

**2015 FIRST QUARTER REPORT**  
**MARCH 31, 2015**  
(Expressed in Canadian dollars)

Unaudited Condensed Interim Consolidated Financial Statements

- Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Loss
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to the Condensed Interim Consolidated Financial Statements

NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements for the three months ended March 31, 2015 of **Endurance Gold Corporation** (“the Company”) have been prepared by the Company’s management and have not been reviewed by the Company’s independent auditor.

**ENDURANCE GOLD CORPORATION**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
*(Expressed in Canadian dollars)*  
*(Unaudited, Prepared by Management)*  
AS AT

	March 31, 2015	December 31, 2014
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 62,120	\$ 57,830
Marketable securities (Note 4)	6,400	8,000
Prepaid expenses and deposits	7,773	16,643
Receivables	2,491	39,757
<b>Total current assets</b>	<u>78,784</u>	<u>122,230</u>
<b>Non-current</b>		
Exploration and evaluation assets (Note 5)	4,367,563	4,303,043
<b>Total assets</b>	<u>\$ 4,446,347</u>	<u>\$ 4,425,273</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 145,632	\$ 58,814
<b>Total liabilities</b>	<u>145,632</u>	<u>58,814</u>
<b>EQUITY</b>		
Share capital (Note 6)	8,736,917	8,736,917
Reserves (Note 6)	1,305,601	1,305,601
Deficit	(5,741,803)	(5,676,059)
	<u>4,300,715</u>	<u>4,366,459</u>
<b>Total liabilities and equity</b>	<u>\$ 4,446,347</u>	<u>\$ 4,425,273</u>

Nature and continuance of operations (Note 1)

Commitments (Note 12)

Events after the reporting date (Note 13)

**Approved and authorized on behalf of the Board of Directors on May 20, 2015:**

/s/ Robert T. Boyd

Director

Robert T. Boyd

/s/ J. Christopher Mitchell

Director

J. Christopher Mitchell

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

**ENDURANCE GOLD CORPORATION**

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three-month periods ended March 31

*(Expressed in Canadian dollars)**(Unaudited, Prepared by Management)*

	2015	2014
<b>Expenses</b>		
Business development and property investigation	\$ 23,178	\$ 7,604
Corporate communications	2,284	15,294
Listing and transfer agent fees	5,994	8,974
Management fees	15,000	15,450
Office and administrative	16,519	16,340
Professional fees	1,189	1,445
Loss before other items	(64,164)	(65,107)
<b>Other items</b>		
Interest income	20	967
Unrealized gain (loss) on marketable securities (Note 4)	(1,600)	3,200
	(1,580)	4,167
<b>Comprehensive loss for the period</b>	\$ (65,744)	\$ (60,940)
<b>Basic and diluted loss per common share</b>	\$ 0.00	\$ 0.00
<b>Basic and diluted weighted average number of common shares outstanding</b>	87,491,700	72,256,167

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

**ENDURANCE GOLD CORPORATION**

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31,

*(Expressed in Canadian dollars)**(Unaudited, Prepared by Management)*

	Share Capital		Reserves	Deficit	Total Equity
	No. of Shares	Amount			
<b>Balance at December 31, 2014</b>	<b>87,491,700</b>	<b>\$ 8,736,917</b>	<b>\$ 1,305,601</b>	<b>\$ (5,676,059)</b>	<b>\$ 4,366,459</b>
Comprehensive loss for the period	-	-	-	(65,744)	(65,744)
<b>Balance at March 31, 2015</b>	<b>87,491,700</b>	<b>\$ 8,736,917</b>	<b>\$ 1,305,601</b>	<b>\$ (5,741,803)</b>	<b>\$ 4,300,715</b>

	Share Capital		Reserves	Deficit	Total Equity
	No. of Shares	Amount			
<b>Balance at December 31, 2013</b>	<b>68,947,586</b>	<b>\$ 7,274,255</b>	<b>\$1,194,531</b>	<b>\$ (5,084,242)</b>	<b>\$ 3,384,544</b>
Shares issued for:					
Private placement	4,285,714	300,000	-	-	300,000
Share issuance costs	-	(16,564)	-	-	(16,564)
Comprehensive loss for the period	-	-	-	(60,940)	(60,940)
<b>Balance at March 31, 2014</b>	<b>73,233,300</b>	<b>\$ 7,557,691</b>	<b>\$ 1,194,531</b>	<b>\$ (5,145,182)</b>	<b>\$ 3,607,040</b>

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

**ENDURANCE GOLD CORPORATION****CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three-month periods ended March 31,

*(Expressed in Canadian dollars)**(Unaudited, Prepared by Management)*

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (65,744)	\$ (60,940)
Add adjustments:		
Unrealized (gain) loss on marketable securities	1,600	(3,200)
Interest income	(20)	(967)
Changes in non-cash working capital items:		
Prepaid expenses and deposits	8,870	(2,031)
Receivables	37,266	(5,364)
Accounts payable and accrued liabilities	28,270	40,614
Advance from optionee	-	(852)
Net cash used in operating activities	<u>10,242</u>	<u>(32,740)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(5,972)	(116,306)
Interest received	20	967
Net cash used in investing activities	<u>(5,952)</u>	<u>(115,339)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	300,000
Share issuance costs	-	(16,564)
Net cash provided by financing activities	<u>-</u>	<u>283,436</u>
<b>Net increase (decrease) in cash and cash equivalents during the period</b>	<b>4,290</b>	<b>135,357</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>57,830</b>	<b>233,176</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 62,120</b>	<b>\$ 368,533</b>

**Supplemental disclosures with respect to cash flows (Note 7)**

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

# ENDURANCE GOLD CORPORATION

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

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### 1. NATURE AND CONTINUANCE OF OPERATIONS

Endurance Gold Corporation (the "Company") was incorporated under the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. The head office and principal address of the Company is Suite 303 – 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8. The Company's registered address and records office is Suite 1040 - 999 West Hastings Street, Vancouver, British Columbia, Canada, V6C 2W2.

The Company is engaged in the exploration and development of mineral properties in North America and has not yet determined whether its properties contain ore reserves that are economically recoverable. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests. The Company has not generated revenue from operations. The Company incurred a net loss of \$65,744 during the three months ended March 31, 2015 and, as of that date the Company's deficit was \$5,741,803. The Company had negative net working capital and does not have sufficient funds to continue for the next 12 months. The Company will have to raise additional funds to continue operations and to complete its 2015 exploration programs.

These unaudited condensed interim consolidated financial statements ("Condensed Interim FS") include the financial statements of the Company and its wholly-owned subsidiary. These Condensed Interim FS have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The factors described above suggest that there is currently substantial doubt as to the Company's ability to continue as a going concern. However, these Condensed Interim FS do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

These Condensed Interim FS have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting*.

These Condensed Interim FS were authorized for issue by the Audit Committee and Board of Directors on May 20, 2015 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

The policies applied in these Condensed Interim FS are consistent with the policies disclosed in Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended December 31, 2014.

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

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#### 3. FUTURE ACCOUNTING POLICY CHANGES ISSUED BUT NOT YET IN EFFECT

The following new standard is not yet effective and has not been applied in preparing the Condensed Interim FS for the three month period ended March 31, 2015. The Company is currently evaluating the potential impacts of this new standard.

- IFRS 9 *Financial Instruments*, replaced IAS 39 - *Financial Instruments: Recognition and Measurement* and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

#### 4. MARKETABLE SECURITIES

Marketable securities consist of equity securities of an entity or entities over which the Company does not have control or significant influence. At March 31, 2015, the Company owned 320,000 (320,000 at December 31, 2014) common shares of a publicly traded entity.

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	March 31, 2015	December 31, 2014
Marketable securities – fair value	\$ 6,400	\$ 8,000
Marketable securities - cost	\$ 114,496	\$ 114,496

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## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

#### 5. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2015, the Company's exploration and evaluation assets are located in North America. Expenditures incurred on exploration and evaluation assets are as follows:

	Pardo, Ontario, CANADA	Bandito, Yukon CANADA	Other Properties, CANADA	Elephant Mountain, Alaska, USA	Rattlesnake- Natrona, Wyoming, USA	McCord, Alaska, USA	TOTAL
<b>Acquisition 12/31/14</b>	<b>\$ 366,973</b>	<b>\$ 462,918</b>	<b>\$ -</b>	<b>\$ 57,060</b>	<b>\$ 82,711</b>	<b>\$ (29,066)</b>	<b>\$ 940,596</b>
<b>Acquisition 3/31/15</b>	<b>366,973</b>	<b>462,918</b>	<b>-</b>	<b>57,060</b>	<b>82,711</b>	<b>(29,066)</b>	<b>940,596</b>
<b>Deferred Exploration 12/31/14</b>	<b>1,751,398</b>	<b>806,483</b>	<b>59,834</b>	<b>146,112</b>	<b>518,447</b>	<b>80,173</b>	<b>3,362,447</b>
Additions:							
Drilling	10,803	-	-	-	-	-	10,803
Field expenses	5,727	-	-	-	-	-	5,727
Geochemistry	1,180	-	-	-	-	-	1,180
Geological and miscellaneous	38,834	900	1,800	3,150	1,350	-	46,034
Land and recording fees	-	-	-	-	776	-	776
	56,544	900	1,800	3,150	2,126	-	64,520
<b>Deferred Exploration 3/31/15</b>	<b>1,807,942</b>	<b>807,383</b>	<b>61,634</b>	<b>149,262</b>	<b>520,573</b>	<b>80,173</b>	<b>3,426,967</b>
<b>Total Exploration and evaluation assets 3/31/15</b>	<b>\$ 2,174,915</b>	<b>\$ 1,270,301</b>	<b>\$ 61,634</b>	<b>\$ 206,322</b>	<b>\$ 603,284</b>	<b>\$ 51,107</b>	<b>\$ 4,367,563</b>

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

#### 5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

As at December 31, 2014, the Company's exploration and evaluation assets are located in North America. Expenditures incurred on exploration and evaluation assets are as follows:

	Pardo, Ontario, CANADA	Bandito, Yukon CANADA	Other Properties, CANADA	Elephant Mountain, Alaska, USA	Rattlesnake- Natrona, Wyoming, USA	McCord, Alaska, USA	TOTAL
<b>Acquisition 12/31/13</b>	<b>\$ (81,250)</b>	<b>\$ 462,918</b>	<b>\$ 6,420</b>	<b>\$ 42,205</b>	<b>\$ 67,996</b>	<b>\$ (29,066)</b>	<b>\$ 469,223</b>
Additions:							
Option payments	-	-	-	14,705	14,665	-	29,370
Legal and related expenses	448,223	-	-	150	50	-	448,423
	448,223	-	-	14,855	14,715	-	477,793
Write-off	-	-	(6,420)	-	-	-	(6,420)
<b>Acquisition 12/31/14</b>	<b>366,973</b>	<b>462,918</b>	<b>-</b>	<b>57,060</b>	<b>82,711</b>	<b>(29,066)</b>	<b>940,596</b>
<b>Deferred exploration 12/31/13</b>	<b>1,202,076</b>	<b>802,982</b>	<b>72,823</b>	<b>99,569</b>	<b>464,211</b>	<b>71,724</b>	<b>2,713,385</b>
Additions:							
Drilling	74,929	-	-	-	-	-	74,929
Field expenses	38,707	-	451	4,322	-	-	43,480
Geochemistry	65,941	-	355	3,471	105	-	69,872
Geological and miscellaneous	312,094	3,081	6,327	28,577	3,600	1,903	355,582
Helicopters	-	-	-	4,189	-	-	4,189
Land and recording fees	-	420	-	5,984	50,531	6,546	63,481
Line cutting & Stripping	24,034	-	-	-	-	-	24,034
Stripping & Trenching	33,617	-	-	-	-	-	33,617
	549,322	3,501	7,133	46,543	54,236	8,449	669,184
Write-off	-	-	(20,122)	-	-	-	(20,122)
<b>Deferred exploration 12/31/14</b>	<b>1,751,398</b>	<b>806,483</b>	<b>59,834</b>	<b>146,112</b>	<b>518,447</b>	<b>80,173</b>	<b>3,362,447</b>
<b>Total exploration and evaluation assets 12/31/14</b>	<b>\$ 2,118,371</b>	<b>\$ 1,269,401</b>	<b>\$ 59,834</b>	<b>\$ 203,172</b>	<b>\$ 601,158</b>	<b>\$ 51,107</b>	<b>\$ 4,303,043</b>

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

*(Unaudited, Prepared by Management)*

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#### 5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

##### **Pardo Joint Venture ("JV") Property, Ontario, CANADA**

The Company acquired a 100% interest in the Pardo Property located northeast of Sudbury, Ontario, by making payments of \$100,000 in cash and issuing 200,000 common shares valued at \$18,750. The property is subject to a 3% NSR, one-half of which may be purchased by the Company at any time for \$1,500,000.

In 2012, Inventus Mining Corp., formerly Ginguro Exploration Inc., ("Inventus") earned its 55% interest in the Pardo Property by completing \$1,000,000 in exploration expenditures and making cash payments totaling \$200,000 to the Company. As a result, a 45% (the Company) and 55% (Inventus) Pardo JV was formed in March 2012. Inventus is the operator ("Operator") of the JV.

In April 2012, the Pardo JV Management Committee approved a program with a budget of approximately \$1 million (the "2012 Program"). The Company elected not to participate in its pro-rata share of the approved 2012 program. After the 2012 Program was completed, the Company alleged that the Operator initiated a 2013 program without submitting that program to the Management Committee for its consideration and approval, and did not provide the Company the opportunity to participate in the 2013 program, and the option to retroactively fund its proportionate share of the 2012 Program as provided in the Pardo JV Agreement.

In October 2013, Inventus commenced arbitration proceedings against the Company to enforce its allegation that it had earned approximately 71% JV ownership. In June 2014, the parties reached an agreement to settle their arbitration dispute. Under the terms of the settlement agreement, Endurance contributed \$100,000 and Inventus contributed a deemed \$765,000 towards the 2012 Program with Endurance holding a 35.5% JV interest, and Inventus holding the remaining 64.5% JV interest. This settlement thus resolved the dispute between the parties on the Pardo JV exploration expenditures for the period between April 2012 and April 2014.

##### **Bandito Property, Yukon, CANADA**

In August 2010, the Company entered into an option agreement (the "Option Agreement") with True North Gems Inc. ("True North"), whereby the Company could earn up to a 75% interest in the Bandito Property located in the Watson Lake District, Yukon Territory. Under the terms of the Option Agreement, the Company could earn an initial 51% JV interest in the Bandito Property by completing a total of \$125,000 in cash payments and also completing \$1,000,000 in exploration expenditures by December 31, 2013.

In January 2013, the Company made the final cash option payment of \$50,000 to True North under the terms of the Option Agreement and subsequently entered into a purchase and sale agreement (the "Acquisition Agreement") with True North, which replaced the Option Agreement. Under the terms of the Acquisition Agreement, the Company acquired a 100% interest in the Bandito Property by paying True North an additional \$50,000 in cash and issuing five million common shares (issued at a value of \$250,000) of the Company. True North retains a 1% net smelter returns royalty ("NSR"), one-half of which may be purchased by the Company at any time for \$1,000,000. A further cash bonus payment of \$500,000 will be payable to True North in two tranches, with the initial \$150,000 payable upon completion and filing of a bankable feasibility study, and the balance of \$350,000 to be paid after project financing has been obtained to place the Bandito Property into commercial production.

The President and CEO of the Company also serves on the board of directors of True North and abstained from voting on approval of both the Option and Acquisition Agreements.

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

*(Unaudited, Prepared by Management)*

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#### 5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

##### **Elephant Mountain Gold Property, Alaska, USA**

In December 2013, the Company entered into an option agreement (the "Option Agreement") with Frantz LLC ("Frantz"), which replaced a letter agreement signed in December 2011. Pursuant to the terms of the Option Agreement, the Company can earn a 100% interest in the Elephant Mountain Property located in the Manley Hot Springs placer gold mining district in Alaska by completing exploration expenditures of US\$200,000 by December 2015, issuing to Frantz 400,000 common shares (100,000 common shares issued at a value of \$4,625) of the Company by December 2016, and make cash payments totaling US\$200,000 (US\$45,000 paid) in stages until December 2017. The option is subject to a 2% NSR interest, one-half of which can be purchased by the Company at any time for US\$750,000.

##### **Rattlesnake - Natrona Gold Property, Wyoming, USA**

In 2009 and 2013, the Company acquired by staking a 100% interest in certain federal mining claims in the Rattlesnake Hills, Natrona County, and in April 2013 the Company was granted a lease on mineral lands owned by the State of Wyoming.

In July 2013, the Company entered into an option agreement (the "Option Agreement") with a private vendor (the "Vendor"). Pursuant to the terms of the Option Agreement, the Company can earn a 100% interest in certain federal mining claims and Wyoming state leases located in Natrona County, Wyoming, USA by completing a total of US\$300,000 in exploration expenditures in the district, making US\$100,000 (\$30,000 paid) in cash payments, and issuing 1.2 million common shares (400,000 common shares issued at a value of \$19,000) of the Company prior to December 31, 2016. These mineral claims and state leases immediately adjoin the Company's 100% owned claims. The Vendor retains a 1% NSR on both the Vendor's and the Company's federal lode mining claims. One-half of the NSR can be purchased by the Company for US\$500,000 at any time.

##### **McCord Gold Property, Alaska, USA**

In 2010, the Company acquired by staking a 100% interest in certain Alaska State mineral claims located in the Fairbanks District in Alaska, USA. Further mineral claims were staked in 2012 and 2013.

The Company entered into an option agreement dated as of April 20, 2012 (the "McCord Gold Agreement") with Liberty Gold Corp. ("Liberty"). Under the terms of the McCord Gold Agreement, Liberty could earn a 60% interest in the McCord Gold Property by incurring US\$600,000 in exploration expenditures and making US\$85,000 (US\$35,000 received) in cash payments to the Company over three years. Liberty did not make its US\$20,000 payment due on December 31, 2013 and failed to respond to a default notice issued in January 2014. The Company has therefore re-assumed a 100% ownership interest of the McCord Gold Property.

##### **Other Properties, CANADA**

###### *Fuego Property, Yukon, CANADA*

In March 2011, the Company acquired by staking a 100% interest in certain mineral claims located in the Watson Lake District, Yukon Territory. The Company wrote off the carrying value of \$24,692 in acquisition costs and exploration expenditures incurred on the property in fiscal 2014, as it has no further plans to conduct exploration on this property.

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

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#### 5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

##### Other Properties, CANADA (cont'd...)

###### *Flint Lake (Dogpaw) JV Gold Property, Ontario, CANADA*

Metals Creek Resources Corp. ("MEK") earned its 75% interest in the Flint Lake (Dogpaw) property by incurring exploration expenses of \$450,000 and issuing 450,000 common shares of MEK with a value of \$161,000. A joint venture as to 25% (the Company) and 75% (MEK) was formed in January 2010. The JV property is currently owned 22% by the Company and 78% by MEK.

In addition, the Company retains a 2.5% NSR interest on four other claims near the Flint Lake (Dogpaw) JV Property.

###### *Nechako Gold JV Property, British Columbia, CANADA*

The Nechako Gold JV Property is comprised of a single mineral claim located within the Cariboo Mining Division, west of Quesnel in British Columbia. The JV property is currently owned 76% by the Company and 24% by Amarc Resources Ltd.

#### 6. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

##### Share issuances

No shares were issued during the current three month period.

During the three month period ended March 31, 2014, the Company completed a non-brokered private placement financing of 4,285,714 units at a price of \$0.07 per unit for gross proceed of \$300,000. Each unit ("Unit") consists of one common share and one non-transferable common share purchase warrant. Each warrant is exercisable into one common share at a price of \$0.10 per share for a period of 5 years from the date of closing. The Company adopted the residual value approach to bifurcate the fair value of the warrants from the common shares pursuant to the unit offering, and determined the fair value at \$0.07 for the common share and \$0.00 for the warrant. Accordingly, the Company allocated the full amount of the proceeds to Share Capital. A total of 1,522,714 Units were subscribed by directors and a private company controlled by a director of the Company.

(c) Stock Options and Warrants Outstanding

The Company has an incentive stock option plan that conforms to the requirements of the Exchange. Under the Company's Stock Option Plan, the Company may grant stock options for the purchase of up to 10% of its issued common shares. The board of directors may grant such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than \$0.05 per share or the Discounted Market Price.

**ENDURANCE GOLD CORPORATION**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

*(Unaudited, Prepared by Management)***6. SHARE CAPITAL (cont'd...)**

## (c) Stock Options and Warrants Outstanding (cont'd...)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
<b>Outstanding at December 31, 2013</b>	<b>4,350,000</b>	<b>\$ 0.11</b>
Options granted	4,050,000	0.10
Options expired	(1,800,000)	0.10
<b>Outstanding at December 31, 2014</b>	<b>6,600,000</b>	<b>\$ 0.11</b>
Options expired	(750,000)	0.10
<b>Outstanding at March 31, 2015</b>	<b>5,850,000</b>	
Number of options currently exercisable	5,850,000	\$ 0.11

The following stock options were outstanding and exercisable at March 31, 2015:

Number Outstanding	Exercise Price \$	Expiry Date
500,000	0.10	April 9, 2015
300,000	0.21	April 28, 2016
1,000,000	0.10	August 22, 2017
4,050,000	0.10	August 28, 2019
<b>5,850,000</b>		

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Outstanding at December 31, 2013</b>	<b>10,000,000</b>	<b>\$ 0.10</b>
Warrants granted	15,119,114	0.10
Warrants exercised	(3,150,000)	0.10
<b>Outstanding at December 31, 2014</b>	<b>21,969,114</b>	<b>0.10</b>
<b>Outstanding at March 31, 2015</b>	<b>21,969,114</b>	<b>\$ 0.10</b>

The following warrants to acquire common shares were outstanding at March 31, 2015:

Number Outstanding	Exercise Price \$	Expiry Date
4,500,000	0.10	May 24, 2017
10,833,400	0.10 – 0.12	October 30, 2017
2,350,000	0.10	July 11, 2018
2,466,000	0.10	February 27, 2019
1,819,714	0.10	March 12, 2019
<b>21,969,114</b>		

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

#### 6. SHARE CAPITAL (cont'd...)

##### (d) Share-based compensation

There was no fair value of stock options reported as compensation expense during the three month period ended March 31, 2015 and its comparative period in 2014.

##### (e) Reserves

The following is a summary of changes in Reserves from December 31, 2014 to March 31, 2015:

	March 31, 2015	December 31, 2014
Warrants	\$ 409,564	\$ 409,564
Stock options	\$ 896,037	\$ 896,037
<b>Total Reserves</b>	<b>\$ 1,305,601</b>	<b>\$ 1,305,601</b>

#### 7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Supplementary disclosure of non-cash investing and financing activities during the three month periods ended March 31:

	2015	2014
Exploration and evaluation assets expenditures in accounts payable and accrued liabilities	\$ 93,828	\$ 93,478

#### 8. RELATED PARTY TRANSACTIONS

##### *Key Management Personnel*

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management personnel for services rendered are as follows:

	3 month period ended March 31, 2015	3 month period ended March 31, 2014
Fees	\$ 37,950	\$ 66,013
<b>TOTAL</b>	<b>\$ 37,950</b>	<b>\$ 66,013</b>

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#### 8. RELATED PARTY TRANSACTIONS (cont'd...)

Included in accounts payable and accrued liabilities at March 31, 2015 is \$57,765 (2014 - \$64,314) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

#### 9. FINANCIAL INSTRUMENTS AND RISK

##### *Fair value*

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs 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 data (unobservable inputs).

As at March 31, 2015, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

March 31, 2015

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 62,120	\$ -	\$ -	\$ 62,120
Marketable securities	<u>6,400</u>	<u>-</u>	<u>-</u>	<u>6,400</u>
Total	\$ 68,520	\$ -	\$ -	\$ 68,520



## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

#### 9. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

##### *Fair value* (cont'd...)

December 31, 2014

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 57,830	\$ -	\$ -	\$ 57,830
Marketable securities	8,000	-	-	8,000
Total	\$ 65,830	\$ -	-	\$ 65,830

##### *Risk Management*

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

##### *Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and cash equivalents, marketable securities and receivables.

The Company's cash and cash equivalents are held through a Canadian chartered bank, which is a high-credit quality financial institution. The Company's receivables primarily consist of recoverable sales tax due from the Government of Canada.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company had a cash balance of \$62,120, and it does not have sufficient funds to settle its current liabilities of \$145,632. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

##### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

##### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank.

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

*(Unaudited, Prepared by Management)*

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#### 9. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

##### (b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars, a portion of its business is conducted in the United States of America. As such, it is subject to risk due to fluctuations in the exchange rate between the Canadian and US dollars.

Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Based on its knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

#### 10. CAPITAL MANAGEMENT

The Company manages its cash and cash equivalents, and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on changes that the Company views as material to the accuracy of the forecast.

The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

## ENDURANCE GOLD CORPORATION

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited, Prepared by Management)

#### 11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada and the United States.

Geographic information is as follows:

	March 31, 2015	December 31, 2014
Exploration and evaluation assets in:		
- Canada	\$ 3,506,850	\$ 3,447,606
- United States	860,713	855,437
TOTAL	\$ 4,367,563	\$ 4,303,043

#### 12. COMMITMENTS

The Company entered into a new sub-lease office agreement commencing March 1, 2015 which will end on May 31, 2016. Future minimum lease payments as at March 31, 2015 are as follows:

2015	\$ 11,394
2016	<u>6,330</u>
	<u>\$ 17,724</u>

#### 13. EVENTS AFTER THE REPORTING DATE

From April 1 to May 20, 2015:

- a) 500,000 stock options expired without exercise.
- b) the Company announced that it intends to complete a non-brokered private placement of up to 10,000,000 units (each, a "Unit") at a price of \$0.05 per Unit for gross proceeds of up to \$500,000 (the "Offering"). Each Unit consists of one common share and one non-transferable common share purchase warrant (the "Warrant"). Each such Warrant is exercisable into one common share at a price of \$0.05 per share for a period of three years from the date of closing (the "Closing"). The Warrants will be subject to an accelerated expiry date which comes into effect when the weighted average trading price of the common shares of the Company closes at or above \$0.10 per share for twenty consecutive trading days in the period commencing four months after the Closing.