

2017 FIRST QUARTER REPORT
MARCH 31, 2017
(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
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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, 2017 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, 2017	December 31, 2016
ASSETS		
Current		
Cash and cash equivalents	\$ 39,872	\$ 68,396
Marketable securities (Note 4)	6,538,393	6,790,051
Prepaid expenses and deposits	7,594	10,640
Property payment receivable (Note 5)	-	184,621
Receivables	2,244	15,247
Total current assets	6,588,103	7,068,955
Non-current		
Exploration and evaluation assets (Note 5)	839,646	833,518
Total non-current assets	839,646	833,518
Total assets	\$ 7,427,749	\$ 7,902,473
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 206,316	\$ 180,098
Total liabilities	206,316	180,098
EQUITY		
Share capital (Note 6)	9,473,588	9,473,588
Reserves (Note 6)	1,386,421	1,386,421
Deficit	(3,638,576)	(3,137,634)
	7,221,433	7,722,375
Total liabilities and equity	\$ 7,427,749	\$ 7,902,473

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 26, 2017:

/s/ Robert T. Boyd

Director

/s/ J. Christopher Mitchell

Director

Robert T. Boyd

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)*

	2017	2016
Expenses		
Business development and property investigation	\$ 25,448	\$ 8,993
Corporate communications	5,252	180
Listing and transfer agent fees	5,928	5,976
Management fees	16,500	15,000
Office and administrative	5,756	22,334
Professional fees	150	200
Loss before other items	<u>(59,034)</u>	<u>(52,683)</u>
Other items		
Interest income	50	214
Unrealized loss on marketable securities (Note 4)	<u>(441,958)</u>	<u>(16,069)</u>
	<u>(441,908)</u>	<u>(15,855)</u>
Comprehensive loss for the period	\$ (500,942)	\$ (68,538)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	101,085,700	94,291,700

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			
Balance at December 31, 2016	101,085,700	\$ 9,473,588	\$ 1,386,421	\$ (3,137,634)	\$ 7,722,375
Comprehensive loss for the period	-	-	-	(500,942)	(500,942)
Balance at March 31, 2017	101,085,700	\$ 9,473,588	\$ 1,386,421	\$ (3,638,576)	\$ 7,221,433

	Share Capital		Reserves	Deficit	Total Equity
	No. of Shares	Amount			
Balance at December 31, 2015	94,291,700	\$ 9,073,386	\$ 1,305,601	\$ (5,898,359)	\$ 4,480,628
Comprehensive loss for the period	-	-	-	(68,538)	(68,538)
Balance at March 31, 2016	94,291,700	\$ 9,073,386	\$ 1,305,601	\$ (5,966,897)	\$ 4,412,090

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)*

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (500,942)	\$ (68,538)
Add adjustments:		
Unrealized loss on marketable securities	441,958	16,069
Unrealized (gain) loss on property payment receivable	(5,679)	11,729
Interest income	(50)	(214)
Changes in non-cash working capital items:		
Prepaid expenses and deposits	3,046	3,089
Receivables	13,003	1,832
Accounts payable and accrued liabilities	53,082	(6,111)
Net cash used in operating activities	<u>4,418</u>	<u>(42,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(32,992)	(22,889)
Interest received	50	214
Net cash used in investing activities	<u>(32,942)</u>	<u>(22,675)</u>
Net increase (decrease) in cash and cash equivalents during the period	(28,524)	(64,819)
Cash and cash equivalents, beginning of period	68,396	185,027
Cash and cash equivalents, end of period	<u>\$ 39,872</u>	<u>\$ 120,208</u>

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, 2017

(Unaudited, Prepared by Management)

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 at Suite 520, 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company's registered address and records office is 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1.

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 Company has not generated revenue from operations and has been relying on the issuance of share capital to finance its operations in the past. These unaudited condensed interim consolidated financial statements ("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 continue its operations for the next twelve months and will meet its obligations and commitments in the normal course of business.

For the three months ended March 31, 2017, the Company reported a net loss of \$500,942 and as of that date the Company's deficit was \$3,638,576. The Company's working capital position at March 31, 2017 was \$6,381,787 which consists largely of marketable securities with a fair value of \$6,538,393. If the Company does not or cannot sell a portion or all of the marketable securities, it may have to raise additional funds to continue operations and to complete its 2017 exploration programs. While the Company has been successful in the past in raising capital, there is no assurance that such financing will be available on a timely basis and under terms acceptable to the Company.

2. BASIS OF PREPARATION

a) Statement of Compliance

These unaudited 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 unaudited Condensed Interim FS include the financial statements of the Company and its wholly-owned subsidiary.

These unaudited Condensed Interim FS were authorized for issue by the Audit Committee and Board of Directors on May 26, 2017 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016. The policies applied in these unaudited 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, 2016.

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 unaudited Condensed Interim FS for the three month period ended March 31, 2017. 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.

ENDURANCE GOLD CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2017

(Unaudited, Prepared by Management)

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.

	March 31, 2017	December 31, 2016
Fair value, beginning	\$ 6,790,051	\$ 297,757
Additions (Note 5)	190,300	3,442,500
Proceeds from sales, net of commission	-	(197,205)
Gain on sale of marketable securities	-	147,419
Unrealized gain (loss) on marketable securities	(441,958)	3,099,580
	<u>\$ 6,538,393</u>	<u>\$ 6,790,051</u>

The Company's marketable securities are financial assets classified as fair value through profit or loss.

5. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2017, the Company's exploration and evaluation assets are located in North America. Expenditures incurred on exploration and evaluation assets are as follows:

	Elephant Mountain, Alaska, USA	McCord, Alaska, USA	Other Properties, CANADA	TOTAL
Acquisition 12/31/16	\$ 116,412	\$ -	\$ -	\$ 116,412
Acquisition 3/31/17	116,412	-	-	116,412
Deferred Exploration 12/31/16	708,197	8,909	-	717,106
Additions:				
Geological and miscellaneous	3,600	-	450	4,050
Geophysics	2,078	-	-	2,078
	<u>5,678</u>	<u>-</u>	<u>450</u>	<u>6,128</u>
Deferred Exploration 3/31/17	713,875	8,909	450	723,234
Total Exploration and evaluation assets 3/31/17	\$ 830,287	\$ 8,909	\$ 450	\$ 839,646

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited, Prepared by Management)

As at December 31, 2016, the Company's exploration and evaluation assets are located in North America. Expenditures incurred on exploration and evaluation assets are as follows:

	Elephant Mountain, Alaska, USA	McCord, Alaska, USA	Pardo, Ontario, CANADA	Bandito, Yukon CANADA	Other Properties, CANADA	TOTAL
Acquisition 12/31/15	\$ 76,669	\$ -	\$ 369,386	\$ 462,918	\$ -	\$ 908,973
Additions:						
Legal and related expenses	-	-	148,320	-	-	148,320
Option payments	39,743	-	-	-	-	39,743
	39,743	-	148,320	-	-	188,063
Cost recovery	-	-	(517,706)	-	-	(517,706)
Write-off	-	-	-	(462,918)	-	(462,918)
Acquisition 12/31/16	116,412	-	-	-	-	116,412
Deferred exploration 12/31/15	251,290	-	1,874,624	808,954	65,384	3,000,252
Additions:						
Drilling	124,176	-	-	-	-	124,176
Field expenses	97,385	-	-	-	-	97,385
Geochemistry	19,506	-	-	-	-	19,506
Geological and miscellaneous	112,646	1,309	2,995	487	2,700	120,137
Helicopters	90,471	-	-	-	-	90,471
Land and recording fees	12,723	7,600	-	-	-	20,323
	456,907	8,909	2,995	487	2,700	471,998
Cost recovery	-	-	(1,877,619)	-	-	(1,877,619)
Write-off	-	-	-	(809,441)	(68,084)	(877,525)
Deferred exploration 12/31/16	708,197	8,909	-	-	-	717,106
Total exploration and evaluation assets 12/31/16	\$ 824,609	\$ 8,909	\$ -	\$ -	\$ -	\$ 833,518

Elephant Mountain Gold Property, Alaska, USA

The Company entered into an option agreement (the "Option Agreement") with Frantz LLC in December 2013, as amended in February 2017. 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 (incurred) by December 2015, issuing to the vendor 400,000 common shares (issued at a value of \$24,125) of the Company by December 2016, and making cash payments totaling US\$200,000 (US\$75,000 paid) in stages until December 2019. The option is subject to a 2% net smelter return royalty ("NSR") interest, one-half of which can be purchased by the Company at any time for US\$750,000.

Trout and Wolverine Properties, Alaska, USA

The Company acquired an option to earn a 100% ownership in the Trout and Wolverine Properties located immediately northeast of the Company's Elephant Mountain Property in March 2017. Under the terms of the letter agreement with Frantz LLC, Endurance can earn a 100% interest in the combined Trout and Wolverine properties by completing a total of US\$200,000 in exploration expenditures, US\$180,000 in cash payments by December 31, 2024 and delivering 300,000 Endurance common shares by December 31, 2022. The initial cash payment of US\$5,000 (paid) was due upon regulatory acceptance of this transaction and the initial 25,000 share payment will be due on

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completion of the final comprehensive option agreement. The option is subject to a 2% NSR and Endurance can purchase half of the NSR 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 of Alaska, USA. Additional mineral claims were staked in 2012 and 2013.

Bandito Rare Earth Elements-Niobium-Nickel Property, Yukon, CANADA

The Company acquired a 100% interest in the Bandito Property, located in the Watson Lake District, Yukon Territory, from True North Gems Inc. ("True North") by making total cash payments of \$175,000 and issuing 5,000,000 common shares valued at \$250,000 in 2013. True North retains a 1% 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 Company wrote off the carrying value of \$1,272,360 in acquisition costs and exploration expenditures incurred by the Company on the property during the current year, as it has no current plans to conduct exploration on this property.

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

Other Properties, CANADA

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 21% by the Company and 79% 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.

Pardo Gold Property, Ontario, CANADA (Sold)

The Company acquired a 100% interest in the Pardo Property, located northeast of Sudbury, Ontario in 2010. The property is subject to a 3% NSR, of which one-half can be purchased for \$1,500,000 at any time. The NSR was created in 2005 when Endurance first acquired the Pardo claims from the original vendors, and in the period from 2010 through early 2016, the NSR was owned by unrelated parties. The Pardo Joint Venture ("Pardo JV") was notified in February 2016 of the assignment of the NSR. At that time, the NSR was directly acquired from the unrelated party by two private companies which are controlled by two directors of the Company.

In 2012, Inventus (formerly Ginguro Exploration Inc.), through its wholly-owned private subsidiary, Mount Logan Resources Ltd., earned a 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 2012.

In October 2013, arbitration proceedings commenced concerning a dispute over the parties' respective ownership interests amongst other issues. In June 2014, the parties reached an agreement to settle the dispute concerning the Pardo JV expenditures for the period between April 2012 and April 2014. The terms of the settlement agreement

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resulted in Endurance holding a 35.5% JV interest, with Inventus holding the remaining 64.5% JV interest.

In 2016, further arbitration was initiated which was cancelled by the parties in November 2016 when the parties entered into an asset purchase agreement whereby the Company sold all of its 35.5% participating Pardo JV interest to Inventus for consideration of 25,500,000 common shares of Inventus and a cash payment of \$75,000. As a result of this transaction, Endurance now holds a 25.4% equity ownership interest in Inventus.

Rattlesnake - Natrona Gold Property, Wyoming, USA (Sold – Retained a 2% NSR)

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 with a private vendor (the “Vendor”), whereby the Company could acquire a 100% interest in certain federal mining claims and Wyoming State leases which were located immediately adjoining the Company’s 100% owned claims.

On October 8, 2015, the Company entered into an Asset Purchase Agreement (“the “APA”), pursuant to which, GFGUS acquired all of the Company’s Rattlesnake Hills Properties for 1,400,000 common shares of GFGUS (850,000 shares received at a value of \$276,611 with the remaining 550,000 shares received at a value of \$190,300 in February 2017, a cash payment of US\$150,000 (received) and other consideration. The other consideration consists of two additional bonus share payments aggregating 750,000 common shares that are issuable under certain circumstances and, in addition, GFGUS assumed the Company’s obligations under the aforementioned Option Agreement to make further cash and share payments to the Vendor. Endurance retains a 2% NSR on production from the federal mining claims and a 1% NSR on production from the State leases, together with a 1% NSR on production from certain private fee simple mineral rights if those rights are acquired by GFG (“Endurance Royalty”). GFG can purchase one half of the Endurance Royalty prior to December 31, 2017 for a cash payment of US\$750,000, and thereafter, at any time, for a cash payment of US\$1,500,000.

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 at March 31, 2017: 101,085,700 common shares.

Share issuances

No shares were issued during the three month period ended March 31, 2017 and its comparative period in 2016.

- (c) Stock Options and Warrants Outstanding

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture 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 the Discounted Market Price per share, subject to a minimum exercise price of \$0.05 per share in any event.

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

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2015	5,350,000	\$ 0.11
Options expired	(300,000)	0.21
Options granted	1,800,000	0.05
Outstanding at December 31, 2016	6,850,000	0.09
Outstanding at March 31, 2017	6,850,000	\$ 0.09

The following stock options were outstanding and exercisable at March 31, 2017:

Number Outstanding	Exercise Price \$	Expiry Date
1,000,000	0.10	August 22, 2017
4,050,000	0.10	August 28, 2019
1,800,000	0.05	May 25, 2021
6,850,000		

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

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2015	28,769,114	\$ 0.09
Warrants granted	6,494,000	0.10
Outstanding at December 31, 2016	35,263,114	0.10
Outstanding at March 31, 2017	35,263,114	\$ 0.10

The following warrants to acquire common shares were outstanding at March 31, 2017:

Number Outstanding	Exercise Price \$	Expiry Date
4,500,000	0.10	May 24, 2017
10,833,400	0.12	October 30, 2017
6,800,000	0.05	May 29, 2018
2,350,000	0.10	July 11, 2018
2,466,000	0.10	February 27, 2019
1,819,714	0.10	March 12, 2019
3,994,000	0.10	July 22, 2019
2,500,000	0.10	August 22, 2019
35,263,114		

(d) Share-based compensation

There was no fair value of stock options reported as compensation expense during the three month period ended March 31, 2017 and its comparative period in 2016.

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(Unaudited, Prepared by Management)

(e) Reserves

The following is a summary of changes in Reserves from December 31, 2016 to March 31, 2017:

	March 31, 2017	December 31, 2016
Warrants	\$ 409,564	\$ 409,564
Stock options	976,857	976,857
Total Reserves	\$ 1,386,421	\$ 1,386,421

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:

	2017	2016
Exploration and evaluation assets expenditures in accounts payable and accrued liabilities	\$ 114,500	\$ 85,200

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 during the three month periods ended March 31 are as follows:

	2017	2016
Fees	\$ 40,500	\$ 40,563
TOTAL	\$ 40,500	\$ 40,563

Included in accounts payable and accrued liabilities at March 31, 2017 is \$186,242 (2016 - \$102,517) 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 management believes that they were incurred on the same basis as similar transactions with non-related parties.

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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, 2017, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, excluding 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.

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.

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, 2017, the Company had a cash and cash equivalents of \$39,872. Without selling some of its marketable securities holdings, it may not have sufficient cash balances to settle its current liabilities of \$206,316. 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.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with respect to its investment in securities. A 10% change in the share prices would affect the investments and comprehensive loss by approximately \$653,839.

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

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conversions is insignificant and therefore does not hedge its foreign exchange 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.

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.

12. COMMITMENTS

The Company's commitment on its current office sub-lease agreement which commenced on June 1, 2016 and will end on April 30, 2019. Future minimum lease payments as at March 31, 2017 are as follows:

2017	\$	18,500
2018		24,741
2019		<u>8,259</u>
	\$	<u>51,500</u>

13. EVENTS AFTER THE REPORTING DATE

From April 1 to May 26, 2017:

- a) 4,500,000 warrants expired without exercise.
- b) The Company acquired an option to earn 100% ownership of nine claims adjoining the Company's McCord Creek Property in Alaska. Under the terms of a letter agreement with the optionors, Endurance can earn a 100% interest in the property by completing a total of US\$50,000 in exploration expenditures and US\$40,000 in cash payments by December 31, 2024. The option is subject to a 2% net smelter royalty ("NSR") interest, one-half of which can be purchased by Endurance at any time for US\$200,000.