WINSHEAR GOLD
VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended June 30, 2021 and 2020

(Unaudited)

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
VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

As at

	Note	June 30, 2021	March 31, 2021
ASSETS			
Current			
Cash	5	$ 337,298	$ 690,148
Receivables and prepaids	6	63,441	75,594
Investments	7	24,000	34,500
		$ 424,739	**$ 800,242**
LIABILITIES			
Current			
Trade and other payables	5	$ 87,929	$ 90,427
		87,929	**90,427**
SHAREHOLDERS' EQUITY			
Share capital	9	49,208,959	49,208,959
Reserves	9	11,883,288	11,883,288
Deficit		(60,755,437)	(60,382,432)
		336,810	**709,815**
		$ 424,739	**$ 800,242**

Nature of operations and going concern (Note 1)

Subsequent Event (Note 13)

Approved on behalf of the Board:

"Richard Williams" "Andrew Thomson"

Richard Williams **Andrew Thomson**

WINSHEAR GOLD
VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	For the 3 months ended June 30, 2021	For the 3 months ended June 30, 2020
EXPENSES AND OTHER (INCOME)			
Exploration expenses	8, 9	$ 260,686	$ 100,316
Filing & transfer agent fees		6,276	1,888
Foreign exchange (gain)		(12,975)	(4,098)
General & administration		11,797	6,625
Loss (gain) on investments	7	10,500	(5,000)
Marketing		4,083	3,440
Professional fees		34,655	38,827
Provision for VAT receivable		17,560	-
Salaries and consulting	,	40,423	17,383
Share-based compensation	9	-	28,594
Net and comprehensive loss for the period		**$ (373,005)**	**$ (187,975)**
Basic and diluted loss per common share		$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		53,524,318	32,449,318

WINSHEAR GOLD
VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	SHARE CAPITAL					
	Number	**Amount**	**Reserves**	**Shares to be issued**	**Deficit**	**Total**
At March 31, 2020	32,449,318	$ 47,125,811	$ 11,806,636	$ 300,000	$ (59,188,800)	$ 43,647
Private placement	11,000,000	1,320,000	-	-	-	1,320,000
Share issue costs	-	(44,352)	-	-	-	(44,352)
Warrants exercised	5,075,000	507,500	-	-	-	507,500
Mineral property acquisition	5,000,000	300,000	-	(300,000)	-	-
Share-based payment	-	-	76,652	-	-	76,652
Loss for the year	-	-	-	-	(1,193,632)	(1,193,632)
At March 31, 2021	**53,524,318**	**$ 49,208,959**	**$ 11,883,288**	**$ -**	**$(60,382,432)**	**$ 709,815**
Loss for the period	-	-	-	-	(373,005)	(373,005)
At June 30, 2021	**53,524,318**	**$ 49,208,959**	**$ 11,883,288**	**$ -**	**$ (60,755,437)**	**$ 336,810**

Share Capital (Note 9)

WINSHEAR GOLD
VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Note	For the 3 months ended June 30, 2021	For the 3 months ended June 30, 2020
OPERATING ACTIVITIES			
Loss for the period		$ (373,005)	$ (185,975)
Items not involving cash:			
Loss (gain) on investments	7	10,500	(5,000)
Share based payment	8,9	-	33,861
Changes in non-cash working capital items:			
Decrease in receivables and prepaids		12,154	23,553
Increase in trade and other payables		(2,499)	(19,945)
Cash flows from operating activities		**(352,850)**	**(153,506)**
Change in cash during the period		(352,850)	(153,506)
Cash—beginning of period		690,148	232,933
Cash—end of period		**$ 337,298**	**$ 79,427**

01 NATURE OF OPERATIONS AND GOING CONCERN

Winshear Gold Corp. (the "Company") was incorporated on November 8, 1998, under the laws of the British Columbia Business Corporations Act. The Company is listed on the TSXV Venture Exchange (the "TSXV") under the symbol "WINS-V". The Company's head office is at 960-789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in Peru. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These condensed consolidated interim financial statements (the "Financial Statements") have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These 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. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. Loss of title to a material mineral property interest could be a significant impediment to the Company.

The continuance of the Company's operations is dependent on obtaining sufficient additional financing to realize recoverability of the Company's investments in its mineral exploration properties, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors metal commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur. With working capital of $336,811 as of June 30, 2021 (March 31, 2021 - $709,816), management estimates it has sufficient funds to operate for the upcoming twelve months.

In March, 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on its business or results of operations at this time.

02 BASIS OF PREPARATION

Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the

International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted. These Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2021.

The accounting policies applied in the preparation of these Financial Statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2021.

Approval of The Financial Statements

These Financial Statements were authorized for issue by the Board of Directors of the Company on August 27, 2021.

Basis of Presentation

These Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit & 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.

Functional and Presentation Currency

These Financial Statements are presented in Canadian dollars unless otherwise noted, which is the functional currency of the parent and its subsidiaries.

Basis of Consolidation

These Financial Statements of the Company include the accounts of the Company and its wholly owned subsidiaries, BAFEX Holdings Ltd., BAFEX Tanzania Limited and Winshear de Peru SAC, the principal activity of which is mineral exploration. Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All inter-company transactions and balances have been eliminated upon consolidation.

03 NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

ADOPTED APRIL 1, 2021

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after April 1, 2021. Many are not applicable or did not have a material impact on the Financial Statements

IAS 1 – PRESENTATION OF FINANCIAL STATEMENTS

IAS 1 – Presentation of Financial Statements was amended to clarify that the classification of liabilities as current or noncurrent in based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as a settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendment is effective for annual periods beginning on January 1, 2023. This amendment is not expected to have a material impact for the Company.

IAS 37 – PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets was amended to clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that related directly to the contract. Such costs include both the incremental costs of the contract and an allocation of other direct costs incurred on activities required to fulfill the contract. The amendment is effective for annual periods beginning on January 1, 2022. This amendment is not expected to have a material impact for the Company.

04 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the Financial Statements are described below:

Estimates

VALUATION OF INVESTMENTS

The Company holds marketable securities of a public company that, at times, experiences low trading volumes, and may be subject to periods where its securities are halted from trading, particularly in advance of completing a significant transaction. As such, the last traded price, which is typically used to determine the fair value of publicly traded marketable securities, may not be an accurate measure of the recoverable value of the underlying securities.

SHARE-BASED COMPENSATION

The Company issued stock options that vest over time. In consideration of IFRS 2, the Company determines the fair value at issuance and will recognize amounts over the vesting period to equity and share-based compensation based on the share value at the time of issuance.

RECOVERABILITY AND MEASUREMENT OF DEFERRED TAX ASSETS

The Company holds losses carried forward and other amounts that may be deducted from future taxable income. Since the Company does not consider it more likely than not that it will have taxable net income in the near future, the deferred tax assets have not been recognized.

Judgments

DETERMINATION OF FUNCTIONAL CURRENCY

The Company determines the functional currency through an analysis of several indicators of autonomy such as financing activities, expenses and cash flow, retention of operating cash flows, and frequency of transactions with the reporting entity.

GOING CONCERN

In assessing its ability to continue as a going concern for the next twelve months, the Company estimates future cash outflows based off prevailing market prices for goods and services, foreign exchange rates, and number of days to complete field programs with weather constraints.

05 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Hierarchy

Financial instruments measured at fair value are classified into one of three levels in fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quote prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

Level 3: Inputs that are not based on observable market data

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts receivable, investments, and trade and other payables. The fair value of investments is measured on the statement of financial position using Level 1 of the fair value hierarchy. The fair value of cash, receivables and trade and other payables approximate their book values due to the short-term nature of these instruments.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

CREDIT RISK

The Company is exposed to industry credit risks arising from its cash and receivables. The Company manages credit risk by holding the majority of its cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada and Peru. Management believes that credit risk related to these amounts is nominal.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing. As of June 30, 2021, the Company has working capital of $336,811 (March 31, 2021 - $709,816) and negative cash flow from operations for the three months ended June 30, 2021 of $352,850 (June 30, 2020 - $153,506), indicating a high liquidity risk. See also Note 1: Going Concern.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference for the three months ended June 30, 2021.

FOREIGN CURRENCY RISK

The Company is exposed to nominally foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars. Amounts subject to currency risk are primarily cash and receivables denominated in foreign currencies, which are offset by the trade and other payables denominated in that foreign currency.

The following financial assets and liabilities are denominated in foreign currencies:

Stated in USD		**June 30, 2021**		**March 31, 2021**
Cash	$	124,495	$	60,562
Accounts receivable		19,327		27,995
Accounts payable		(26,394)		(14,552)
Net in foreign currency	**$**	**117,428**	**$**	**74,005**

PRICE RISK

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings or valuation of its investments due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors the price of precious metals.

(Unaudited - Expressed in Canadian dollars)

06 RECEIVABLES AND PREPAIDS

	June 30, 2021	March 31, 2021
Prepaid expenses	$ 51,343	$ 66,325
Sales tax receivable - Canada	11,038	8,195
Sales tax receivable - Peru	1,060	1,075
Total	**$ 63,441**	**$ 75,595**

07 INVESTMENTS

Damara Gold Corp.	Number of shares	Fair value
As of March 31, 2020	500,000	$ 10,000
Dispositions	(200,000)	(20,000)
Fair value adjustment	-	44,500
As of March 31, 2021	**300,000**	**34,500**
Fair value adjustment	-	(10,500)
Total	**300,000**	**$ 24,000**

The Company received $nil proceeds of disposition during the three months ended June 30, 2021 (Year Ended March 31, 2021: $24,060).

(Unaudited - Expressed in Canadian dollars)

08 EXPLORATION COSTS

Expenditures

Details of the Company's exploration and evaluation expenditures are as follows:

	Tanzania	Peru: Gaban & Tinka	For the 3 months ended June 30, 2021
Field expenses & consumables	$ -	$ 74,051	$ 74,051
Geochemical analysis	-	3,233	3,233
License fees	-	81,918	81,918
Salaries & wages	-	51,784	51,784
Transportation & travel	-	18,808	18,808
Exploration office expenses	774	30,117	30,891
Total	**$ 774**	**$ 259,911**	**$ 260,685**

	TANZANIA		PERU	
	Saza & Saza West	Makongolosi	Gaban & Tinka	For the 3 months ended June 30, 2020
Field expenses & consumables	$ 1,203	$ 2,406	$ -	$ 3,609
License fees (recovery)	(6,480)	(11,490)	8,994	(8,976)
Salaries & wages	7,863	15,726	23,565	47,154
Share based compensation	366	912	3,989	5,267
Transportation & travel	402	804	-	1,206
Exploration office expenses	3,488	8,681	39,887	52,056
Total	**$ 6,842**	**$ 17,039**	**$ 76,435**	**$ 100,316**

Property Agreements

PERU

On September 19, 2019, the Company acquired the Gaban Gold project and the Tinka Iron Oxide Copper Gold project, both located in Peru, from Palamina Corp. ("Palamina"). In exchange, the Company issued 5,000,000 common shares during the year ended March 31, 2020, and 5,000,000 common shares during the year ended March 31, 2021 (Note 9). The Company will pay annual advance royalty payments to Palamina, commencing at $25,000 USD on September 19, 2020 (paid). The payment amounts double every two years until the Company has completed 5,000 metres of drilling or has abandoned the properties.

Palamina retains a 2% net smelter return royalty ("NSR") on each property. The Company has the right to purchase 50% of each royalty by making a cash payment of USD$1,000,000 to Palamina at any time prior to the commencement of commercial production.

TANZANIA

Prior to 2017, The Company had earned a 100% interest in the Saza, Illunga, Gap and Kwaheri Retention Licenses, all within the Lupa Goldfields in southwest Tanzania. The Tanzanian government has since expropriated all four of the Retention Licenses. Consequently, on July 14,2020, Winshearinitiated international arbitration proceedings with ICSID (The International Centre for Settlement of Investment Disputes), a part of the World Bank group, in accordance with the 2013 Agreement for the Promotion and Reciprocal Protection of Investments between Canada and Tanzania. The Company is seeking compensation for the expropriation of the project.

On December 7, 2020, the Company entered into a Litigation Funding Agreement with an affiliate of Delta Capital Partners Management, LLC, a United States-based global private equity and advisory firm specializing in litigation and legal financing (“Delta”). Under the agreement, the Company will draw funds from a financing facility to meet all fees and expenses relating to the pursuit of certain claims against the Government of Tanzania. In exchange, Delta is entitled to a portion of any proceeds awarded to the Company.

On July 15, 2021, Winshear filed its Memorial with ICSID fully documenting the nature and quantum of its claims against Tanzania for the expropriation of the Company’s retention licences.

09 SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

YEAR END MARCH 31, 2021 TRANSACTIONS

a) On August 12, 2020, the Company issued 11,000,000 units at a price of $0.12 per unit for gross proceeds of $1,320,000 under a private placement financing. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of $0.18 and expire August 12, 2022. Related parties subscribed for 1,200,000 units for gross proceeds of $144,000 (Note 10).

b) On August 17, 2020, the Company issued 4,600,000 common shares and on October 5, 2020, the Company issued 400,000 common shares to satisfy the $300,000 common share commitment to Palamina (Note 8). Based on the last trading price of the common shares prior to the transaction, the 5,000,000 share commitment had an initial value on September 19, 2019 of $300,000.

c) During the year ended March 31, 2021, 5,075,000 common shares were issued at a price of $0.10 per share for an aggregate issue price of $507,500 as a result of warrant exercises.

(Unaudited - Expressed in Canadian dollars)

Share Purchase Warrants

A summary of the Company's warrants and the changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted-average exercise price ($)
Balance — March 31, 2020	7,500,000	7,500,000	0.10
Issued	5,500,000	5,500,000	0.18
Exercised	(5,075,000)	(5,075,000)	0.10
Expired	(2,425,000)	(2,425,000)	0.10
Balance — March 31, 2021 and June 30, 2021	**5,500,000**	**5,500,000**	**0.18**

At June 30, 2021, the outstanding warrants all expire August 12, 2022.

Stock Options

The Company has adopted a stock option plan (the "Stock Option Plan"). The Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions to be determined by the Company's board of directors. The maximum expiry date is ten years from the grant date. The Stock Option Plan permits the issuance of stock options, which may not exceed 10% of the Company's issued common shares as at the date of grant.

On October 24, 2019, the Company granted 2,250,000 stock options to employees and consultants. Each stock option has an exercise price of $0.20 and vested October 24, 2020. The stock options expire October 24, 2024. All 2,250,000 stock options remain issued and outstanding as of June 30, 2021 and have a remaining contractual life of 3.32 years.

The Company incurred share-based compensation as follows:

	Three months ended June 30, 2021		Three months ended June 30, 2020	
Exploration costs	$	-	$	5,267
Share based compensation		-		28,594
Total share-based compensation	**$**	**-**	**$**	**33,861**

(Unaudited - Expressed in Canadian dollars)

10 RELATED PARTY TRANSACTIONS

The Company defines key management personnel as its directors and officers. The Company entered into the following transactions with its key management:

		Three months ended June 30, 2021		Three months ended June 30, 2020
Salaries and benefits	$	57,103	$	15,000
Share based compensation		-		40,633
Exploration costs – field work		18,638		14,618

Exploration costs

As a result of acquiring the Gaban and Tinka mineral properties from Palamina (Note 8) and having directors in common with the Company, Palamina became a related party. At June 30, 2021, the Company owed Palamina $8,285 (March 31, 2021 - $2,893) as reimbursement for exploration expenditures incurred on the Gaban and Tinka mineral properties. The amounts due are non-interest bearing and unsecured.

11 SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation expenditures, which are disclosed by geographic location in Note 8. All corporate expenses are incurred in Canada.

Total assets by segment:

		June 30, 2021		March 31, 2021
Canada	$	230,597	$	671,703
Peru		188,366		123,117
Tanzania		5,776		5,422
Total assets	**$**	**424,739**	**$**	**800,242**

12 CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the three months ended June 30, 2021.

13 SUBSEQUENT EVENT

On July 22, 2021, the Company granted 800,000 stock options to officers of the Company. The stock options have an exercise price of $0.15 per share, expire July 22, 2026, and vest 100% on July 22, 2022.