12	19,638,665	\$ 0.12
Issued	-	-	7,528,863	\$ 0.11
Exercised	(15,788,831)	\$ 0.13	(196,000)	\$ 0.07
Expired	(1,584,167)	\$ 0.16	-	-
Outstanding and exercisable, end of period (year)	9,598,530	\$ 0.09	26,971,528	\$ 0.12

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(d) Warrants (Continued)

As at September 30, 2018, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 27, 2018	\$0.08	840,667	0.07
November 12, 2018	\$0.08	611,000	0.12
February 28, 2019	\$0.07	2,618,000	0.41
October 17, 2019	\$0.10	3,742,500	1.05
October 17, 2019	\$0.13	1,136,363	1.05
October 25, 2019	\$0.10	650,000	1.07
		9,598,530	

As at December 31, 2017, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
May 17, 2018	\$0.16	2,326,665	0.38
May 28, 2018	\$0.16	856,666	0.40
September 21, 2018	\$0.16	3,860,000	0.72
September 28, 2018	\$0.16	3,416,667	0.74
October 27, 2018	\$0.08	2,593,667	0.82
November 12, 2018	\$0.08	649,000	0.87
February 28, 2019	\$0.07	5,740,000	1.16
October 17, 2019	\$0.10	5,742,500	1.79
October 17, 2019	\$0.13	1,136,363	1.79
October 25, 2019	\$0.10	650,000	1.82
		26,971,528	

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(e) Stock options

The Company adopted a stock option plan (the “Plan”) whereby the number of options granted to one person shall not exceed 10% of the outstanding shares at the time of granting the options. If employment with the Company is terminated, other than through death, options not exercised will expire within 90 days after the termination date.

On March 21, 2018 the Company granted 1,500,000 stock options at an exercise price of \$0.14 per share. The options vested March 21, 2018 and expire March 21, 2023. Share-based payments of \$163,500 was charged to the statement of loss and comprehensive loss.

During the nine months ended September 30, 2018, 115,000 stock options were exercised for total proceeds of \$7,250, \$5,864 was transferred from options reserve to capital stock.

For the Nine months ended September 30, 2018 on the cancellation of 200,000 options, \$14,353 was transferred from options reserve to deficit.

On April 13, 2017, the Company granted 1,400,000 stock options at an exercise price of \$0.10 per share. The options vested April 13, 2017 and expire April 13, 2022. Share-based payment expense of \$100,469 was charged to the statement of loss and comprehensive loss.

For the year ended December 31, 2017, on expiry of the 175,000 options, \$19,250 was transferred from options reserve to deficit.

The following summarizes the Company’s stock options as at September 30, 2018 and December 31, 2017 and changes during the period (year):

	September 30, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	4,065,000	\$ 0.08	2,840,000	\$ 0.07
Granted	1,500,000	\$ 0.14	1,400,000	\$ 0.10
Exercised	(115,000)	\$ 0.06		
Expired/cancelled	(200,000)	\$ 0.10	(175,000)	\$ 0.12
Outstanding and exercisable, end of year	5,250,000	\$ 0.09	4,065,000	\$ 0.08

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(e) Stock options

As at September 30, 2018, the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
April 15, 2019	\$ 0.15	350,000	0.54
December 28, 2020	\$ 0.05	2,200,000	2.25
April 13, 2022	\$ 0.10	1,200,000	3.54
March 21, 2023	\$ 0.14	1,500,000	4.47
		5,250,000	3.06

The fair value of options granted in the Nine months ended September 30, 2018 of \$163,500 vested immediately and was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2018
Expected life (years)	5
Interest rate	2.0%
Volatility	115%
Dividend yield	0%
Market value of common shares at grant date	0.135

Volatility has been calculated based on the historical volatility of the comparable companies in the same industry.

As at December 31, 2017, the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
April 15, 2019	\$ 0.15	365,000	1.28
December 28, 2020	\$ 0.05	2,300,000	2.99
April 13, 2022	\$ 0.10	1,400,000	4.28
		4,065,000	3.29

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(e) Stock options

The fair value of options granted in 2017 of \$100,469 vested immediately and was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2017
Expected life (years)	5
Interest rate	0.99%
Volatility	115%
Dividend yield	0%
Market value of common shares at grant date	0.09

Volatility has been calculated based on the historical volatility of the comparable companies in the same industry.

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

(a) Short-term employee benefits for key management compensation were paid to personal service corporations for the Nine months ended September 30 as follows:

	2018		2017	
Anglo Celtic Exploration Ltd.	\$	56,250	\$	37,500
Gravitas Advisory Services		56,250		37,500
Total key management compensation	\$	112,500	\$	75,000

Share-based payment of expense allocated to key management during the nine months ended September 30, 2018 was \$109,000 (September 30, 2017-\$nil).

(i) Anglo Celtic Exploration Ltd.

Anglo is a company owned by Grenville Thomas, Chief Executive Officer of the Company, and Gareth Thomas, a director of the Company.

In addition to the above costs, the Company paid \$20,247 (2017 - \$20,454) of rent and office expenditures to Anglo. On September 30, 2018 there were no amounts due to Anglo (December 31, 2017 - \$86,224) included in accounts payable and accrued liabilities.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

(ii) Gravitas Advisory Services (“Gravitas”)

Gravitas is a company owned by Shaun Pollard, Chief Financial Officer of the Company.

- (b) On November 19, 2014, the Company entered into an agreement with Anglo to provide an unsecured loan of \$200,000. The outstanding balance of the loan is to be repaid within 12 months. The Company may repay the loan at any time without any prepayment penalty. The loan will accrue interest at a rate of 10% per annum.

On October 14, 2015 the Company and Anglo amended the terms of the loan to increase the principal to \$400,000 and to extend the repayment date to November 19, 2016. The loan will accrue interest at a rate of 10% per annum. As further consideration, the Company agreed to pay Anglo a bonus of 20% of the value of loan principal through issuance of the Company’s common shares. On October 22, 2015 the Company issued 1,230,769 shares in payment of the bonus recorded at the fair value of the shares of \$0.065.

On September 30, 2018, the Company repaid \$200,000 toward the loan and accrued interest. The Company and Anglo agreed to extend the maturity date of the loan to September 30, 2019 on the same terms.

The balance of the outstanding loan at December 31, 2017 includes accrued interest of \$40,000.

7. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders’ equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company’s approach to capital management during the nine months ended September 30, 2018 or year ended December 31, 2017. The Company is not subject to externally imposed capital requirements.

WESTHAVEN VENTURES INC.
(An Exploration Stage Company)
Notes to Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

9. COMMITMENTS

On January 1, 2017, the Company entered into a rent-sharing agreement with a company controlled by common officers and directors for the rental of office premises, expiring December 31, 2019. Under the terms of the agreement, the Company is committed to minimum annual payments of \$26,605 for fiscal 2018 and 2019.

10. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

11. EVENTS AFTER THE REPORTING PERIOD

On October 16, 2018 it was announced that Sable Resources Ltd (TSXV: SAE) had staked 189,197 hectares covering over 70% of workable ground of the SBGB. This is believed to be the single largest staking exercise in the history of British Columbia. In accordance with an existing Confidentiality and Non-Disclosure Agreement between the two companies, any ground staked by Sable within 5 kilometres of Westhaven's existing projects will be subject to a 2.5% Net Smelter Royalty. In addition, Westhaven has a 30 day Right of First Refusal (ROFR) on any properties outside this 5-kilometre radius. Sable Resources and Westhaven have a combined control of 86% of the SBGB (225,000ha).

In November, 2018 Westhaven granted 2,900,000 stock options to directors, officers and consultants. The options are exercisable at a price of \$1.20 and are valid for a 5 year period from the date of grant.

As of November 28, 2018 and subsequent to the quarter end, as a result of further warrant and option exercise, Westhaven issued 9,112,485 shares for \$967,430.