WESTHAM RESOURCES CORP.

(A Capital Pool Company)

FINANCIAL STATEMENTS

December 31, 2013 and 2012

Expressed in Canadian dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Westham Resources Corp.

We have audited the accompanying financial statements of Westham Resources Corp., which comprise the statements of financial position as at December 31, 2013 and 2012 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Westham Resources Corp. as at December 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

April 29, 2014

WESTHAM RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	As at December 31, 2013	As at December 31, 2012
ASSETS		
Current		
Cash	$ 241,257	$ 264,608
Receivables	7,035	5,443
	$ 248,292	$ 270,051
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 11,522	$ 6,000
Shareholders' equity		
Share capital (Note 4)	290,375	290,375
Reserves	6,000	6,000
Deficit	(59,605)	(32,324)
	236,770	264,051
	$ 248,292	$ 270,051

Nature and continuance of operations (Note 1)
Related party transactions (Note 5)

On behalf of the Board of Directors on April 29, 2014

Signed "Scott Gibson"
Director

Signed "Andrew MacRitchie"
Director

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

WESTHAM RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	For the year ended December 31, 2013	For the year ended December 31, 2012
EXPENSES		
Audit and accounting fees	$ 12,300	$ 5,000
Banking fees	214	--
Filing fees	14,767	9,811
Legal fees	--	2,147
Office Rent	--	5,000
Stationary and printing	--	366
Loss and comprehensive loss for the year	**$ 27,281**	**$ 22,324**
Basic and diluted loss per common share	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding	1,960,000	526,247

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

WESTHAM RESOURCES CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in Canadian Dollars

	Share Capital				
	Shares	Amount	Reserves	Deficit	Total Shareholders' Equity
Balance, December 31, 2011	2,000,000	100,000	-	(10,000)	90,000
Common shares issued at $0.05	1,200,000	60,000	-	-	60,000
Common shares issued at $0.10 (IPO)	2,000,000	200,000	-	-	200,000
Common share issuance costs (IPO)	-	(63,625)	-	-	(63,625)
Warrants issued as share issuance costs (IPO)	-	(6,000)	6,000	-	-
Loss for the year	-	-	-	(22,324)	(22,324)
Balance, December 31, 2012	5,200,000	$ 290,375	$ 6,000	$ (32,324)	$ 264,051
Loss for the year	-	-	-	(27,281)	(27,281)
Balance, December 31, 2013	5,200,000	$ 290,375	$ 6,000	$ (59,605)	$ 236,770

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

WESTHAM RESOURCES CORP.
STATEMENTS OF CASH FLOWS
Canadian Dollars

	For the year ended December 31, 2013	For the year ended December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (27,281)	$ (22,324)
Changes in non-cash working capital items:		
Increase in receivables	(1,592)	(4,843)
Increase in accounts payable and accrued liabilities	5,522	1,000
Net cash used in operating activities	(23,351)	(26,167)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of common shares, net of issuance costs	-	196,375
Net cash provided by financing activities	-	196,375
(Decrease) Increase in cash for the year	(23,351)	170,208
Cash, beginning of year	264,608	94,400
Cash, end of year	$ 241,257	$ 264,608
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Non-cash transactions:
There were no non-cash transactions during the year ended December 31, 2013. The Company issued broker's warrants in conjunction with the IPO in 2012 which were valued at $6,000.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Westham Resources Corp. (the "Company") is a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's sole business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (also defined in TSX-V Policy 2.4). The Company was incorporated on December 7, 2011 under the *British Columbia Business Corporations Act*.

The address of the Company's head office is Suite 1518 – 800 West Pender St,, Vancouver, BC V6C 2V6. The address of the Company's registered office is 1600 – 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has no source of revenue, has an accumulated deficit of $59,605 as at December 31, 2013, and expects to incur further losses. All of these factors cast significant doubt upon the Company's ability to continue as a going concern and, therefore suggest that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations are dependent upon its ability to identify, evaluate, negotiate and fund an agreement to acquire an interest in a material asset or business within 24 months of listing on the TSX-V. The Company was listed on the TSX-V on September 24, 2012. Any acquisition or investment proposed by the Company will be subject to regulatory approval, and may or may not require additional financing. Although the Company has been successful in obtaining seed financing, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company.

2. BASIS OF PREPARATION

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC") which were effective as of April 29th, 2014, the date the Board of Directors authorized these financial statements for issuance.

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements (Note 6). Actual results could differ from these estimates.

The functional currency of the Company is the Canadian dollar, the currency of the primary economic environment in which it operates. The financial statements are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

Deferred financing costs

Costs directly associated with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Share-based payments

Stock options and warrants give the right, but not the obligation, to buy common shares of the Company at a fixed price for a limited time. In the future, the Company may choose to grant stock options to directors, officers, employees and service providers. The Company recognizes share-based payment expense based on the estimated fair value of options granted. Fair value is estimated using the Black-Scholes option-pricing model. The fair value of the options is then recognized over the vesting period of the options granted as both share-based payment expense and reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital along with the consideration paid by the option holder.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the equity instruments are measured at the fair value of the equity instrument. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss per share

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

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of shares outstanding. As at December 31, 2013, 3,240,000 shares outstanding have been excluded from the weighted average number of shares outstanding because these shares are contingently returnable.

Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories:

- financial assets or liabilities at fair value through profit or loss ("FVTPL")
- loans and receivables
- financial assets available-for-sale
- financial assets and liabilities held-to maturity
- other financial liabilities.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss. Financial assets *available-for-sale* are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets and liabilities *held-to-maturity*, *loans and receivables*, and *other financial liabilities* are subsequently measured at amortized cost using the effective interest method.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

The Company's cash is measured using level 1 inputs.

Refer to Note 9 for relevant disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new standards and interpretations

Effective January 1, 2013, the following standards were adopted but have had no material impact on the financial statements:

- IAS 1, Presentation of Financial Statements: This standard was amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- IFRS 7, Financial Instruments: Disclosures: This standard was amended to enhance disclosure requirements related to the offsetting of financial assets and financial liabilities.
- IFRS 10, Consolidated Financial Statements: This new standard establishes principles for the presentation and preparation of consolidated financial statements.
- IFRS 11, Joint Arrangements: This new standard provides guidance in accounting for the rights and obligations established under a joint agreement.
- IFRS 12, Disclosure of Interests in Other Entities: This new standard provides guidance for the proper disclosure of interests in other entities that are not within the scope of IFRS 9 / IAS 39.
- IFRS 13, Fair Value Measurement: This new standard provides guidance on the measurement and disclosure of fair value.
- IAS 27, Consolidated and Separate Financial Statements: This standard was amended as a result of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 27 deals solely with separate financial statements.
- IAS 28, Investments in Associates and Joint Ventures: This standard supersedes IAS 28 (2003) and prescribes the application of the equity method to investments in associates and joint ventures.

Recent accounting pronouncements

Certain new accounting standards and interpretations have been published which are not yet effective for years ended December 31, 2013. The following standards are expected not to have a material impact on the Company's financial statements, but may result in additional disclosures in future years:

- IFRS 7, Financial Instruments: Disclosures: This standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9. It is effective for annual periods beginning on or after January 1, 2015.
- IFRS 9, Financial Instruments: This new standard replaces IAS 9 and describes classification and measurement of financial instruments. It is effective for annual periods commencing on or after January 1, 2018.
- IAS 32, Financial Instruments: Presentation: This standard has been amended to clarify requirements for offsetting financial assets and liabilities. It is effective for annual periods beginning on or after January 1, 2014.

4. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issuances and Initial Public Offering

During the year ended December 31, 2012 the Company issued 1,200,000 common shares at $0.05 per share for total gross proceeds of $60,000. In addition, on September 24, 2012, the Company completed its Initial Public Offering (the "Offering) by issuing 2,000,000 common shares at $0.10 per share for total gross proceeds of $200,000. Completion of the Offering resulted in the Company being classified as a Capital Pool Company pursuant to Policy 2.4 of the TSX-V. On closing, a cash commission of 7% of the gross proceeds of the Offering was paid to the agents (the "Agents") for the Offering. The Agents were also paid a corporate finance fee of $10,000 (plus HST). The Agents were also paid an expense retainer of $5,000 and were reimbursed by the Company for their expenses and legal fees. Share issuance costs related to the IPO that were paid in cash, including each of the preceding items, totalled $63,625. In addition, the Agents were granted Agents' warrants to purchase up to 140,000 common shares at a price of $0.10 per common share, exercisable for a period of 24 months from the date of listing of the common shares on the TSX-V. The Black-Scholes model attributed these warrants with a value of $6,000.

During the year ended December 31, 2013, the Company had no capital transactions.

As at December 31, 2013, the Company has 3,240,000 shares (December 31, 2012 – 3,240,000 shares) held in escrow. Under the escrow agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin following completion of the Qualifying Transaction (Note 1). Additional tranches of 15% will be released on each of the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release of 10%.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall be determined by the directors but will in no event be less than the discount market price for the common shares. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

No options have been granted as of December 31, 2013.

Expressed in Canadian Dollars

4. SHARE CAPITAL (CONTINUED)

Warrants

Details of stock purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
As at December 31, 2011	-	$-
Issued	140,000	$0.10
As at December 31, 2012 and December 31, 2013	140,000	$0.10

As at December 31, 2013, the outstanding share purchase warrants were as follows:

Expiry Date	Exercise Price	Number of Warrants
September 24, 2014	$0.10	140,000

The fair value of the warrants issued was calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	December 31, 2013	December 31, 2012
Average risk-free interest rate	-	1.125%
Expected dividend yield	-	0.000%
Expected stock price volatility	-	62.5%
Average expected warrant life in years	-	2.0 years

Option and warrant pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants at the date of grant.

5. RELATED PARTY TRANSACTIONS

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements.

a) Legal services:
In the year ended December 31, 2013, services valued at $nil (year ended December 31, 2012 - $11,710) were received from Anfield, Sujir, Kennedy, & Durno LLP, a law firm for which one of the directors of the Company is a partner. A portion of these services related to the IPO transaction and so were recorded as share issuance costs.

b) Rent:
During the year, the Company paid $nil (year ended December 31, 2012 - $5,000) in rent to a company of which a director of the Company is the sole shareholder.

c) Key management personnel:
Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors and corporate officers. Other than disclosed above, there were no other transactions with key management personnel during the year ended December 31, 2013, nor during the year ended December 31, 2012.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management has made judgements in a number of areas in preparing these financial statements. Those judgements that have the most significant effect on the amounts recognised in the financial statements are:

i) Determining whether the entity remains a going concern (refer to Note 1)

Areas of critical accounting estimates include:

Fair value of warrants

Determining the fair value of warrants requires judgements related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Expressed in Canadian Dollars

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Actual results may differ from the estimates made. Judgements and estimates, and their underlying assumptions, are reviewed on an ongoing basis. Revisions to accounting estimates or judgements are recognized in the period in which the estimates are revised and in any future periods affected.

7. CAPITAL DISCLOSURES

The Company manages its common shares, options and warrants as capital, each components of shareholders' equity. As at December 31, 2013, the Company's shareholders' equity was $236,770 and there was no long term debt outstanding. As the Company is a Capital Pool Company, its principal source of funds is from the issuance of common shares (See Note 1, Nature and Continuance of Operations). When managing the capital structure, the Company's competing objectives are to minimize the number of shares issued and to raise sufficient capital to both safeguard its ability to continue as a going concern, and to complete a Qualifying Transaction. The Company has not established any quantitative capital management criteria as the competing objectives require subjective analysis.

The Company is not subject to any externally imposed capital requirements.

8. INCOME TAXES

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

		2013		2012
Loss for the year	$	(27,281)	$	(22,324)
Expected income tax recovery	$	(7,025)	$	(5,600)
Share issue cost		-		(15,900)
Impact of change in tax rates		(1,025)		-
Change in unrecognized deductible temporary differences		8,050		21,500
Total income tax recovery	$	-	$	-

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in British Columbia.

The significant components of the Company's unrecorded deferred tax assets are as follows:

		2013		2012
Deferred Tax Assets				
Share issue costs	$	9,925	$	12,700
Non-capital losses available for future periods		22,115		11,300
		32,040		24,000
Unrecognized deferred tax assets		(32,040)		(24,000)
Net deferred tax assets	$	-	$	-

Expressed in Canadian Dollars

8. INCOME TAXES (CONTINUED)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2013	Expiry Date Range	2012	Expiry Date Range
Temporary Differences				
Share issue costs	$ 38,000	2034 to 2036	$ 51,000	2033 to 2036
Non-capital losses available for future periods	$ 85,000	2031 to 2033	$ 45,000	2031 to 2032

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categorization and Valuation

The Company has categorized its financial instruments as follows:

i) Receivables are categorized as loans and receivables, and are recorded at amortized cost using the effective interest rate method. Due to the short-term nature of current receivables, the Company estimates that their fair value approximates their face value.

ii) Accounts payable and accrued liabilities are categorized as other financial liabilities and are recorded at their amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities, the Company estimates that their fair value approximates their face value.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk
Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in trust.

Liquidity risk
All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk
The Company could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2013 and December 31, 2012, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Price risk
The Company may at times have limited indirect exposure to price risk with respect to commodity and equity prices. Equity price
economic value due to commodity price movements and volatilities.