



WINSHEAR GOLD

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month periods ended December 31, 2019 and 2018

Expressed in Canadian dollars

Notice to Reader: As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these condensed interim consolidated financial statements.

Winshear Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

Canadian Dollars

Unaudited - Prepared by Management

ASSETS	December 31, 2019	March 31, 2019
Current assets		
Cash	\$ 466,862	\$ 16,221
Receivables and prepaids (Note 4)	54,276	110,204
Marketable securities (Note 5)	12,500	25,000
	<u>533,638</u>	<u>151,425</u>
Non-current assets		
Property and equipment (Note 6)	32	436
Mineral property acquisition costs (Note 7)	656,087	-
	<u>\$ 1,189,757</u>	<u>\$ 151,861</u>
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LIABILITIES		
Current liabilities		
Accounts payable	\$ 86,245	\$ 199,269
Accrued liabilities	95,487	57,790
Due to related parties (Note 11)	80,388	110,843
	<u>262,120</u>	<u>367,902</u>
Non-current liabilities		
Due to Palamina in shares (Notes 7, 9a, 11)	675,000	-
	<u>937,120</u>	<u>367,902</u>
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DEFICIT		
Share capital (Note 9)	47,125,811	45,852,687
Contributed surplus	11,786,621	11,747,472
Deficit	(58,659,795)	(57,816,200)
	<u>252,637</u>	<u>(216,041)</u>
	<u>\$ 1,189,757</u>	<u>\$ 151,861</u>

Going Concern (Note 2)

Commitments (Note 12)

Subsequent Event (Note 13)

ON BEHALF OF THE BOARD OF DIRECTORS:

signed "Richard Williams"

Director

- See accompanying notes -

signed "Andrew Thomson"

Director

Winshear Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

Canadian Dollars

Unaudited - Prepared by Management

	For the three months ended December 31,		For the nine months ended December 31,	
	2019	2018	2019	2018
Expenses				
Amortization (Note 6)	\$ 116	\$ 467	\$ 404	\$ 1,396
Exploration costs (Note 8)	143,511	58,906	337,000	177,836
Filing and transfer agent fees	7,073	4,309	11,647	9,269
Professional fees (Note 11.a)	12,710	16,489	(4,851)	44,863
Marketing	24,316	2,374	34,200	6,394
Office and miscellaneous	8,377	7,030	26,148	14,688
Salaries, directors fees & consulting (Note 11.b)	22,316	15,131	10,071	86,672
Travel	1,114	27	3,421	13,546
	(254,332)	(104,733)	(452,839)	(354,664)
Other income / (loss)				
Interest income	-	-	7,860	-
Foreign exchange loss	380	(629)	(9,582)	(2,332)
Loss on revaluation of share payable (Notes 7 & 11)	25,000	-	(375,000)	-
Gain on debt settlement (Note 9.a)	-	114,000	-	304,201
Unrealized loss on marketable securities	(2,500)	-	(12,500)	-
Provision for VAT receivable (Note 4)	-	5,271	(1,534)	-
	22,880	112,300	(390,756)	295,527
Net and comprehensive loss	\$ (231,452)	\$ 7,567	\$ (843,595)	\$ (59,137)
Net loss per share: basic & diluted	\$ (0.01)	\$ 0.00	\$ (0.04)	\$ (0.01)
Weighted average				
number of common shares outstanding:	32,449,318	10,949,318	19,031,435	10,816,107

- See accompanying notes -

Winshear Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

Canadian Dollars

Unaudited - Prepared by Management

	Number of Common Shares	Share Capital (Note 9)	Contributed Surplus	Deficit	Total
March 31, 2018	10,449,318	\$ 45,805,187	\$ 11,747,472	\$ (57,743,979)	\$ (191,320)
Shares issued to settle debt	500,000	47,500	-	-	47,500
Income for the period	-	-	-	(59,137)	(59,137)
December 31, 2018	10,949,318	\$ 45,852,687	\$ 11,747,472	\$ (57,803,116)	\$ (202,957)
March 31, 2019	10,949,318	\$ 45,852,687	\$ 11,747,472	\$ (57,816,200)	(216,041)
Private placement	15,000,000	900,000	-	-	900,000
Share issuance costs	-	(16,876)	-	-	(16,876)
Shares issued to settle debt	1,500,000	90,000	-	-	90,000
Mineral property acquisition	5,000,000	300,000	-	-	300,000
Loss for the period	-	-	-	(843,595)	(843,595)
December 31, 2019	32,449,318	\$ 47,125,811	\$ 11,786,621	\$ (58,659,795)	\$ 252,637

- See accompanying notes -

Winshear Gold Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

Canadian Dollars

Unaudited - Prepared by Management

	For the three months ended December 31,		For the nine months ended December 31,	
	2019	2018	2019	2018
Cash flows from operating activities				
Loss for the period:	\$ (231,452)	\$ 7,567	\$ (843,595)	\$ (59,137)
Non-operating interest income	-	-	(7,860)	-
Items not affecting cash:				
Amortization	116	467	404	1,396
Provision for VAT receivable	-	1,071	1,534	6,342
Gain on debt settlement	-	(114,000)	-	(304,201)
(Gain) Loss on shares payable	(25,000)	-	375,000	-
Unrealized loss on marketable securities	2,500	-	12,500	-
Share-based payments	39,149	-	39,149	-
Changes in non-cash working capital:				
Receivables and prepaids	(13,792)	(14,604)	54,394	(26,334)
Accounts payable and accrued liabilities	(138,503)	29,181	(75,327)	46,600
Due to / from related parties	57,914	33,887	59,545	36,160
Cash used in operating activities	(309,068)	(56,431)	(384,256)	(299,174)
Cash flows from investing activities				
Interest received	-	-	7,860	-
Mineral property acquisition costs	(1,131)	-	(56,087)	-
Cash provided by investing activities	(1,131)	-	(48,227)	-
Cash flows from financing activities				
Proceeds from the issuance of shares on private placement financing	-	-	900,000	-
Share issuance costs	-	-	(16,876)	-
Cash provided by financing activities	-	-	883,124	-
Net change in cash	(310,199)	(56,431)	450,641	(299,174)
Cash - beginning of period	777,061	85,375	16,221	328,118
Cash - end of period	\$ 466,862	\$ 28,944	\$ 466,862	\$ 28,944
Cash is composed of:				
Cash	\$ 253	\$ 8,446	\$ 253	\$ 8,446
Deposits held by financial institution	466,609	20,498	466,609	20,498
	\$ 466,862	\$ 28,944	\$ 466,862	\$ 28,944

Supplemental non-cash information:

On June 13, 2018, Winshear issued 500,000 common shares valued at \$47,500 together with a payment of \$25,000 cash in settlement of accounts payable totalling \$262,701 Canadian dollars (Note 9.a).

On September 19, 2019, Winshear issued 5,000,000 common shares valued at \$300,000 and committed to issue a further 5,000,000 common shares initially valued at \$300,000 in order to acquire the Gaban Gold project and the Tinka Iron Oxide Copper Gold project. At the same time, Winshear also issued 1,500,000 common shares valued at \$90,000 in satisfaction of certain amounts previously carried in accounts payable, some of which were due to related parties (Note 11).

- See accompanying notes -

Winshear Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

Expressed in Canadian dollars

Unaudited – Prepared by Management

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Winshear Gold Corp. (formerly Helio Resource Corp.) (the “Company” or “Winshear”) was incorporated on November 8, 1998 under the Business Corporations Act of British Columbia. The Company is listed for trading on the TSX Venture Exchange as a Tier 2 mining issuer under the symbol “WINS-V”. The Company’s head and registered office is located at Suite 580 - 625 Howe Street, Vancouver, British Columbia, Canada. The Company is principally engaged in the exploration and development of its project in Peru (the Gaban Gold project and the Tinka Iron Oxide Copper Gold project) and in seeking compensation from the government of Tanzania for the expropriation of the Company’s project in Tanzania (the SMP Gold project).

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material as realizable values may be substantially different from carrying values disclosed in the financial statements.

The Company holds interests in mineral properties in Peru and is focused on the exploration and development of these properties. Title to certain of the SMP licences have been expropriated by the Tanzanian government, and the Company has provided notice of its intent to submit a claim to international arbitration (Note 4.b). The Company has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. As at December 31, 2019, the Company has no source of revenue, has a deficit of \$58,659,795 and expects to incur further losses in the exploration and development of its mineral properties which will require additional financing from external sources. All of these factors cast significant doubt upon the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the ability of the Company to continue to obtain the necessary financing to complete the exploration and development of its mineral property interests, the pursuit of its claim against the government of Tanzania, or upon proceeds from the disposition of its mineral property interests and ultimately upon the discovery of economically recoverable mineral reserves. Although the Company has been successful in obtaining financing in the past, and has also raised cash by selling marketable securities, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

3. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, effective for the period ending December 31, 2019, as issued and outstanding as of February 27th, 2020, the date the Board of Directors approved these financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended March 31, 2019.

Winshear Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

Expressed in Canadian dollars

Unaudited – Prepared by Management

3. BASIS OF PRESENTATION (continued)

a) Basis of presentation

These consolidated financial statements include the accounts of Winshear Gold Corp. and its wholly owned subsidiaries, BAFEX Holdings Ltd. and BAFEX Tanzania Limited. All intercompany balances, transactions, and gains and losses from intercompany transactions have been eliminated on consolidation.

These consolidated 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.

b) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the audited annual consolidated financial statements for the year ended March 31, 2019.

c) Significant Accounting Policies

The accounting policies and methods of computation followed in preparing these condensed interim consolidated financial statements are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), and are substantially the same as those followed in preparing the most recent audited annual consolidated financial statements, with the exception of the following changes to accounting policies adopted on April 1, 2019 as a result of changes to accounting standards.

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related 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 is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Since the Company had no leases, the new standard did not have any impact on the Company's financial statements at the time of adoption of the new standard.

The following is the accounting policy that has been amended as a result of adoption of IFRS 16:

Leases

Upon lease commencement, the Company recognizes a right-of-use asset, which is initially measured at the amount of the lease liability plus any direct costs incurred, which is then amortized over the life of the lease on a straight-line basis. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease; if the implicit lease rate cannot be determined, the incremental borrowing rate is used. Payments against the lease are then offset against the lease liability. The lease liability and right-of-use asset are subsequently remeasured to reflect changes to the terms of the lease. Assets and liabilities are recognized for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

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Notes to the Condensed Interim Consolidated Financial Statements

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4. RECEIVABLES AND PREPAIDS

	December 31, 2019	March 31, 2019
Prepaid expenses	\$ 32,068	\$ 25,614
Receivables	7,915	14,747
Sales tax receivable - Canada	14,293	69,843
	<u>\$ 54,276</u>	<u>\$ 110,204</u>

The Company is owed sales tax refunds from the government of Tanzania, but the Company has historically experienced significant delays in receiving payment. In addition, there have been discussions with the tax authorities in Tanzania and Canada pertaining to the refundability of the amounts that the Company is claiming. As a result, a cumulative provision of \$322,000 (March 31, 2019 - \$363,000) is offsetting the underlying amount of the receivable in recognition of the credit risk, as well as the anticipated costs of collection. The Canadian dollar equivalent of the historic VAT receivable and the collectability provision are both eroding as the Tanzanian Shilling declines in value. While collection of some of this amount is possible, there also exists the potential for the government of Tanzania to raise one or more tax assessments which could exceed the amount that has been provided.

5. MARKETABLE SECURITIES

Company name	# of shares	Fair value at December 31, 2019	Fair value at March 31, 2019
Damara Gold Corp.	500,000	\$12,500	\$25,000

6. PROPERTY AND EQUIPMENT

	Field equipment	Office equipment	Total
December 31, 2019			
Net book value			
At March 31, 2019	\$ 4	\$ 432	\$ 436
Amortization	(4)	(400)	(404)
At December 31, 2019	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</u>
Consisting of			
Cost	\$ 77,104	\$ 98,797	\$ 175,901
Accumulated amortization	(77,104)	(98,765)	(175,869)
At December 31, 2019	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</u>
March 31, 2019			
Net book value			
At March 31, 2018	\$ 811	\$ 1,307	\$ 2,118
Amortization	(807)	(875)	(1,682)
At March 31, 2019	<u>\$ 4</u>	<u>\$ 432</u>	<u>\$ 436</u>
Consisting of			
Cost	\$ 77,104	\$ 98,797	\$ 175,901
Accumulated amortization	(77,100)	(98,365)	(175,465)
At March 31, 2019	<u>\$ 4</u>	<u>\$ 432</u>	<u>\$ 436</u>

Winshear Gold Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

Expressed in Canadian dollars

Unaudited – Prepared by Management

7. MINERAL PROPERTY ACQUISITION COSTS

a) Peru

The Company acquired the Gaban Gold project and the Tinka Iron Oxide Copper Gold project, both located in Peru, from Palamina Corp. on September 19, 2019. In exchange, Winshear issued 5,000,000 common shares to Palamina, and will issue another 5,000,000 common shares on or before September 19, 2021. In addition, Winshear will make annual advance royalty payments to Palamina. Annual anniversary payments begin at \$25,000 on September 19, 2020 and will double every two years until Winshear has completed a total of 5,000m of drilling or has abandoned the properties.

Palamina will retain a 2% Net Smelter Return royalty on each property. Winshear will have the right to purchase 50% of each royalty by making a cash payment of \$1,000,000 to Palamina at any time prior to the commencement of commercial production.

b) SMP Licences, Tanzania

Title to certain of the SMP licences have been expropriated by the Tanzanian government. On January 10, 2020 the Company delivered to the Attorney General of Tanzania notice of its intent to submit a claim to international arbitration in accordance with the 2013 Agreement for the Promotion and Reciprocal Protection of Investments between Canada and Tanzania.

The Company had earned a 100% interest in the Saza, Ilunga, Gap and Kwaheri Retention Licences, all within the Lupa Goldfields in southwest Tanzania which have since been expropriated by the Tanzanian government. Each of the five areas was subject to a 2% Net Smelter Royalty which could be reduced to 1% by paying \$1,000,000 in cash (per area) prior to commencement of commercial production. The Company holds other valid prospecting licences in Tanzania which made up part of the SMP Gold Project and are adjacent to the formerly held Retention License areas listed above. These licences were acquired directly, with minimal acquisition costs. The government of Tanzania's expropriation of the retention licences listed above, which cover the defined gold resource areas, has resulted in the impairment of mineral property acquisition costs.

	Gaban and Tinka, Peru	SMP, Tanzania	Total
March 31, 2019	\$ --	\$ --	\$ --
Acquisition Costs	654,956	--	654,956
December 31, 2019	\$ 654,956	\$ --	\$ 654,956

Winshear Gold Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

Expressed in Canadian dollars

Unaudited – Prepared by Management

8. EXPLORATION COSTS

Nine months ended December 31, 2019	Tanzania		Peru	Total
	Saza and Saza West	Makongolosi	Gaban	
Field expenses and consumables	504	1,321	9,581	11,406
Geological consulting	2,568	6,823	26,656	36,047
License fees	-	-	64,666	64,666
Salaries and wages	15,116	39,567	130,588	185,271
Share based compensation	-	-	4,350	4,350
Transportation and travel	538	1,410	12,377	14,325
Exploration office expenses	5,780	15,155	-	20,935
Total costs for the nine months ended December 31, 2019:	\$ 24,506	\$ 64,276	\$ 248,218	\$ 337,000

Nine months ended December 31, 2018	Tanzania		Total
	Saza and Saza West	Makongolosi	
Field expenses and consumables	\$ 1,072	\$ 2,624	\$ 3,696
Geological consulting	19,347	44,582	63,929
Salaries and wages	15,376	40,237	55,613
Transportation and travel	1,971	5,159	7,130
Exploration office expenses	13,760	33,708	47,468
Total costs for the nine months ended December 31, 2018:	\$ 51,526	\$ 126,310	\$ 177,836

9. SHARE CAPITAL

a) Authorized share capital: Unlimited common shares without par value

On September 19, 2019, Winshear completed a private placement financing, raising \$900,000 through the issuance of 15,000,000 units. Each unit is comprised of one common share of Winshear and one half of a warrant. Each full warrant entitles the holder to purchase one common share of the Company for \$0.10 at any time within 12 months of closing the financing. On the same date, in order to acquire the Gaban Gold project and the Tinka Iron Oxide Copper Gold project, Winshear also issued 5,000,000 common shares valued at \$300,000 and committed to issue another 5,000,000 common shares. The 5,000,000-share commitment also had an initial value on September 19, 2019 of \$300,000. The commitment is shown as a non-current liability on the Statement of Financial Position.

On September 19, 2019, Winshear also issued 1,500,000 common shares valued at \$90,000 in satisfaction of certain amounts previously carried in accounts payable, some of which were due to related parties (Note 11).

On June 13, 2018 the Company issued 500,000 common shares and paid cash of \$25,000 pursuant to a debt settlement agreement with an arm's length creditor of the Company to settle outstanding accounts payable of \$262,701, resulting in a gain on debt settlement of \$190,201.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

Expressed in Canadian dollars

Unaudited – Prepared by Management

9. SHARE CAPITAL (continued)

b) Share-based payments

The Company has established a share purchase option plan whereby the Board of Directors may grant options to directors, officers, employees or consultants. The goal of this plan is to more closely align the interests of option-holders with the interests of shareholders.

The Company has been authorized by its shareholders to grant stock options numbering up to ten percent (10%) of the number of common shares issued and outstanding. Options granted are subject to a maximum term of ten years from the date of grant. The exercise price of an option must be determined in accordance with the share purchase option plan. Options vest after one year unless determined otherwise by the Board of Directors.

The following table summarizes information about stock options outstanding to directors, officers, employees and consultants as at December 31, 2019:

Grant date	Expiry date	Exercise price	Number of options outstanding	Remaining contractual life (years)	Number of options exercisable
October 24, 2019	October 24, 2024	\$0.20	2,250,000	4.9	Nil (vest on October 24, 2020)

Details of stock option activity subsequent to December 31, 2019 is as follows:

	Number of Options	Weighted Average exercise price
Outstanding, March 31, 2018 and 2019, and September 30, 2019	172,000	\$ 1.75
Expired October 1, 2019	(172,000)	\$ 1.75
Granted October 24, 2019	2,250,000	\$ 0.20
Outstanding, December 31, 2019	2,250,000	\$ 0.20

c) Share Purchase Warrants

Details of share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
As at March 31, 2018 and 2019	Nil	\$--
Issued September 19, 2019	7,500,000	\$0.10
As at December 31, 2019	7,500,000	\$0.10

The outstanding warrants all expire on September 19, 2020.

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Notes to the Condensed Interim Consolidated Financial Statements

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10. SEGMENTED INFORMATION

The Company has two operating segments, which are mineral exploration and development in Tanzania and Canada. Neither segment generates revenue. Resources are allocated to projects. As the projects are in different countries, this equates to allocating resources by geographical area.

Total assets by geographical area:

	December 31, 2019		March 31, 2019	
Canada	\$	485,392	\$	109,745
Peru		656,087		--
Tanzania		48,278		42,116
	\$	1,189,757	\$	151,861

Cash amounting to \$441,071 was held in Canada, and \$25,791 was held in Tanzania, with none in Peru (March 31, 2019 - \$374 in Canada and \$15,847 in Tanzania).

Capital assets, including mineral properties, by geographic area:

	December 31, 2019		March 31, 2019	
Canada	\$	27	\$	252
Peru		656,087		--
Tanzania		5		184
	\$	656,119	\$	436

Net (loss) income by geographic area:

	Nine months ended December 31, 2019		Nine months ended December 31, 2018	
Canada	\$	(486,407)	\$	31,129
Peru		(248,218)		--
Tanzania		(108,970)		(90,266)
	\$	(843,595)	\$	(59,137)

Exploration expenses by geographic area:

	Nine months ended December 31, 2019		Nine months ended December 31, 2018	
Peru	\$	248,218	\$	--
Tanzania		88,782		177,836
	\$	337,000	\$	177,836

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Notes to the Condensed Interim Consolidated Financial Statements

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11. 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. Except where specifically noted, amounts due to related parties are shown as a separate category on the statement of financial position.

a) Legal services

During the nine months ended December 31, 2018, the Company received legal services of approximately \$12,000 from a law firm, in which the Corporate Secretary of the Company at the time was a partner. This amount was shown in due to related parties on the statement of financial position, and has since been paid. The partner of the law firm is no longer Corporate Secretary of the Company and so is no longer a related party.

b) 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 the Company's directors and members of the senior management group. Details of key management personnel compensation is as follows:

Nine months ended:	December 31, 2019	December 31, 2018
Salaries accrued	\$ 40,000	\$ 61,716
Salaries forgiven	(43,000)	Nil
Directors' fees earned (forgiven)	Nil	14,000
	<u>\$ (3,000)</u>	<u>\$ 75,716</u>

For a number of months in 2018 and 2019, in order to assist the Company, related parties were paying for the expenses of the Company and did not draw or accrue salary or director's fees for portions of the 2018 and 2019 calendar years. In addition, officers forgave all salary amounts owed to them at a point in 2019. Following the private placement in December 2019, a portion of these expenses were paid, and officers resumed drawing salary at a much-reduced level. As a result, at December 31, 2019, \$54,966 (March 31, 2019 - \$110,843) was payable to related parties for unpaid 2019 salary as well as for costs paid on behalf of the Company.

Officers and directors participated in the Company's settlement on September 19, 2019 of certain amounts previously carried in accounts payable, agreeing to settle a total of \$36,000 in amounts owed in exchange for a total of 600,000 common shares of the Company. On the same date, officers, directors and other related parties also participated in the private placement of units described in Note 9a, subscribing for a total of 2,550,000 units at \$0.06.

In addition, as described in Notes 7a and 9a, on September 19, 2019, Winshear acquired the Gaban Gold project and the Tinka Iron Oxide Copper Gold project, both located in Peru, from Palamina Corp. in exchange for agreeing to make specified advance royalty and share payments to Palamina over time. As a result of this transaction, Palamina became a related party. At December 31, 2019, the Company is indebted to Palamina in the amount of \$24,828 as reimbursement for exploration expenditures in Peru.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2019

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12. COMMITMENTS

Winshear is subject to the fees and expenditure requirements set by the various governments that are required to maintain its mineral exploration properties in good standing.

Winshear has one remaining required share payment: the issuance of 5,000,000 shares to Palamina (Note 7a) which is shown as “Due to Palamina in shares” on the Statement of Financial Position, as well as the annual payments specified under the agreement. Annual payments begin at \$25,000 on September 19, 2020 and will double every two years until Winshear has completed a total of 5,000m of drilling or has abandoned the properties.

13. SUBSEQUENT EVENT

On January 10, 2020 the Company delivered to the Attorney General of Tanzania notice of its intent to submit a claim to international arbitration in accordance with the 2013 Agreement for the Promotion and Reciprocal Protection of Investments between Canada and Tanzania. (Note 4.b)