



Newlox Gold Ventures Corp.

Three Months Ended June 30, 2017 and 2016

Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in Canadian Dollars)

- Consolidated Statements of Financial Position
- Consolidated Statements of Loss and Comprehensive Loss
- Consolidated Statement of Changes in Shareholders' Equity
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Jeffrey Benavides"

Chief Financial Officer

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Financial Position
 (Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2017	March 31, 2017
		\$	\$
ASSETS			
Current assets			
Cash		79,742	8,174
Accounts receivable		134,531	-
GST recoverable		9,459	8,264
		223,732	16,438
Non-current assets			
Property, plant and equipment	5	347,009	336,404
Total assets		570,741	352,842
LIABILITIES			
Current			
Accounts payable and accrued liabilities		150,912	156,083
Due to related parties	9	489,857	462,633
Convertible debentures	6	486,382	473,874
Total liabilities		1,127,151	1,092,590
SHAREHOLDERS' EQUITY			
Share capital	7	2,473,371	2,406,451
Equity component of debentures	6	57,692	57,692
Foreign currency translation reserve		297,366	300,232
Deficit		(3,384,839)	(3,504,123)
Total equity		(556,410)	(739,748)
Total liabilities and equity		570,741	352,842

Nature of operations and going concern (Note 1)
 Subsequent events (Note 11)

Approved on behalf of the Board:

 "Ryan Jackson"
 Director

 "Jeffrey Benavides"
 Director

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the Three Months Ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2017 \$	June 30, 2016 \$
EXPENSES			
Consulting fees		328	1,442
Depreciation	5	2,084	10,759
Management fees	9	41,508	38,292
Office		4,377	6,239
Professional fees		5,301	3,148
Telephone		364	472
Transfer agent and filing fees		1,680	1,977
Travel		2,695	1,852
Loss before other items		(58,337)	(64,181)
Foreign exchange (loss) gain		(4,611)	410
Interest expense	6	(12,508)	(9,853)
Other income – sale of gross royalty	11	194,740	-
Gain on settlement of debt		-	9,000
		177,621	(443)
Net income (loss) for the period		119,284	(64,624)
Other Comprehensive (loss) income for the period			
Foreign currency translation		(2,866)	(15,104)
Comprehensive Income (loss) for the period		116,418	(79,728)
Basic and diluted income (loss) per share		0.00	(0.00)
Weighted average number of shares outstanding		59,654,353	50,180,608

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



Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Three Months Ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

	# of common shares	Share capital \$	Share subscription advance \$	Equity component of debenture \$	Foreign currency translation reserve \$	Deficit \$	Total \$
Balance, March 31, 2016	48,702,893	2,017,991	-	57,692	353,213	(1,323,004)	1,105,892
Shares issued for cash	3,634,379	181,719	15,000	-	-	-	196,719
Share issuance costs	-	(5,531)	-	-	-	-	(5,531)
Net and Comprehensive loss for the period	-	-	-	-	(15,104)	(64,624)	(79,728)
Balance, June 30, 2016	52,337,272	2,194,179	15,000	57,692	338,109	(1,387,628)	1,217,352
Balance, March 31, 2017	59,429,404	2,406,451	-	57,692	300,232	(3,504,123)	(739,748)
Shares issued for cash	1,446,100	72,305	-	-	-	-	72,305
Share issuance costs	-	(5,385)	-	-	-	-	(5,385)
Net and Comprehensive income (loss) for the period	-	-	-	-	(2,866)	119,284	116,418
Balance, June 30, 2017	60,875,504	2,473,371	-	57,692	297,366	(3,384,839)	(556,410)

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

Newlox Gold Ventures Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended June, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

	June 30, 2017 \$	June 30, 2016 \$
Cash flow provided by (used in)		
Operating activities		
Net income (loss) for the period	119,284	(79,728)
Non-cash items:		
Accrued interest	12,508	-
Depreciation	2,084	10,759
	133,876	(68,969)
Changes in non-cash working capital items:		
Accounts receivable	(134,531)	(20,000)
Advances	-	(16,007)
GST recoverable	(1,195)	(1,528)
Accounts payable and accrued liabilities	(5,171)	(8,552)
Due to related party	27,224	(35,403)
	20,203	(150,459)
Investing activities		
Purchase of property, plant and equipment	(25,136)	(43,263)
Financing activities		
Convertible debentures	-	9,853
Shares issued for cash	72,305	181,719
Share issue costs	(5,385)	(5,531)
Share subscriptions received	-	15,000
	66,920	201,041
Effect of exchange rate changes on cash	9,581	-
Increase (decrease) in cash during the period	71,568	7,319
Cash – beginning of the period	8,174	697
Cash – end of the period	79,742	8,016
Supplemental Cash Flow Information		
Interest paid	-	9,520

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended June 30, 2017 and 2016.
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NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Newlox Gold Ventures Corp. (the “Company” or “Newlox”) was incorporated on April 7, 2011. Pursuant to an arrangement agreement dated April 8, 2011 between the Company and Tulox Resources Inc. (“Tulox”), the Company was assigned an interest in mineral claims in British Columbia, Canada, and commenced operations as a mineral property exploration company. During the year ended March 31, 2014, the Company terminated its interest in the mineral claims and wrote off the carrying value of the mineral property.

The Company’s business has since evolved from a mining property exploration company to an environmental reclamation and mineral recovery company pursuing business opportunities in Central and South America. As part of its reclamation business, the Company is applying innovative technologies to reprocess historical tailings to achieve soil remediation and metals extraction.

The head office, principal address, and records office of the Company are located at 1875 Robson Street, Suite 1202, Vancouver, BC V6G 1E5, Canada.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast material uncertainties on the Company’s ability to continue as a going concern.

The Company's continuing operations, as intended, and its financial success is dependent upon its ability to generate profits from its tailing reclamation program and the continuing financial support of its shareholders, creditors, and related parties to finance its operations and expansion activities. From inception to date, the Company has incurred losses from operations and has accumulated losses of \$3,384,839 and a working capital deficiency of \$903,419 as at June 30, 2017. There is no assurance that the Company will be successful in generating and maintain profitable operations, or able to secure future debt or equity financing for its working capital and expansion activities.

These condensed interim consolidated financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended March 31, 2017.

These condensed interim consolidated financial statements were approved by the board of directors for use on August 25, 2017.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

There have been no material revisions to the nature of judgements and amount of changes in estimates reported in the Company’s March 31, 2017 annual consolidated financial statements.

NEWLOX GOLD VENTURES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016.

(Unaudited - Expressed in Canadian Dollars)



NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standards when they become effective:

a) IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. IFRS 9 provides a revised model

for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 clarifies the principles for recognising revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively, and improve guidance for multiple-element arrangements. The standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. The Company does not expect the adoption of this standard to impact the consolidated financial statements as the Company does not earn revenues.

c) 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. The Company does not have any material lease agreements and does not expect the adoption of this standard to materially impact its consolidated financial statements.

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**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

	Vehicles	Office furniture and equipment	Computer equipment and software	Processing facilities	Equipment	Tools	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, March 31, 2016	31,636	530	3,895	656,252	207,433	4,769	904,515
Additions	29,108	1,188	411	64,661	14,095	1,106	110,569
Disposal	(15,109)	-	-	-	-	-	(15,109)
Foreign currency translation	(1,726)	(42)	(184)	(45,098)	(13,844)	(233)	(61,127)
Impairment	-	-	-	(359,779)	(207,684)	-	(567,463)
Balance, March 31, 2017	43,909	1,676	4,122	316,036	-	5,642	371,385
Additions	-	-	872	24,264	-	-	25,136
Foreign currency translation	(770)	(30)	(47)	(12,142)	-	(99)	(13,088)
Balance, June 30, 2017	43,139	1,646	4,947	328,158	-	5,543	383,433
Accumulated Depreciation							
Balance, March 31, 2016	10,701	237	1,642	16,797	45,627	612	75,616
Depreciation	9,306	179	1,225	-	-	513	11,224
Disposals	(4,792)	-	-	-	-	-	(4,792)
Foreign currency translation	(561)	(11)	(79)	(761)	-	(28)	(1,440)
Impairment	-	-	-	-	(45,627)	-	(45,627)
Balance, March 31, 2017	14,654	405	2,788	16,036	-	1,098	34,981
Depreciation	1,849	31	87	-	-	117	2,084
Foreign currency translation	(280)	(8)	(50)	(281)	-	(22)	(641)
Balance, June 30, 2017	16,223	428	2,825	15,755	-	1,193	36,424
Net book Value							
March 31, 2017	29,255	1,271	1,334	300,000	-	4,544	336,404
June 30, 2017	26,916	1,218	2,122	312,403	-	4,350	347,009

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**NOTE 6 – CONVERTIBLE DEBENTURES**

	Liability Component	Carrying Value Equity Component	Total
	\$	\$	\$
Balance, March 31, 2016	348,489	57,692	406,181
Accretion	63,734	-	63,734
Interest	61,651	-	61,651
Balance, March 31, 2017	473,874	57,692	531,566
Interest	12,508	-	12,508
Balance, June 30, 2017	486,382	57,692	544,074

2014 Debentures

On November 14, 2014, the Company issued \$385,000 of convertible debentures (the “2014 Debentures”). The principal amount of the Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on November 14, 2016, at \$0.10 per common share. The 2014 Debentures are subject to a simple interest rate of 10% per annum, payable together with quarterly blended payments, and are secured by a general security agreement on all of the Company’s present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2014 Debentures at any time, subject to the 2014 Debenture holders being able to convert within 10 days from receiving such notice.

In connection with the 2014 Debenture financing, the Company issued 7,700,000 share purchase warrants to the debenture holders with a term of two years. Each warrant is exercisable into one common share of the Company at \$0.05 per share in the first year, and at \$0.15 per share in the second year.

During the period ended June 30, 2017, the Company recorded interest expense of \$10,620 (2016: \$54,477) in respect of the 2014 Debentures.

2015 Debentures

On October 30, 2015 the Company issued \$54,393 of convertible debentures (the “2015 Debentures”). The principal amount of the 2015 Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on April 30, 2017, at \$0.05 per common share. The 2015 Debentures are subject to a simple interest rate of 12% per annum payable quarterly and are secured by a general security agreement on all of the Company’s present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2015 Debentures at any time, subject to the 2015 Debenture holders being able to convert within 10 days from receiving such notice.

On issuance of the 2015 Debentures, the Company determined the fair value of the liability component was \$40,171 using a discount rate of 32.5% and allocated the residual to the equity component.

On November 14, 2015, the Company amended their 2014 Debentures. The amended terms are the 2014 Debentures will be subject an increased rate of interest from 10% to 12%. The maturity date will be extended from November 14, 2016 to May 14, 2017. The 7,700,000 share purchase warrants issued in connection with

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the 2014 Debenture financing will be exercisable into one common share of the Company at \$0.05 until the maturity date of May 14, 2017.

The amendment was accounted for as an extinguishment of the original 2014 Debentures and the issuance of a new convertible debenture. On extinguishment, the Company recognised a gain of \$102,230 of which \$95,753 was allocated to the liability component and recognised in net loss, and \$6,476 was allocated to the equity component and recorded in deficit.

During the period ended June 30, 2017, the Company recorded interest expense of \$1,888 (2016: \$15,412) in respect of the 2015 Debentures.

NOTE 7 – SHARE CAPITAL

a) Authorized Capital

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

b) Issued and Outstanding Common Shares

As at June 30, 2017, the Company had 60,875,504 common shares issued and outstanding.

i) Shares Issued during the three months ended June 30, 2017

On June 16, 2017, the Company issued 1,446,100 units at \$0.05 per unit for total proceeds of \$72,305 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 per share for a term of 3 years. The Company incurred \$5,385 in finder's fee for this private placement.

i) Shares Issued during the period ended June 30, 2016

On May 24, 2016, the Company issued 1,350,000 units at \$0.05 per unit for total proceeds of \$ 67,500 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On May 24, 2016, the Company issued 2,284,379 units having a fair value of \$45,688 in connection with agreements to settle debts. Each unit consists of one common share and one share purchase warrant exercisable for gradual incremental prices per share for a term of 3 years. The Company recorded a gain on debt settlement of \$68,531 in connection with this issuance.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016.

(Unaudited - Expressed in Canadian Dollars)

**c) Share Purchase Warrants**

The continuity of warrants for the three months ended June 30, 2017, is as follows:

Expiry Date	Exercise Price	March 31, 2017	Issued	Expired/ Cancelled	June 30, 2017
May 25, 2017	\$0.10	1,000,000	-	1,000,000	-
June 10, 2017	\$0.10	2,000,000	-	2,000,000	-
May 24, 2019	\$0.10	3,728,879	-	-	3,634,379
August 9, 2019	\$0.05	442,000	-	-	440,000
September 19, 2019	\$0.05	435,400	-	-	435,400
December 22, 2019	\$0.05	400,000	-	-	400,000
February 10, 2020	\$0.05	2,400,000	-	-	2,400,000
June 16, 2020	\$0.15	-	1,446,100	-	1,446,100
		10,406,279	1,446,100	3,000,000	8,755,879

The continuity of warrants for the year ended March 31, 2017 is as follows:

Expiry Date	Exercise Price	March 31, 2016	Issued	Expired/ Cancelled	March 31, 2017
November 14, 2016	\$0.05	7,700,000	-	7,700,000	-
November 18, 2016	\$0.05	335,982	-	335,982	-
May 25, 2017	\$0.10	1,000,000	-	-	1,000,000
June 10, 2017	\$0.10	2,000,000	-	-	2,000,000
May 24, 2019	\$0.10	-	3,728,879	-	3,634,379
August 9, 2019	\$0.05	-	442,000	-	440,000
September 19, 2019	\$0.05	-	435,400	-	435,400
December 22, 2019	\$0.05	-	400,000	-	400,000
February 10, 2020	\$0.05	-	2,400,000	-	2,400,000
		11,035,982	7,406,279	8,035,982	10,206,279

NOTE 8 – COMMITMENTS

The Company has entered into agreements to lease office and processing plant premises from February 2014 to May 2018. As at June 30, 2017, future minimum annual lease payments are as follows:

Fiscal Year	\$
2018	1,706
	<u>1,706</u>

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NOTE 9 – RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements are described as follows.

As at June 30, 2017 and June 30, 2016, the Company has the following amounts owing to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment.

	June 30, 2017	June 30, 2016
	\$	\$
Due to a former director and a company controlled by the former director (a)	42,614	42,615
Due to a family member of the Company's President	39,147	-
Due to a director (also an officer) for management fees (b)	196,839	83,738
Due to a director for management fees (c)	-	10,500
Due to a director (also an officer) for management fees and advances to the Company (d)	200,817	136,570
Due to a director for management fees	1,056	1,056
Due to a company controlled by a former director for management fees	9,384	9,384
Due to Related Parties	489,857	283,863

- a) During the three months ended June 30, 2017, the Company incurred management fees of \$29,454 (2016 – \$26,708) to a director (also an officer).
- c) During the three months ended June 30, 2017, the Company incurred management fees of \$12,053 (2016 – \$Nil) to a director (also an officer).

NOTE 10 – SEGMENT INFORMATION

Since the acquisition of Oro Roca on April 14, 2014 the Company's operations consist of the development of a tailings reclamation and mineral recovery business and a precious metals trading program Costa Rica which comprise one reportable segment.

Geographic information

All of the Company's revenue and non-current assets pertain to the Company's operations in Costa Rica.

NOTE 11 – SUBSEQUENT EVENTS

On July 17, 2017 the Company executed its previously announced agreement with a private investor whereby the parties will expedite the formation of a Revenue Sharing Agreement (the "Transaction") which would raise US\$950,000 for the Company. The Transaction grants the investor 15% gross revenue royalty on the Company's first processing plant until the investor has received royalties totaling US\$1,000,000. After which, the investor will hold a 10% gross royalty on the first processing plant for the life of the project. The investor would also be granted a 5% gross revenue royalty on all processing plants, current and future, developed by the Company and its subsidiaries, which are not subject to an active gross revenue royalty. The investor has also been offered a right of first refusal to fund the Company's future projects. The Company received \$194,740 of cash during the period ended June 30, 2017.

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On July 24, 2017 the Company closed its previously announced conversion of \$488,653 in Debentures and \$52,273 of accounts payable to equity as part of its previously announced Private Placing and Royalty agreements.

The Company issued 9,773,058 common shares and 4,886,529 warrants to convert the \$488,653 of Debentures. Each warrant is non-transferable and entitles the holder to purchase additional common shares of the Company for \$0.15 for a period of three years.

The Company issued 1,045,453 common shares of the Company to convert the accounts payable of \$52,273.