ETHOS GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Stated in Canadian dollars)

(Unaudited)

NOTICE TO READER

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

ETHOS GOLD CORP.

Condensed Interim Statements of Financial Position
(Stated in Canadian Dollars)
(Unaudited)

	Note		June 30, 2016		December 31, 2015
Assets					
Current assets:					
Cash and cash equivalents		$	8,036,333	$	7,601,335
Amounts receivable			14,603		9,513
Prepaid expenses			13,405		9,727
			8,064,341		7,620,575
Mineral interests			1		1
Equipment	4		11,745		14,813
		$	8,076,087	$	7,635,389
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities		$	27,519	$	59,963
Due to related parties	6		4,800		2,400
			32,319		62,363
Shareholders' Equity					
Share capital	5		23,094,436		22,441,603
Share option reserve			2,457,068		2,228,074
Share warrant reserve			3,065,932		3,065,932
Deficit			(20,573,668)		(20,162,583)
			8,043,768		7,573,026
		$	8,076,087	$	7,635,389

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

"Darren Devine" Director

"Gary Freeman" Director

See accompanying notes to the condensed interim financial statements.

ETHOS GOLD CORP.

Condensed Interim Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars)
(Unaudited)

	Note	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Expenses					
Amortization of equipment		$ 1,534	$ 1,534	$ 3,068	$ 3,068
Consulting	6	76,276	55,176	120,984	105,626
Listing and filing fees		12,161	10,852	23,804	18,058
Office and administrative	6	15,556	18,859	30,975	47,308
Professional fees		4,225	13,960	9,563	18,505
Rent		3,761	3,750	7,511	15,078
Share-based compensation	6	228,994	1,002	228,994	3,068
Travel and expenses		4,269	307	15,112	2,304
Loss before the undernoted		(346,776)	(105,440)	(440,011)	(213,015)
Other income (expenses)					
Interest income		14,960	18,480	29,171	38,415
Foreign exchange (loss)/gain		110	(1,026)	(245)	(1,026)
Net loss and comprehensive loss for the period		$ (331,706)	$ (87,986)	$ (411,085)	$ (175,626)
Basic and diluted loss per share		$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of shares outstanding		45,546,241	43,458,911	44,502,576	43,458,911

See accompanying notes to the condensed interim financial statements.

ETHOS GOLD CORP.

Condensed Interim Statements of Changes in Equity
(Stated in Canadian Dollars)
(Unaudited)

	Share Capital		Share Reserves			
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve	Deficit	Total
Balance, December 31, 2014	43,458,911	$ 22,441,603	$ 2,162,121	$ 3,065,932	$ (19,607,634)	$ 8,062,022
Share-based compensation	-	-	3,068	-	-	3,068
Net loss for the period	-	-	-	-	(175,626)	(175,626)
Balance, June 30, 2015	43,458,911	22,441,603	2,165,189	3,065,932	(19,783,260)	7,889,464
Share-based compensation	-	-	62,885	-	-	62,885
Net loss for the period	-	-	-	-	(379,323)	(379,323)
Balance, December 31, 2015	43,458,911	22,441,603	2,228,074	3,065,932	(20,162,583)	7,573,026
Private placement, net of issuance costs (note 5(b)(i))	3,876,470	652,833	-	-	-	652,833
Share-based compensation	-	-	228,994	-	-	228,994
Net loss for the period	-	-	-	-	(411,085)	(411,085)
Balance, June 30, 2016	47,335,381	$ 23,094,436	$ 2,457,068	$ 3,065,932	$ (20,573,668)	$ 8,043,768

See accompanying notes to the condensed interim financial statements.

ETHOS GOLD CORP.

Condensed Interim Statements of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	For the six months ended June 30,	
	2016	**2015**
Operating activities		
Net loss for the period	$ (411,085)	$ (175,626)
Item not affecting cash:		
Amortization of equipment	3,068	3,068
Share-based compensation	228,994	3,068
	(179,023)	(169,490)
Changes in non-cash working capital components		
Amounts receivable	(5,090)	2,222
Prepaid expenses	(3,678)	9,596
Accounts payable and accrued liabilities	(32,444)	(12,969)
Due to related parties	2,400	(400)
Cash used in operating activities	(217,835)	(171,041)
Financing activities		
Common shares issued, net of share issuance costs	652,833	-
Cash provided by financing activities	652,833	-
Decrease in cash and cash equivalents	434,998	(171,041)
Cash and cash equivalents, beginning of period	7,601,335	8,046,537
Cash and cash equivalents, end of period	$ 8,036,333	$ 7,875,496
Cash and cash equivalents consisted of		
Cash on deposit with a Canadian Senior Bank	$ 7,996,241	$ 7,835,352
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	40,092	40,144
	$ 8,036,333	$ 7,875,496

Supplemental Cash Flow Information (note 7).

See accompanying notes to the condensed interim financial statements.

1. NATURE OF OPERATIONS

Ethos Gold Corp. (the "Company") was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2009, it began trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 company under the symbol ECC. Its registered office is located at 1430 – 800 West Pender Street, Vancouver, BC, V6C 2V6. The Company's principal business activities are the identification, exploration and development of economically viable mineral properties.

The Company's operations during the six months ended June 30, 2016 were solely directed towards the search for business opportunities in favorable jurisdictions.

These condensed interim financial statements have been prepared on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has sufficient resources at this time to locate and explore a mineral property or properties with sufficient potential for further development. Should the Company succeed in identifying and exploring one or more mineral properties, it may need to obtain additional financing through the issuance of debt or equity. There is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company to complete the successful development of these properties.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements, including the comparative statements, have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using the same accounting policies and methods as were used for the Company's financial statements and the notes thereto for the year ended December 31, 2015 ("Annual Financial Statements"). These financial statements should be read in conjunction with the Annual Financial Statements.

(b) Changes in accounting standards not yet adopted

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

3. MINERAL INTERESTS

	Yukon Canada	Total
Acquisition Costs		
Balance, December 31, 2014	$ 1	$ 1
Additions	-	-
Write-off	-	-
Balance, December 31, 2015 and June 30, 2016	$ 1	$ 1

The Company staked a 44 mineral claim property in 2012 in the White Gold area, west central Yukon. The 44 mineral claims are 100% owned by the Company and will remain in good standing until 2018 with no further obligations. The Company has no intention of conducting further exploration on the property.

4. EQUIPMENT

	Computer Equipment	Office Equipment	Total
Cost			
Balance, December 31, 2014	$ 20,815	$ 31,558	$ 52,373
Additions	-	-	-
Balance, December 31, 2015 and June 30, 2016	$ 20,815	$ 31,558	$ 52,373
Accumulated amortization			
Balance, December 31, 2014	$ 14,580	$ 16,844	$ 31,424
Amortization	2,672	3,464	6,135
Balance, December 31, 2015	$ 17,252	$ 20,308	$ 37,560
Amortization	1,336	1,732	3,068
Balance, June 30, 2016	$ 18,588	$ 22,040	$ 40,628
Net book value			
December 31, 2015	$ 3,563	$ 11,250	$ 14,813
June 30, 2016	$ 2,227	$ 9,518	$ 11,745

5. SHARE CAPITAL

(a) Authorized

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

(b) Issued and outstanding

Common shares - At June 30, 2016 the Company had 47,335,381 (December 31, 2015 – 43,458,911) common shares issued and outstanding.

Preferred shares – At June 20, 2016 and December 31, 2015 no preferred shares were issued and outstanding.

On May 12, 2016, the Company completed a non-brokered private placement of 3,876,470 units at a price of $0.17 per unit for gross proceeds of $659,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant exercisable for a term of two years. Each common share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of $0.30 per common share during the term of the warrant. The Company incurred $6,167 in related expenses. No finder's fee was paid in connection with the private placement.

(c) Share purchase options

The Company has a Share Option Plan ("Plan") under which it is authorized to grant options to directors, employees and consultants of the Company entitling them to purchase common shares of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant. Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant.

As at June 30, 2016 and December 31, 2015, the Company had outstanding share purchase options as follows:

	June 30, 2016		December 31, 2015	
	Number of Share Options	Weighted Average Exercise Price	Number of Share Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,085,000	$0.31	3,303,570	$0.47
Granted	1,340,000	$0.30	750,000	$0.15
Expired	-	-	(1,968,570)	$0.51
Outstanding, end of period	3,425,000	$0.31	2,085,000	$0.31

5. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

As at June 30, 2016, the following share purchase options were outstanding:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options
December 19, 2016	235,000	$0.69	0.72	235,000
May 16, 2018	1,000,000	$0.36	2.13	1,000,000
August 2, 2019	100,000	$0.20	3.34	100,000
July 29, 2020	750,000	$0.15	4.33	750,000
June 22, 2021	1,340,000	$0.30	4.98	1,340,000
	3,425,000	$0.31	2.82	3,425,000

The weighted average grant-date fair value of share purchase options granted during the six months ended June 30, 2016 was $0.17 (2015 - $0.08) per share purchase option. The Company determines the fair value of options granted using the Black-Scholes option price model. The following weighted-average grant date assumptions were used in valuing share purchase options granted during the years to directors, officers and employees:

	2016	2015
Weighted average share price	$0.30	$0.15
Weighted average exercise price	$0.30	$0.15
Risk-free interest rate	0.70%	0.83%
Expected volatility [(1)]	69%	67%
Expected years of option life [(2)]	5	5
Expected dividends	Nil	Nil

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

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

5. SHARE CAPITAL (continued)

(d) Share purchase warrants

As at June 30, 2016 the Company had 3,876,470 share purchase warrants outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Expiry Date	Outstanding, December 31, 2015	Issued	Expired	Outstanding, June 30, 2016
$0.30	May 12, 2018	-	3,876,470	-	3,876,470
		-	3,876,470	-	3,876,470

As at December 31, 2015 the Company had no share purchase warrants outstanding.

6. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the six months ended June 30, 2016 and 2015:

a) The Company paid $102,750 (2015 - $84,410) in consulting fees to private companies controlled by certain directors and officers of the Company.

b) As at June 30, 2016, $4,800 (December 31, 2015 - $2,400) was due to related parties. These amounts are non-interest bearing and are payable on demand.

Key management personnel compensation:

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

	For the six months ended June 30,	
	2016	**2015**
Consulting fees	$ 102,750	$ 84,410
Directors fees	14,400	23,040
Share-based compensation	217,886	3,068
	$ 335,036	$ 110,518

The Company has entered into termination clause agreements with three of the Company's officers and directors, whereby the officers and directors are entitled to a cumulative amount of $182,500 in the event they are terminated without cause or $242,500 in the event there is a change in control.

7. SUPPLEMENTAL CASH FLOW INFORMATION

	For the six months ended June 30,	
	2016	**2015**
Interest received	$ 29,171	$ 38,415