

ETHOS GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018

(Stated in Canadian dollars)

Notice to Reader

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ETHOS GOLD CORP.**Condensed Interim Consolidated Statements of Financial Position****(Stated in Canadian Dollars)****(Unaudited)**

	Note	March 31, 2019	December 31, 2018
Assets			
Current assets:			
Cash and cash equivalents		\$ 7,264,805	\$ 7,644,983
Amounts receivable		104,219	92,366
BC METC receivable	3	130,234	106,138
Prepaid expenses		154,663	44,771
Due from related parties	6	-	4,437
		7,653,921	7,892,695
Mineral interests	3	553,450	543,489
		\$ 8,207,371	\$ 8,436,184
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 91,707	\$ 81,519
Due to related parties	6	36,831	12,900
Flow-through share premium	5 & 9	335,657	350,000
		464,195	444,419
Shareholders' Equity			
Share capital	5	24,819,148	24,763,936
Share option reserve	5	2,817,250	2,821,109
Share warrant reserve	5	3,129,338	3,119,377
Deficit		(23,022,560)	(22,712,657)
		7,743,176	7,991,765
		\$ 8,207,371	\$ 8,436,184

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

Approved by the Board of Directors and authorized for issue on May 29, 2019.

"Craig Roberts" Director

"Hendrik Van Alphen" Director

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

	Note	2019	2018
Expenses			
Consulting	6	\$ 86,834	\$ 77,481
Exploration and project evaluation	3	163,018	67,979
Listing and filing fees		12,328	10,337
Office and administrative		33,406	8,437
Professional fees		16,284	22,164
Rent		9,216	9,216
Share-based compensation	5 & 6	36,385	-
Travel expenses		9,847	825
Loss before the undernoted		(367,318)	(196,439)
Other income (expenses)			
Interest income		35,307	21,616
Interest expense	4	-	(1,739)
Foreign exchange (loss)/gain		(3,517)	(2,978)
Net loss and comprehensive loss for the period		\$ (335,528)	\$ (179,540)
Basic and diluted loss per share		\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding		54,813,714	47,385,381

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

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

	Share Capital		Share Reserves		Deficit	Total
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve		
Balance, December 31, 2017	47,385,381	\$ 23,104,436	\$ 2,486,341	\$ 3,065,932	\$ (21,491,746)	\$ 7,164,963
Net loss for the period	-	-	-	-	(179,540)	(179,540)
Balance, March 31, 2018	47,385,381	23,104,436	2,486,341	3,065,932	(21,671,286)	6,985,423
Private placement, net of issuance costs (Note 5)	7,000,000	1,960,000	-	-	-	1,960,000
Flow through share premium	-	(350,000)	-	-	-	(350,000)
Shares issued for mineral property	300,000	49,500	-	-	-	49,500
Warrants issued for mineral property	-	-	-	53,445	-	53,445
Share-based compensation	-	-	334,768	-	-	334,768
Net loss for the period	-	-	-	-	(1,041,371)	(1,041,371)
Balance, December 31, 2018	54,685,381	24,763,936	2,821,109	3,119,377	(22,712,657)	7,991,765
Reallocation of flow through share premium on incurred qualifying expenditures	-	14,343	-	-	-	14,343
Exercise of stock options	175,000	26,250	-	-	-	26,250
Reallocation of reserve on exercise of stock options	-	14,619	(14,619)	-	-	-
Reallocation of reserve on expiry of stock options	-	-	(25,625)	-	25,625	-
Warrants issued for mineral property	-	-	-	9,961	-	9,961
Share-based compensation	-	-	36,385	-	-	36,385
Net loss for the period	-	-	-	-	(335,528)	(335,528)
Balance, March 31, 2019	54,860,381	\$ 24,819,148	\$ 2,817,250	\$ 3,129,338	\$ (23,022,560)	\$ 7,743,176

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

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

	2019		2018
Operating activities			
Net loss for the year	\$ (335,528)	\$	(179,540)
Item not affecting cash:			
Share-based compensation	36,385		-
Changes in non-cash working capital components			
Amounts receivable	(11,853)		13,753
Due from related parties	4,437		20,152
Prepaid expenses	(109,892)		26,161
Accounts payable and accrued liabilities	10,188		(34,773)
Note payable	-		1,739
Cash used in operating activities	(406,263)		(152,508)
Financing activities			
Proceeds on exercise of stock options	26,250		-
Cash provided by financing activities	26,250		-
Increase (Decrease) in cash and cash equivalents	(380,013)		(152,508)
Cash and cash equivalents, beginning of period	7,644,983		7,063,961
Cash and cash equivalents, end of period	\$ 7,264,970	\$	6,911,453
Cash and cash equivalents consisted of			
Cash on deposit with a Canadian Senior Bank	\$ 7,224,828	\$	6,871,361
Term deposits and Guaranteed investment certificates issued by a Canadian Senior Bank	40,142		40,092
	\$ 7,264,970	\$	6,911,453

Supplemental Cash Flow Information (note 7)

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

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Ethos Gold Corp. (the “Company” or “Ethos”) 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.

These condensed interim consolidated 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 ability of the Company to continue as a going concern is dependent on obtaining additional financing and if required through the issuance of debt or equity. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations in the normal course of business.

2. BASIS OF PREPARATION AND CONSOLIDATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standard 34 - Interim Financial Reporting. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2018 (“Annual Financial Statements”).

The accounting policies applied in preparation of these condensed interim consolidated financial statements are the same as those applied in the most recent Annual Financial Statements and were consistently applied to all the periods presented with the exception of IFRS 16 discussed below.

These consolidated financial statements include the accounts of the Company, its Canadian subsidiary 1088151 B.C. Ltd., and its Mexican subsidiary Compañía Minera Roca Dorada, SA de CV. Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over its subsidiary. All significant inter-company balances and transactions have been eliminated upon consolidation.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONSOLIDATION (continued)

Adoption of new accounting policies

- IFRS 16: Leases (“IFRS 16”): This standard replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company adopted the standard on January 1, 2019 and determined there is no impact on the condensed interim consolidated financial statements.

Key sources of estimation uncertainty and critical accounting judgement

In preparing these condensed interim consolidated financial statements, management has made judgements and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values. The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

3. MINERAL INTERESTS

	La Purisima (a)	Pine Pass (b)	WC Property (c)	Total
Balance, December 31, 2017	\$ 186,212	\$ -	\$ 1	\$ 186,213
Acquisition costs	243,125	114,152	-	357,277
Write off	-	-	(1)	(1)
Balance, December 31, 2018	429,337	114,152	-	543,489
Acquisition costs	9,961	-	-	9,961
Balance, March 31, 2019	\$ 439,298	\$ 114,152	\$ -	\$ 553,450

During the three months ended March 31, 2019 the Company incurred the following exploration expenses:

	La Purisima (a)	Pine Pass (b)	Other	Total
Geological consulting	\$ 74,923	\$ 48,729	\$ 8,448	\$ 132,100
Assays	-	3,973	-	3,973
Field costs	2,456	1,385	-	3,841
Camp costs	-	1,750	-	1,750
Transportation	6,668	12,011	-	18,679
Supplies	-	12,473	-	12,473
Concession taxes	14,298	-	-	14,298
BC METC	-	(24,096)	-	(24,096)
	\$ 98,345	\$ 56,225	\$ 8,448	\$ 163,018

During the three months ended March 31, 2018 the Company incurred the following exploration expenses:

	La Purisima (a)	Pine Pass (b)	Other	Total
Geological consulting	\$ 19,341	\$ -	\$ 11,399	\$ 30,740
Concession taxes	8,523	-	-	8,523
Surface access	28,716	-	-	28,716
	\$ 56,580	\$ -	\$ 11,399	\$ 67,979

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

3. MINERAL INTERESTS (continued)

a) La Purisima, Mexico

- i. On November 24, 2017, the Company, through its wholly owned Mexican subsidiary, Compañía Minera Roca Dorada, S.A. de C.V., entered into an option to purchase agreement whereby the Company owns the right to acquire a 100% interest in the La Purisima project, located in Chihuahua, Mexico. Pursuant to the option purchase agreement, the Company can exercise the option to acquire 100% of the La Purisima project by making cash payments totaling US\$3,495,000; issuing 3,000,000 common shares of the Company over a 72-month period (as set out in the table below) and on exercising the option grants a 2% net smelter returns royalty of which 1% can be repurchased for US\$1 million. The Company was obligated to pay outstanding mining duties of 1,025,614 Mexican Pesos on signing (paid - \$71,016) (Note 7) and incurred legal fees of \$37,712.

	Cash	Shares
On date of signing	US\$45,000 (paid - \$67,484)	50,000 (issued - \$10,000)
12 months from the date of	US\$100,000 (paid - \$134,990)	100,000 (issued - \$21,500)
24 months from the date of	US\$250,000	250,000
36 months from the date of	US\$350,000	350,000
48 months from the date of	US\$500,000	500,000
60 months from the date of	US\$750,000	750,000
72 months from the date of	US\$1,500,000	1,000,000

- ii. On August 24, 2018, the Company, through its wholly owned Mexican subsidiary, Roca Dorada, entered into an option to purchase agreement whereby the Company owns the right to acquire a 100% interest in 897 hectares of mineral concessions contiguous to the Company's La Purisima project, located in Chihuahua, Mexico. The Company, at its sole election, can exercise its option to earn its' 100% interest in the property at any time during the 10 years following the closing of the option agreement by paying the vendor US\$550,000.

To retain its right to acquire a 100% interest in the contiguous concessions the Company must make advance net smelter returns royalty ("NSR") payments to the vendor as follows:

	Cash
On closing	US\$25,000 - paid
On the first anniversary of closing	US\$35,000
On the second anniversary of closing	US\$35,000
On the third anniversary of closing and every subsequent year thereafter until commercial production has commenced	US\$50,000

In addition to the cash payments, the Company issued 1,500,000 share purchase warrants entitling the vendor to acquire 1,500,000 common shares of the Company at a price of \$0.15 per share. The warrants will be exercisable for a period of five years, vesting as follows: 500,000 on closing; 500,000 eighteen months after closing; 500,000 thirty-six months after closing. The second and third tranches of warrants will only vest if the Company has not terminated the option agreement prior to their vesting dates.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

3. MINERAL INTERESTS (continued)

a) La Purisima, Mexico (continued)

- ii. As at March 31, 2019, \$9,961 (December 31, 2018 - \$53,445) is included in mineral property acquisition costs relating to the vested warrants.

Upon closing, the Company paid US\$5,500 in outstanding concession taxes. During the term of the option agreement, the Company must keep the concession in good standing by paying the annual concession taxes.

Upon exercising the option, the Company will grant the vendor a 2.0% NSR on the property, of which half can be repurchased at any time by the Company by paying the vendor US\$1,000,000.

b) Pine Pass Project, British Columbia

On July 31, 2018, the Company entered into an option agreement to acquire a 100% interest in three vanadium projects (Pine Pass, Ursula and Tunnel) in north eastern British Columbia. The Company can earn a 100% interest in the three projects by making the following cash payments and share issuances:

	Cash	Shares
Within five days of TSX Venture	\$80,000 (paid)	200,000 (issued)
On the first anniversary	\$120,000	400,000
On the second anniversary	\$160,000	600,000
On the third anniversary	\$240,000	800,000
On the fourth anniversary	\$400,000	1,000,000

If the Company completes the 100% acquisition of the three properties by making the above cash payments and share issuances the Company will grant to the vendors a 2.0% NSR royalty on all three projects, of which half can be repurchased at any time by the Company by paying the vendors \$1,500,000.

During the three months ended March 31, 2019, the company did not renew the Tunnel project.

During the three months ended March 31, 2019, the Company received a letter indicating the potential expansion of a Provincial Protected Area overlapping the Company's Pine Pass project. The Company is monitoring the status of this potential expansion and withholding further exploration on the property until there is a formal resolution of the potential expansion.

As at March 31, 2019, the Company has recorded a BC Mineral Exploration Tax Credit ("BC METC") receivable of \$130,234 (December 31, 2018 - \$106,138). This amount relates to the qualifying exploration expenditures incurred at the Company's Pine Pass project and is receivable from the Government of British Columbia.

c) WC Property, Yukon

The Company staked a 44 claim property in 2012. The Company wrote off the remaining carrying cost of \$1 during the year ended December 31, 2018.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

4. NOTE PAYABLE

On December 4, 2017, the Company issued a promissory note payable to facilitate the payment of the mining duties payable in Mexico relating to the acquisition of the La Purisima mineral property (Note 3). The note principle is \$70,495 and bears interest of 10% per annum and is payable on demand. For the three months ended March 31, 2018, interest expense of \$1,739 is included in the statements of loss and comprehensive loss.

During the year ended December 31, 2018 the Company repaid \$74,283 in principal and accrued interest.

5. SHARE CAPITAL

(a) Authorized

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

(b) Common shares – Issued and outstanding

Common shares - At March 31, 2019 the Company had 54,860,381 (December 31, 2018 – 54,685,381) common shares issued and outstanding.

Preferred shares – At March 31, 2019 and December 31, 2018 no preferred shares were issued and outstanding.

- i) On January 24, 2019, 175,000 stock options with an exercise price of \$0.15 per share were exercised for gross proceeds of \$26,250. Upon exercise, \$14,619 was reallocated to share capital from share option reserve.
- ii) On December 21, 2018, the company completed a non-brokered private placement of 7,000,000 Flow-Through Units (the “FT Units”) of the Company at a price of \$0.28 per FT Unit for gross proceeds of \$1,960,000. Each FT Unit consists of one common share of the Company to be issued on a flow-through basis under the Income Tax Act (Canada) and one-half of one non-flow through common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to purchase one non-flow-through common share of the Company at a purchase price of \$0.30 per share until December 31, 2020. The Company recognized a flow through premium liability of \$350,000 on issuance. The residual value of the private placement of \$1,610,000 was allocated to share capital. During the three months ended March 31, 2019, \$14,343 in flow through share premium was reallocated to share capital as a result of the Company incurring qualifying exploration expenses during the period.
- iii) On November 26, 2018, the company issued 100,000 common shares relating to the acquisition of the La Purisima mineral property (Note 3).
- iv) On August 8, 2018, the company issued 200,000 common shares relating to the acquisition of the Pine Pass mineral property (Note 3).

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(c) Share purchase options

Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant.

On June 22, 2010, the Company implemented a new Share Option Plan for the benefit of directors, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant. At March 31, 2019, 4,840,000 share purchase options were outstanding.

A summary of the status of the Company's share purchase options outstanding is presented below:

	March 31, 2019		December 31, 2018	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of period	4,765,000	\$0.20	3,090,000	\$0.28
Granted	400,000	\$0.20	3,000,000	\$0.18
Exercised	(175,000)	\$0.15		
Expired	(150,000)	\$0.30	(1,325,000)	\$0.32
Outstanding, end of period	4,840,000	\$0.20	4,765,000	\$0.20

On January 10, 2019, the Company granted 400,000 share purchase options exercisable for a period of three years at an exercise price of \$0.20. During the three months ended March 31, 2019, \$36,385 is included in the statement of loss and comprehensive loss as share-based compensation expense.

On February 23, 2019, 150,000 share purchase options expired unexercised resulting in \$25,625 in share option reserve being reallocated to deficit.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

As at March 31, 2019, the following share purchase options were outstanding and exercisable:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options
Aug 2, 2019	100,000	\$0.20	0.34	100,000
Jul 29, 2020	225,000	\$0.15	1.33	225,000
Jun 22, 2021	865,000	\$0.30	2.23	865,000
Jan 10, 2022	400,000	\$0.20	2.78	400,000
Dec 3, 2022	250,000	\$0.20	3.68	250,000
Jul 26, 2023	2,650,000	\$0.17	4.24	2,650,000
Dec 4, 2023	350,000	\$0.23	4.68	350,000
	4,840,000	\$0.20	2.98	4,840,000

The weighted average grant-date fair value of share purchase options granted during the three months ended March 31, 2019 was \$0.09 (December 31, 2018 - \$0.11) per share purchase option. The Company determines the fair value of options granted using the Black-Scholes model for share purchase options issued to employees. The Company determines the fair value of share purchase options issued to non-employees using the value of services provided by the non-employees.

The following weighted-average grant date assumptions were used in valuing share purchase options granted during the three months ended March 31, 2019 and the year ended December 31, 2018 to directors, officers and employees:

	March 31, 2019	December 31, 2018
Weighted average share price	\$0.18	\$0.18
Weighted average exercise price	\$0.20	\$0.18
Risk-free interest rate	1.91%	1.99%
Expected volatility ⁽¹⁾	81%	71.19%
Expected years of option life ⁽²⁾	3	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.

ETHOS GOLD CORP.

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2018 and 2017 (Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(d) Share purchase warrants

As at March 31, 2019 the Company had share purchase warrants outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Expiry Date	Outstanding, December 31, 2018	Issued	Expired	Outstanding, March 31, 2019
\$0.30	November 12, 2019*	3,876,470	-	-	3,876,470
\$0.15	August 24, 2023**	1,500,000	-	-	1,500,000
\$0.30	December 21, 2020	3,500,000	-	-	3,500,000
		8,876,470	-	-	8,876,470

* Subsequent to March 31, 2019, the Company received TSX Venture Exchange (“TSXV”) acceptance to extend the expiry date of these warrants to May 12, 2021.

** The first tranche of 500,000 warrants vested on August 23, 2018. The second tranche of 500,000 warrants will vest on February 23, 2020 and the final tranche of 500,000 warrants will vest on August 23, 2021. The weighted average grant-date fair value of these warrants was \$0.08. During the three months ended March 31, 2019, \$9,961 is included in mineral property acquisition costs relating to the vesting of the warrants (Note 3).

The following weighted-average grant date assumptions were used in valuing share purchase warrants granted with respect to the Company’s mineral interests (Note 3):

	March 31, 2019	December 31, 2018
Weighted average share price	n/a	\$0.14
Weighted average exercise price	n/a	\$0.15
Risk-free interest rate	n/a	2.16%
Expected volatility	n/a	70.36%
Expected years of option life	n/a	5
Expected dividends	n/a	Nil

ETHOS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements For the Three Months Ended March 31, 2019 and 2018 (Expressed in Canadian Dollars) (Unaudited)

6. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

- The Company paid \$37,500 during the three months ended March 31, 2019 (2018 - \$67,500) in consulting fees to private companies controlled by certain directors and officers of the Company.
- The Company paid \$23,391 during the three months ended March 31, 2018 (2018 - \$19,341) in consulting fees to a director of the Company that is included in exploration and project evaluation expenses.
- \$36,831 is payable to officers and directors at March 31, 2019 (December 31, 2018 – \$12,900).
- \$Nil is receivable from a director at March 31, 2019 (December 31, 2018 – \$4,437) related to expenses reimbursable to the Company.

Key personnel compensation

	For the three months ended March 31,	
	2019	2018
Consulting fees	\$ 61,431	\$ 86,841
Directors fees	2,400	2,400
	<u>\$ 63,831</u>	<u>\$ 89,241</u>

7. SUPPLEMENTAL CASH FLOW INFORMATION

	2019	2018
Interest received	\$ 35,307	\$ 21,616
Interest paid	-	-

During the three months ended March 31, 2019, the Company entered into the following non-cash transactions:

- The Company recognized \$9,961 in mineral interest acquisition costs related to the vesting of warrants issued for mineral properties (Note 3).

8. SEGMENT INFORMATION

- The Company operates in one industry segment (note 1).
- At March 31, 2019 and December 31, 2018, the Company's mineral interests were located as follows:

	March 31, 2019	December 31, 2018
Mineral interests		
Chihuahua, Mexico	\$ 439,298	\$ 429,337
British Columbia, Canada	\$ 114,152	\$ 114,152

The Company's other assets and liabilities and net expenses are attributable to its corporate office and exploration and project evaluation activities in Canada and Mexico.

ETHOS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

9. COMMITMENT AND CONTINGENCIES

The Company's exploration activities in the Yukon Territory are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment, and believes its operations are materially in compliance with all applicable laws and regulations. The Company makes, and expects to make in the future, expenditures to comply with such laws and regulations, including any reclamation at its mineral properties, on a continuous basis.

During the year ended December 31, 2018, the Company recognized a flow through share premium liability of \$350,000. At March 31, 2019, the Company incurred qualifying expenditures to reduce this liability by \$14,343, which was reallocated to share capital during the period.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to pursue its objectives. The Company measures its capital as its shareholders' equity. The Company's primary source of capital is the issuance of equity.

The Company manages and adjusts its capital structure whenever changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company may require additional funding to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required, but recognizes there will be risks involved that may be beyond its control.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through at least the next twelve months. There are no external restrictions on the Company's capital.

ETHOS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

11. MANAGEMENT OF FINANCIAL RISK

The Company is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities. The Company is not exposed to significant market or other price risks.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short term investments are on deposit at a major financial institution. Amounts receivable consist primarily of goods and services tax refunds due from the Government of Canada and are neither past due nor impaired. As such, the Company considers its exposure to credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable, accrued liabilities and amounts due to related parties, which are all due on demand. The Company uses cash forecasts to ensure as far as possible that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Company's financial instruments. The Company is exposed from time to time to interest rate risk as a result of holding fixed rate temporary investments of varying maturities. The Company reduces the risk that it will realize a loss as a result of a decline in the fair value of these investments by limiting these investments to highly liquid securities with short-term maturities.

As at March 31, 2019, the Company estimates that a 1% change in prevailing interest rates would change the fair value of future cash flows from the Company's financial instruments by approximately \$6,000 (December 31, 2018 - \$6,000).

ETHOS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

12. EVENTS AFTER THE REPORTING PERIOD

- a) On May 16, 2019, the Company entered into an earn in agreement with Victory Metals Ltd. (“Victory”) whereby the Company can earn a 50% undivided interest in the gold and silver rights at Victory’s Iron Point vanadium project, located 22 miles east of Winnemucca, Nevada. The Company can earn its 50% undivided interest by spending \$5,000,000 over three years, including \$1,000,000 in the first year. Following the earn-in, a 50-50 joint venture will be formed between the Company and Victory, exclusive to the gold and silver rights on the Iron Point property.
- b) On May 10, 2019, the Company entered into an option agreement to acquire a 100% interest in the Perk-Rocky project located 225km west of Williams Lake, British Columbia. The Company can earn a 100% interest in the Perk-Rocky Project by making \$690,000 in cash payments and by issuing 2,900,000 common shares of the Company as follows:

	Cash	Shares
Within five days of the execution date	\$10,000 (paid)	-
Within five days of TSX Venture	\$30,000	300,000
On the first anniversary	\$75,000	450,000
On the second anniversary	\$175,000	700,000
On the third anniversary	\$400,000	1,450,000

The Company must incur \$350,000 in exploration expenses within 12 months from the execution date. The Company must make US\$3,850,000 in milestone payments, which are due within 30 days of the Company reaching each milestone as described below:

- US\$350,000 in the event the Company obtains a technical report that is NI 41-101 compliant.
- US\$500,000 in the event the Company obtains a Preliminary Economic Assessment.
- US\$1,000,000 in the event the Company obtains a Feasibility Study.
- US\$2,000,000 in the event the Company elects to put the property into commercial production.

Upon acquiring 100% interest in the property, the Company will grant the vendor a 3% NSR. The Company may repurchase 2% of the NSR for US\$7 million.

- c) On April 12, 2019, the Company subscribed for 1,650,000 shares at a price of \$0.12 per share in a private Canadian company (“Private Co.”) for total proceeds of \$198,000. The investment represents a 8.03% ownership interest in Private Co.