

**Windsor Gold Partners, Ltd**  
**Financial Statements**  
**As at December 31, 2013**



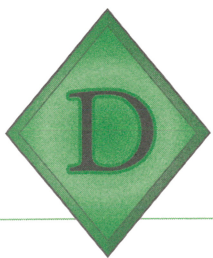
# Windsor Gold Partners, Ltd

## December 31, 2013

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## DIAMOND & COMPANY

Stephen A. Diamond, B.A., Chartered Accountant  
Barry Flodder, Associate

*Accountants*

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### Independent Auditor's Report

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To the Shareholders  
Windsor Gold Partners, Ltd

We have audited the accompanying financial statements of **Windsor Gold Partners, Ltd** which comprise the statement of financial position as at **December 31, 2013** and the statements of operations and comprehensive loss, changes in deficiency and cash flows for the period from incorporation April 29, 2013 to December 31, 2013 and the related notes, which comprise 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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. 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 audit is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Windsor Gold Partners, Ltd** as at **December 31, 2013**, and their financial performance and cash flows for the period from incorporation April 29, 2013 to December 31, 2013 in accordance with International Financial Reporting Standards.

Toronto, Ontario  
June 24, 2014

Chartered Professional Accountants  
Licensed Public Accountants

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# Windsor Gold Partners, Ltd

## Statement of Financial Position

December 31, 2013

	2013 \$
<b>Assets</b>	
<b>Current Assets</b>	
Cash	349
Due from directors	1,010
Due from related parties(Note 9)	327
Prepaid expenses (Note 3)	45,843
	47,529
<b>Non-current assets</b>	
Intellectual property (Note 4)	10
	47,539
<b>Liabilities and Shareholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	50,328
<b>Shareholders' Equity</b>	
Share capital (Note 5)	1,010
Contributed surplus (Note 6)	125,010
Deficit	(128,809)
	(2,789)
	47,539
Going concern (Note 2)	

Approved by the Board of Directors

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



# Windsor Gold Partners, Ltd

## Statement of Operations and Comprehensive Loss

From incorporation April 29, 2013 to December 31, 2013

	2013
	\$
<b>Revenue</b>	
Sale of revenue rights (Note 9)	107,259
<b>Operating expenses</b>	
Professional fees (Note 6)	170,953
Salaries and wages	29,672
Occupancy costs	29,228
Telephone	4,463
Interest and bank charges	912
Office expenses	840
	236,068
<b>Loss and total comprehensive loss</b>	(128,809)
Earnings Per Share:	
<b>Basic and diluted loss per share</b>	
Basic	\$ -
Diluted	\$ -

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



# Windsor Gold Partners, Ltd

## Statement of Changes in Equity (Deficiency)

From incorporation April 29, 2013 to December 31, 2013

Retained earnings (deficit), beginning of period	-
Loss for the period	(128,809)
<b>Deficit, end of year</b>	<b>(128,809)</b>

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



# Windsor Gold Partners, Ltd

## Statement of Cash Flows

From incorporation April 29, 2013 to December 31, 2013

	2013 \$
<b>Cash flows from operating activities</b>	
Loss for the period	(128,809)
Items not involving cash (Note 9)	125,010
Increase in due from directors	(1,010)
Increase in due from related parties	(327)
Increase in deposits outstanding (Note 3)	(45,842)
Increase in accounts payable	50,327
	(651)
<b>Cash flows from investing activities</b>	
Increase in intellectual property (Note 4)	(10)
<b>Cash flows from financing activities</b>	
Proceeds from issuance of common stock	1,010
<b>Net increase in cash</b>	349
<b>Cash, end of period</b>	349

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



# Windsor Gold Partners, Ltd

## Significant Accounting Policies

From incorporation April 29, 2013 to December 31, 2013 December 31, 2013

### 1. Significant Accounting Policies

#### a. Nature of business and basis of preparation

##### i. Date and place of incorporation, commencement of operations

Windsor Gold Partners, Ltd was incorporated on April 29, 2013 under the Bermuda Companies Act 1981. The company is in the development stage of operations and has not yet commenced the extraction and recovery of gold ore.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and were authorized for publication by the Company's Board of Directors on June 26, 2014.

##### ii. Principal reporting currency

The United States dollar is the principal currency of the company's business and accordingly the financial statements are expressed in US dollars.

#### b. Impairment of long lived assets

##### i. Description of process for evaluation

In the event that facts and circumstances indicate that the company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required.

#### c. Income taxes

##### i. Liability method

Currently, the company is in the development stage and has no income and is not subject to taxation. The company follows the liability method of accounting for income taxes. Under this method, future income tax liabilities and assets are recognized for the estimated income tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Future income tax liabilities and assets are measured using enacted tax rates. The effect on future income tax liabilities and assets of a change in tax rates is recognized in income in the period that the change occurs.

#### d. Financial instruments

##### i. Fair values not materially different from book values

The company has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.



# Windsor Gold Partners, Ltd

## Significant Accounting Policies

From incorporation April 29, 2013 to December 31, 2013 December 31, 2013

### 1. Significant Accounting Policies continued

#### e. Use of estimates

##### i. Actual results could differ

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.





# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

From incorporation April 29, 2013 to December 31, 2013

### 2. Going concern

#### Development stage since inception

The financial statements have been prepared on a going concern basis that presumes the realization of assets and the discharge of liabilities in the normal course of operations for the foreseeable future.

The company has been in the development stage since inception. The company's successful completion of its development program, and its transition to the attainment of profitable operations, is ultimately dependent upon the company's ability to achieve successful commercialization of its products and sales levels adequate to support the company's cost structure. It is not possible at this time to predict with assurance the outcome of these activities.

In management's estimate, the existing sources of liquidity and cash generated from the company's operations will not be sufficient to meet its current capital expenditure, working capital and other cash requirements. The company is currently in the process of seeking additional equity financing to fulfill its capital expenditure, working capital and other requirements. The continuation of the company is dependent upon its ability to secure new financing arrangements and to achieve profitable operations.

These financial statements do not give effect to any adjustments which could be necessary should the company be unable to continue as a going concern and therefore 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 the accompanying financial statements.

### 3. Prepaids

Included in prepaids is a deposit on land. the total purchase price was \$2,850,000. As of June 25, 2014 title has not passed to the company. The purchase price is due and payable no later than July 31, 2015 with an allowance for periodic payments at the discretion of the company throughout the year. The note is non interest bearing.

Subsequent to the year end the company has made payments against the note totalling \$198,676.

Prepaid expenses consist of the following:

	2013
	\$
Deposit on land	36,468
Directors fees	9,375
	45,843





# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

From incorporation April 29, 2013 to December 31, 2013

### 4. Intellectual Property

The company acquired a non-exclusive license to use certain technology to extract precious metals from the land referred to in Note 3.

The company also agrees to pay to the licensor a perpetual royalty of 60% of the company's total revenue less operational costs, due 30 days after the date of production. In addition, the company is obligated to pay the licensor a perpetual non-refundable minimum royalty payment of \$1,000 per month commencing March 2014.

Licensor can request the company pay the royalty fees described above in lawful currency or gold bullion.

### 5. Shareholders' equity

#### a. Authorized and issued

Authorized:

20,000,000 number of common shares, par value US\$0.0001

Issued and outstanding shares

During the year the company issued 10,100,000 common shares

	2013
	\$
Share capital	1,010

### 6. Contributed Surplus

Contributed surplus arose as a result of the company incurring fees in connection with the listing of the company. The fees incurred included legal, exchange and listing sponsor fees, transfer agent and consulting fees. All fees have been charged to income in the year.

### 7. Commitments

Subsequent to year end the company signed a month-to-month lease for premises. A minimum rent of \$ 2,165 per month is required subject to additional annual rent for increases in operating expenses incurred over and above the base year.



# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

From incorporation April 29, 2013 to December 31, 2013

### 8. Risk Management

#### a. No significant credit risk exposure

The Company is exposed to certain risks relating to its financial instruments. The Company does not use derivative financial instruments to manage these risk exposures.

#### Interest rate risk

The Company is not subject to interest rate risk. The land acquisition financing is non interest bearing.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. This risk is managed by maintaining adequate financing from the sale of capital stock. We believe that we have access to sufficient capital through share issuances.

#### Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as these balances are on deposit with US banks that are believed to be creditworthy. Amounts receivable comprise miscellaneous receivables which were collected subsequent to December 31, 2013. The Company does not believe it is exposed to significant credit risk.

#### Fair values

The carrying values of financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and financial liabilities. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include accounts receivable, notes receivable and short-term debt.



# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

### From incorporation April 29, 2013 to December 31, 2013

#### 9. Related party transactions

a During the year the company advanced funds to a company controlled by parties related to shareholders. The promissory note bears interest at 4% per annum and is due November 1, 2014. If payment is not made on or before the due date, interest increases to 10% per annum, the note is unsecured.

b During the year, the company entered into a royalty interest agreement with a company controlled by one of the shareholders. The company sold a net smelter royalty ("NSR") in perpetuity. The company sells 0.1% NSR for \$37,500. The agreement stipulates that the maximum NSR to be sold will be 7.5%. The cost of the right is non-refundable by the company and as such has been included in income. Subsequent to year end an additional \$708,000 was paid to the company.

c On 17 December 2013 WGP entered into a management and operations agreement with Alliance Management LLC (AM), a Utah Limited Liability Company, with its main office in Salt Lake City, Utah. The fee for AM services is 4% of WGP's operating costs (net of AM services). The total amount of management fee accrued for 2013 was \$9,079.55 USD, which remains outstanding as of the report date.

#### 10. New accounting standards and interpretations

The IASB issued a number of new and revised International Accounting Standards and IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after the date stated, with early adoption permitted. The Company has not yet early-adopted these standards but is assessing what impact the applications will have on the Financial Statements.

a IFRS 9 'Financial Instruments: Classification and Measurement' – annual periods beginning on or after January 1, 2015, introduces new requirements for the classification and measurement of financial instruments.

b IAS 32 'Financial Instruments: Presentation' – the IASB amended this standard to address inconsistencies identified in applying some of the offsetting criteria.



# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

From incorporation April 29, 2013 to December 31, 2013

### 11. Financial instruments

#### Fair value

The Company has designated its cash as FVTPL, which is measured at fair value. Other receivables and prepaids are classified for accounting purposes as loans and receivables, which are measured at amortized cost that approximates fair value. Trade payables and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also approximates fair value. Fair values of amounts receivable and accounts payable and accrued liabilities are determined from transaction values that were derived from observable market inputs. Fair values of other financial assets are based on Level 1 measurements and the remaining financial instruments are based on Level 2 measurements.

As at December 31, 2013, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes fair value measurements recognized in the consolidated financial statements by class of asset or liability and categorized by level according to the significance of the inputs used in making the measurements.

- a. Cash – Cash is held with major United States banks institutions and, therefore, have minimal risk of loss. In Management's opinion, the risk of loss is minimal with foreign banking institutions and is limited to the amount carried on the statements of financial position. Cash held with foreign banks at December 31, 2013, total \$349
- b. Other receivables and prepaid expenses - The Company is not exposed to any significant risk. Risk of the loss of advances to employees is limited to the amount carried on the statements of financial position of \$46,170.





# Windsor Gold Partners, Ltd

## Notes to the Financial Statements

From incorporation April 29, 2013 to December 31, 2013

### 11. Financial instruments continued

#### ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at December 31, 2013, the Company had negative working capital of \$2,799. In order to meet its future working capital and property exploration expenditures, the Company intends on securing further financing, as required, to ensure that those obligations are properly discharged. The Company has well over 15 months of operating capability based on current cash balances, monthly burn rate and project commitments. However, there can be no assurance that the Company will be successful, if required, in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

#### iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

##### a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short to mid-term guaranteed investment certificates, as appropriate.

##### b. Currency risk

The Company's operations are conducted in United States dollars. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

