Golden Predator Mining Corp.

(An exploration stage company)

Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2017 and 2016

(Unaudited - Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Canadian Professional Accounts of Canada for a review of interim financial statements by the entity's auditor.

Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Financial Position
Unaudited – Prepared by Management
(in Canadian dollars)

	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	$ 8,941,991	$ 9,410,464
Short term investments (note 3)	5,000,000	-
Marketable securities (note 4)	295,752	386,612
Accounts receivable (note 5)	590,508	270,537
Prepaid expenses and deposits	651,047	117,881
	15,479,298	10,185,494
Reclamation bonds (note 9)	673,183	455,163
Equipment (note 6)	1,349,118	1,261,494
Mineral properties (note 7)	7,153,504	6,441,632
	$ 24,655,103	**$ 18,343,783**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,899,016	$ 2,073,937
Flow-through share premium liability (note 10)	271,989	238,400
Promissory note (note 8)	-	1,000,000
	2,171,005	3,312,337
Non-current liabilities		
Promissory note (note 8)	-	2,146,809
	2,171,005	5,459,146
Shareholders' equity		
Share capital (note 11)	62,907,787	45,839,782
Contributed surplus	5,896,303	5,024,042
Accumulated other comprehensive loss	(17,978)	71,991
Deficit	(46,302,014)	(38,051,178)
	22,484,098	12,884,637
	$ 24,655,103	**$ 18,343,783**

Nature of operations (note 1)
See accompanying notes to these consolidated financial statements.

Approved by the board of directors

"Stefan Spears" Director

"Bradley Thiele" Director

Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited – Prepared by Management)
(in Canadian dollars)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Expenses				
Exploration (note 12)	$ 4,145,168	$ 515,503	$ 6,475,241	$ 1,228,846
Impairment of mineral properties (note 7)	-	-	30,518	-
Loss on sale of mineral properties	-	473,912	-	473,912
General and administrative (note 13)	1,127,091	615,635	2,256,112	739,672
	(5,272,259)	(1,605,050)	(8,761,871)	(2,442,430)
Other income (expense)				
Settlement of flow-through share premium liabilities (note 10)	438,465	-	743,523	
Loss on settlement of promissory note (note 8)	(125,045)	-	(125,045)	-
Interest expense on promissory note (note 8)	(49,383)	(37,555)	(174,536)	(161,268)
Interest revenue	12,683	-	43,758	-
Realized gain (loss) on sale of investments	8,140	11,877	29,902	(11,391)
Gain on shares issued for share purchase agreeement	-	71,250	-	-
Loss on settlement of accounts payable	-	(24,493)	-	(7,700)
Gain on foregiveness of loan interest	-	12,701	-	12,701
Interest expense on loans payable	-	(2,942)	-	(7,316)
Foreign exchange loss	230	(1,341)	(6,567)	(4,141)
Loss for the period	(4,987,169)	(1,575,553)	(8,250,836)	(2,621,545)
Other comprehensive income (loss)				
Realized gain (loss) on sale of investments	(8,140)	(11,877)	(29,902)	11,391
Unrealized gain (loss) on available-for-sale investments (note 4)	(62,098)	35,154	(60,068)	12,290
Comprehensive loss	$ (5,057,407)	$ (1,552,276)	$ (8,340,806)	$ (2,597,864)
Basic and diluted loss per share	($0.05)	($0.03)	($0.10)	($0.07)
Weighted average number of common shares outstanding	95,829,208	45,930,661	86,361,434	39,571,643

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the six months ended June 30, 2017 and 2016
(Unaudited – Prepared by Management)
(in Canadian dollars)

	2017	2016
Cash provided by (used in):		
Operating activities:		
Net loss	$ (8,250,836)	$ (2,621,545)
Adjustments for:		
Depreciation	140,859	73,520
Interest expense	-	161,268
Interest expense on promissory note (note 8)	174,536	
Interest expense on loans payable	-	7,316
Gain on settlement of flow-through share premium liabilites (note 10)	(743,523)	-
(Gain)/loss on settlement of accounts payable	-	7,700
(Gain) on forgivenees of loan interest	-	(12,701)
Impairment of mineral properties (note 7)	30,517	-
Loss on sale of mineral properties	-	473,912
Stock-based compensation	832,549	411,625
Share issued for services	-	27,000
Loss on settlement of debt (note 8)	125,045	
(Gain) loss on sale of investments	(29,902)	11,391
Net change in non-cash working capital (note 14)	(1,028,058)	47,719
	(8,748,813)	**(1,412,795)**
Financing activities:		
Loan proceeds	-	117,935
Repayment of loans payable	-	(335,304)
Repayment of promissory note (note 8)	(3,446,389)	(717,450)
Repurchase shares to treasury	-	(1,546,823)
Options exercised (note 11)	398,388	80,100
Warrants exercised (note 11)	1,435,723	-
Proceeds of private placements	17,250,633	4,576,500
Share issuance costs	(1,466,799)	(216,352)
	14,171,556	**1,958,606**
Investing activities:		
Acquisition of mineral properties (note 7)	(475,504)	(127,062)
Acquisition of capital assets (note 6)	(228,483)	(154,023)
Proceeds from sale of mineral properties	0	50,000
Proceeds from sale of investments (note 4)	30,792	67,988
Release (issue) of reclamation bonds (note 9)	(218,020)	25,000
	(891,216)	**(138,097)**
Change in cash	**4,531,527**	**407,714**
Cash – beginning of year	**9,410,464**	**174,797**
Cash – end of year	**$ 13,941,991**	**$ 582,511**

Non-cash financing and investing activities (note 14)

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended June 30, 2017 and 2016
(Unaudited – Prepared by Management)
(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Deficit	Total
Balance, December 31, 2015	**31,670,250**	**$ 28,645,709**	**$ 2,707,886**	**$ (38,804)**	**$ (27,403,758)**	**$ 3,911,033**
Private placements	29,565,000	4,576,500	-	-	-	4,576,500
Share issuance costs	-	(216,352)	-	-	-	(216,352)
Finder's units issued	-	(407,227)	407,227	-	-	-
Shares issued for debt	425,964	85,193		-	-	85,193
Stock options exercised	427,500	106,863	(26,763)	-	-	80,100
Shares issued for services	135,000	27,000		-	-	27,000
Shares issued for share purchase agreement	1,875,000	210,000	-	-	-	210,000
Stock-based compensation	-	-	411,625	-	-	411,625
Shares returned to treasury	(10,312,154)	(1,546,823)	-	-	-	(1,546,823)
Other comprehensive income	-	-	-	12,290	-	12,290
Net loss	-	-	-	-	(2,621,545)	(2,621,545)
Balance, June 30, 2016	**53,786,560**	**$ 31,480,863**	**$ 3,499,975**	**$ (26,514)**	**$ (30,025,303)**	**$ 4,929,021**
Balance, December 31, 2016	**76,788,461**	**$ 45,839,782**	**$ 5,024,042**	**$ 71,991**	**$ (38,051,178)**	**$ 12,884,637**
Private placements	10,295,950	17,250,633	-	-	-	17,250,633
Share issuance costs	-	(1,466,799)	-	-	-	(1,466,799)
Finders' warrants issued	-	(212,480)	212,480	-	-	-
Stock options exercised	971,250	658,741	(260,353)	-	-	398,388
Warrants exercised	4,235,048	1,435,723	-	-	-	1,435,723
Shares issued for property acquisition	135,000	179,300	-	-	-	179,300
Warrants issued for propery acquisition	-	-	87,585	-	-	87,585
Flow-through share premium liabilities	-	(777,113)	-	-	-	(777,113)
Stock-based compensation	-	-	832,549	-	-	832,549
Other comprehensive income	-	-	-	(89,969)	-	(89,969)
Net loss	-	-	-	-	(8,250,836)	(8,250,836)
Balance, June 30, 2017	**92,425,709**	**$ 62,907,787**	**$ 5,896,303**	**$ (17,978)**	**$ (46,302,014)**	**$ 22,484,098**

See accompanying notes to these consolidated financial statements

1. NATURE OF OPERATIONS

Golden Predator Mining Corp. ("Golden Predator" or the "Company") was incorporated under the Business Corporations Act (Alberta) on April 29, 2008 and continued into British Columbia from the jurisdiction of Alberta on October 21, 2015. The Company's head office is located at Suite 250 – 200 Burrard Street, Vancouver, British Columbia. Golden Predator is in the business of acquiring and exploring mineral properties primary in the Yukon, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Golden Predator Exploration Ltd. and Yukon Mint Corporation.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is achieved when the Company is exposed to or has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. All intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full.

Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

b. Basis of presentation and measurement

These unaudited condensed interim consolidated financial statements are based on IFRS, as issued by the International Accounting Standards Board.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value, and are presented in Canadian dollars, which is the Company's functional currency as well as the functional currency of the Company's subsidiaries. The unaudited condensed interim consolidated financial statements were authorized for issue by the board of directors on August 28, 2017.

c. Critical accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from the amounts included in the financial statements.

The area of estimation and judgment that has the most significant effect on the amounts recognized in the financial statements is:

Valuation of mineral properties - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the company's future plans to explore and evaluate a mineral property.

d. New accounting standards and interpretation

IFRS 9 Financial Instruments

The new standard for financial instruments, IFRS 9, introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. Management has started to assess the impact of IFRS 9. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. At this stage, the main areas of expected impact are as follows:

a) The classification and measurement of the Company's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed.
b) If the Company continues to elect the fair value option for certain financial liabilities (see Note 16), fair value movements will be presented in other comprehensive income to the extent those changes relate to the Company's own credit risk.

IFRS 16 Leases

IFRS 16 will replace IAS 17 and three related interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability. IFRS 16 is effective from periods beginning on or after January 1, 2019.

Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact, the Company is in the process of:

a) Performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS's new definition.
b) Deciding which transitional provision to adopt; either full retrospective application or partial retrospective application (which means comparatives do not need to be restated). The partial application method also provides optional relief from reassessing whether contracts in place are, or contain, a lease, as well as other reliefs. Deciding which of these practical expedients to adopt is important as they are one-off choices.
c) Assessing current disclosures for finance leases and operating leases (Note 16) as these are likely to form the basis of the amounts to be capitalized and become right-of-use assets.
d) Determining which optional accounting simplifications apply to the Company's lease portfolio and if the Company is going to use these exemptions.
e) Assessing the additional disclosure that will be required.

3. SHORT-TERM INVESTMENTS

As at June 30, 2017 the Company had $5,000,000 (2016-$0) invested in Canadian dollar denominated guaranteed investment certificates ("GIC") at a major Canadian financial institution. Interest is accrued during the GIC term and is recorded in accounts receivable.

(in Canadian Dollars)

4. MARKETABLE SECURITIES

Balance, December 31, 2015	$ 42,884
Shares received for property option payments	145,537
Shares received as payment for common shares issued	210,036
Sale of shares	(99,372)
Increase in market value of shares	87,527
Balance December 31, 2016	386,612
Sale of shares	(30,792)
Decrease in market value of shares	(60,068)
Balance June 30, 2017	$ 295,752

Investments consist of common shares in publicly traded companies. Shares are recorded at fair market value and any unrealized gain or loss is recorded as accumulated other comprehensive income. Shares received as property option payments include $nil for the Marg property (2016 - $55,537) and $nil (2016 - $90,000) for the Grew Creek property.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of goods and services tax of $572,321 (2016 - $267,892) and interest on guaranteed investment certificates of $18,187 (2016 - $2,645). Accounts receivable are valued at amortized cost.

6. EQUIPMENT

	Field equipment	Camp and camp equipment	Vehicles	Office equipment	Leasehold	Capital leases	Mill	Bridge	Total
Cost									
Balance – December 31, 2015	$ 407,020	$ 369,257	$ 93,890	$ 21,010	$ -	$ 42,350	$ -	$ -	$ 933,527
Additions	385,384	60,323	118,185	-	-	-	206,543	477,610	1,248,045
Balance – December 31, 2016	$ 792,404	$ 429,580	$ 212,075	$ 21,010	$ -	$ 42,350	$ 206,543	$ 477,610	$ 2,181,572
Additions	50,109		165,162		13,212				$ 228,483
Balance – June 30, 2017	$ 842,513	$ 429,580	$ 377,237	$ 21,010	$ 13,212	$ 42,350	$ 206,543	$ 477,610	$ 2,410,055
Accumulated Depreciation									
Balance – December 31, 2015	$ 281,658	$ 332,334	$ 66,676	$ 15,367	$ -	$ 42,350	$ -	$ -	$ 738,385
Depreciation	78,143	42,956	25,892	4,495	-	-	20,654	9,553	181,693
Balance – December 31, 2016	$ 359,801	$ 375,290	$ 92,568	$ 19,862	$ -	$ -	$ 20,654	$ 9,553	$ 920,078
Depreciation	56,060	6,033	45,359	873	2,327	-	20,654	9,553	140,859
Balance –June 30, 2017	$ 415,861	$ 381,323	$ 137,927	$ 20,735	$ 2,327	$ -	$ 41,308	$ 19,106	$ 1,060,937
Net book value									
Balance – December 31, 2016	$ 432,603	$ 54,290	$ 119,507	$ 1,148	$ -	$ -	$ 185,889	$ 468,057	$ 1,261,494
Balance – June 30, 2017	$ 426,652	$ 48,257	$ 239,310	$ 275	$ 10,885	$ -	$ 165,235	$ 458,504	$ 1,349,118

(in Canadian Dollars)

7. MINERAL PROPERTIES

	3 Aces	Reef	Upper Hyland	Brewery Creek	Sonora Gulch	Marg	Grew Creek	Other Properties	Total
Balance – December 31, 2015	$ 1,113,150	$ -	$ -	$ 1,313,032	$ 3,694,548	$ 579,485	$ 300,000	$ 49,802	$ 7,050,017
Acquisition costs	90,383	-	-	-	-	-	25,000	42,840	158,223
Option payment - cash	-	-	-	-	-	(50,000)	(35,000)	(62,123)	(147,123)
Option payment - shares	-	-	-	-	-	(55,573)	(90,000)	-	(145,573)
Impairment	-	-	-	-	-	(473,912)	-	-	(473,912)
Balance – December 31, 2016	$ 1,203,533	$ -	$ -	$ 1,313,032	$ 3,694,548	$ -	$ 200,000	$ 30,519	$ 6,441,632
Acquisition costs	6,270	-	-	-	-	2,264	-	1,970	10,504
Option payment - cash	45,000	400,000	10,000	-	-	-	-	10,000	465,000
Option payment - shares	-	159,000	20,300	-	-	-	-	-	179,300
Option payment - w arrants	-	87,585	-	-	-	-	-	-	87,585
Impairment	-	-	-	-	-	-	-	(30,517)	(30,517)
Balance – June 30, 2017	$ 1,254,803	$ 646,585	$ 30,300	$ 1,313,032	$ 3,694,548	$ 2,264	$ 200,000	$ 11,972	$ 7,153,504

3 Aces, Yukon

The Company owns 100% of the 3 Aces property, subject to the NSR's described below.

An annual advance royalty payment of $45,000 will commence on April 1, 2015 and continue until the commencement of commercial production. The vendor will retain a 2% NSR on the property. If a resource estimate in excess of 500,000 ounces at a grade greater than 5 grams per tonne is defined on the property (in compliance with the Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects), the vendor's NSR will increase to 2.5% and the vendor will receive a bonus payment of $300,000 in cash or equivalent Golden Predator common shares. If a National Instrument 43-101 compliant resource estimate in excess of 1,000,000 ounces at a grade greater than 5 grams per tonne is defined on the property, the vendor's NSR will increase to 3% and the vendor will receive an additional bonus payment of $300,000 in cash or equivalent Golden Predator shares. Each 1% of the NSR can be purchased by the Company for $2,000,000. The property is also subject to a 1.0% NSR to Till Capital.

Reef, Yukon

During the period, the Company entered into a mineral property option agreement with Precipitate Gold Corp. ("Precipitate") pursuant to which the Company may acquire Precipitate's interest in certain mineral claims known as the Reef property (the "Reef Claims") located adjacent to the northern boundary of the 3 Aces Project in the southeast region of the Yukon Territory. Terms of the agreement include:

a) Cash payments totaling $1,050,00, as follows:
   - $400,000 on the closing date (completed)
   - $150,000 on February 9, 2018
   - $200,000 on February 9, 2019
   - $300,000 on February 9, 2020

b) Issuance of common shares as follows:
   - 100,000 on the closing date (completed)
   - 100,000 on February 9, 2018
   - $300,000 worth of common shares on February 9, 2019*
   - $300,000 worth of common shares on February 9, 2020*

   * The price per share is based on the 21-day VWAP at the date of issuance and subject to a floor price equal to the minimum price permitted under TSXV policies. The Company will compensate

Precipitate in cash for any shortfall to $300,000 in value caused by the TSXV minimum price policies.

c) Issuance of common share purchase warrants as follows:
- 100,000 on the closing date ($1.59 exercise price with a 3-year term) (completed)
- 100,000 on February 9, 2018 ($2.00 exercise price with a 3-year term)
- 300,000 on February 9, 2019*
- 300,000 on February 9, 2020*

  * These warrants will have a 3-year term and an exercise price of 150% of the 21-day VWAP at the date of issuance.

d) The Company granted to Precipitate a 2% net smelter return royalty on certain of the Reef Claims and a 1% net smelter return royalty on the remaining Reef Claims (the “Reef NSR”). The Company may repurchase 25% of the Reef NSR, for $1,000,000, and a further 25% for $1,500,000.

Upper Hyland, Yukon

During the period, the Company entered into a mineral property purchase agreement with Bearing Lithium Ltd. (“Bearing”) for the purchase of certain mineral claims located in the Upper Hyland River area in the southeast region of the Yukon Territory. Terms of the agreement include:

a) Cash payments totaling $275,000, as follows:
- $10,000 on the execution date (completed)
- $20,000 on August 23, 2017
- $60,000 on August 23, 2018
- $85,000 on August 23, 2019
- $100,000 on December 23, 2020

b) Issuance of common shares as follows:
- 35,000 upon TSXV approval of the transaction (completed)
- 50,000 on August 23, 2017
- $100,000 worth of common shares on August 23, 2018*
- $250,000 worth of common shares on August 23, 2019*
- $250,000 worth of common shares on December 23, 2020*

  * The price per share is based on the 21-day VWAP at the date of issuance and subject to a floor price equal to the minimum price permitted under TSXV policies.

c) The Company granted Bearing a 2% net smelter return royalty on certain of the claims and a 1% net smelter return royalty on the remaining claims (the “Bearing NSR”). The Company may repurchase 50% of the Bearing NSR for $1,000,000.

Completion of the acquisition and the obligation to make any payments other than the initial cash payment and share issuance is conditional upon completion by Bearing of its previously announced transaction with Li3 Energy Inc. If the Li3 transaction is not completed, the initial share issuance will be returned to the Company.

Brewery Creek, Yukon

The Company owns 100% of the Brewery Creek Project. The Brewery Creek Project is subject to a 2% NSR on the first 600,000 ounces of gold produced, following which the NSR will increase to 2.75%. The Company has the right to repurchase 0.625% of the increased NSR for $2,000,000 (which, if so acquired, would result in a 2.125% NSR). The property is also subject to a sliding scale royalty based on the price of gold on the first 21,000 ounces of production, as well as a 5% net profits royalty ("NPR") over a portion of the property.

An Amended and Restated Socio Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation ("THFN") which took effect September 2012. As consideration for entering into the agreement, the Company paid the sum of $400,000, payable in shares, of which $250,000 was payable on signing and $150,000 was paid during the year ended December 31, 2016 through issuance of 245,901 shares valued at $0.80 per share. The Company recorded a loss on settlement of accounts payable of $46,721 related to this transaction.

Upon receipt of all required permits in respect of the portion of the mine site outside the existing permitted area, the Company will pay an additional sum of $300,000 payable in shares at a price equal to a 5-day volume weighted average share price ("VWAP"). Key aspects of the Socio Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to $45,000 per annum. The Company has also agreed to pay the THFN a 2.5% NSR on revenue from the mine site, excluding the existing permitted area.

Sonora Gulch, Yukon

The Company owns 100% of the Sonora Gulch property, subject to a 1% net smelter royalty (NSR). The Company has the option and right to purchase 50% of the NSR at any time for $1,000,000. The Company is required to pay all taxes, levies and other expenditures as may be required in order to maintain the property in good standing with the applicable regulatory bodies.

Marg, Yukon

The Company owns a 100% interest in the Marg property, subject to a 1% NSR to Till Capital.

In March 2015, the Company announced a Joint Venture and Option Agreement (the "Agreement") on the Marg Project. During the year ended December 31, 2015, the first $50,000 cash payment and 1,539,643 shares at a fair value of $32,332 were received. During the year ended December 31, 2016, the Company received an additional 5,656,777 shares at a fair value of $55,573. During 2016, the optionee terminated the agreement and returned control of the project to the Company.

In April 2016, a third party purchased 100% of the property from the Company for consideration of $50,000 and 1,967,280 shares (received in escrow) and the Company retained a 1% NSR which the purchaser could repurchase for $1,000,000 at any time.

An impairment charge of $473,912 was taken on the property during the year ended December 31, 2016.

During the period, the purchaser was unable to meet the conditions of the purchase agreement and as a consequence, control of the property was returned to the Company and the Company returned the shares to the purchaser.

Grew Creek, Yukon

The Company owns 100% of the Grew Creek property, subject to a 4% NSR.

In October 2016, the Company entered into a Property Option Agreement with Bravura Ventures Corp. ("Bravura") whereby Bravura can earn up to a 90% interest in the Grew Creek property. The terms of the Property Option Agreement include:

a) A total of $950,000 to be paid to the Company as follows:
    - $35,000 – on the closing date (received);
    - $50,000 – on the first anniversary of the closing date;
    - $75,000 – on the second anniversary of the closing date;

- $140,000 – on the third anniversary of the closing date;
- $150,000 on the fourth anniversary of the closing date;
- $250,000 – on the fifth anniversary of the closing date; and
- $250,000 – on the sixth anniversary of the closing date.

b) Issuance to the Company of an aggregate amount of 2,000,000 common shares and an additional 6% of Bravura to be issued as follows:
    - 500,000 – on the closing date (received, valued at $90,000);
    - 500,000 – on the first anniversary of the closing date;
    - 500,000 – on the second anniversary of the closing date;
    - 500,000 - on the third anniversary of the closing date;
    - On the fourth anniversary of the closing date such a number of common shares as is equal to 2% of the undiluted issued and outstanding common shares of Bravura for 70% of the right, title and interest in assets;
    - On the fifth anniversary of the closing date such a number of common shares as is equal to 2% of the undiluted issued and outstanding common shares of Bravura for an additional 10% of asset;
    - On the sixth anniversary of the closing date such a number of common shares as is equal to 2% of the undiluted issued and outstanding common shares of Bravura for an additional 10 % for a total aggregate ownership of 90%; and
    - Optionor shall transfer legal title to the assets to optionee on the six anniversary of closing date.

If, during the term of the agreement, Bravura receives a technical report (the "First Report") that (i) complies with NI 43-101, Standards of Disclosure for Mineral Projects, and (ii) defines a resource on the claims, Bravura shall, within 30 days of receipt of such report, pay to the Company an additional $50,000 and issue an additional 500,000 common shares. If, during the term of the agreement but after its receipt of the First Report, the Company receives a second technical report (the "Second Report") that increases the resource estimate by 100% or more over the estimate contained in the First Report, Bravura shall issue to the Company such number of common shares as is equal to two percent (2%) of the issued and outstanding common shares of Bravura on the date that is ten (10) business days prior to the date of receipt of the Second Report.

Other Properties

a) Castle West, Nevada

In August 2014, the Company entered into a Mining Lease and Sublease Agreement (the "Agreement") with Platoro West Inc. ("Platoro") on its Castle West property in Esmeralda County, Nevada. In February 2016, May 2016, and August 2016, the Company made option payments of US$2,500 (CAD: $3,135), US$18,000 (CAD $23,392) and US$12,555 (CAD: $16,313), respectively.

During the period ended June 30, 2017, the Company returned the Castle West property to Platoro, wrote off the December 31, 2016 balance of the property of $92,641 and paid additional lease fees of US$20,500 (CAD $27,537) to the underlying vendors of the two subleases.

Platoro is owned by a director of the Company and therefore the lease is considered a related party transaction (see note 15b).

b) Fortymile, Yukon

In October 2016, the Company entered into an option agreement to acquire the Fortymile project in the Yukon. Terms of the agreement include:

a. Cash payments totaling $210,000, as follows:
    - $10,000 on the execution date (paid)

- $20,000 on September 30, 2017
- $30,000 on September 30, 2018
- $40,000 on September 30, 2019
- $50,000 on September 30, 2020
- $60,000 on September 30, 2021

b. $25,000 on completion of the first 750 meters of drilling (to be completed prior to September 30, 2019) and an additional $25,000 on completion of the next 750 meters of drilling (to be completed prior to September 30, 2020)

c. An annual advance royalty payment of $10,000 commencing on September 30, 2022.

d. A payment of up to $2,000,000 (at $1.25 per ounce classed as inferred or higher) for a NI 43-101 compliant resource outlined in a Pre-Feasibility Study.

e. The Company granted the vendor a 2% net smelter return royalty. The Company may repurchase 50% of the NSR, for $1,500,000.

8. PROMISSORY NOTE

In conjunction with the acquisition of the Brewery Creek project in 2014 from Till Capital, the Company issued a $4,700,000 promissory note (the "Promissory Note"). During the year ended December 31, 2015, the Company entered into an Amending Agreement with Till Capital and amended the terms of the promissory note to include the following:

- Payment schedule
  Principal amount of $500,000 + $55,000 USD ($72,710 CAD) is due June 1, 2016;
  Principal amount of $1,000,000 is due June 1, 2017;
  Principal amount of $1,100,000 is due June 1, 2018;
  Principal amount of $1,100,000 is due June 1, 2019.

- Interest rate
  6% per annum through to June 1, 2016;
  8% per annum through 1, 2017;
  10% per annum through to June 1, 2018;
  12% per annum thereafter.

During the period ended June 30, 2017, the Company settled the remaining three payments outstanding under the Promissory Note with two payments totaling $3,446,389 (2016 - $717,450), including repayment of principal of $3,200,000 (2016 - $572,710) and interest of $246,389 (2016 - $144,740).

The Promissory Note was recognized initially at fair value, and is subsequently carried at amortized cost using the effective interest rate method. The fair value of the Promissory Note was estimated using a discounted cash flow calculation, using a discount rate of 15.00% which is management's estimate of the Company's cost of borrowing.

(in Canadian Dollars)

		Promissory Note
Carrying value - December 31, 2015	$	3,488,912
Principal payment on note		(572,710)
Payment of accreted interest		(144,740)
Accreted interest in the year		375,347
Carrying value - December 31, 2016		3,146,809
Principal payment on note		(3,200,000)
Payment of accreted interest		(246,389)
Accreted interest in the period		174,536
Loss on settlement of promissory note		125,045
Carrying value- June 30, 2017	$	0

9. RECLAMATION BONDS

The Company has posted interest and non-interest bearing bonds totaling $673,183 (2016 - $455,163) with a Canadian financial institution as security for future reclamation costs.

10. FLOW THROUGH SHARE PREMIUM LIABILITY

Balance December 31, 2015	$	-
Liability incurred on flow-through shares issued		996,600
Settlement of flow-through share liability on expenditures incurred		(758,200)
Balance December 31, 2016		238,400
Liability incurred on flow-through shares issued		777,113
Settlement of flow-through share liability on expenditures incurred		(743,523)
Balance June 30, 2017	$	271,989

11. SHARE CAPITAL

a) Capital Stock

In March 2017, the Company completed a bought deal offering by way of short form prospectus. A total of 7,187,500 Class A common shares at a price of $1.60 per share and 3,108,450 flow-through Class A common shares at a price of $1.85 per flow-through share were sold for aggregate gross proceeds of $17,250,633. The Company paid a 6.9% commission for total of $1,190,294, $276,505 in other fees and issued 251,562 share purchase warrants to the Underwriters valued at $212,480. The Underwriters' warrants are exercisable into Class A common shares at a price of $1.60 per share, for a period of two years from the closing date.

During the six months ended June 30, 2017, the Company issued:

- 4,235,048 Class A common shares for proceeds of $1,435,723 related to the exercise of warrants,
- 971,250 Class A common shares for proceeds of $658,741 related to the exercise of stock options,
- 100,000 Class A common shares for deemed proceeds of $159,000 related to the purchase of the Reef property, and
- 35,000 Class A common shares for deemed proceeds of $20,300 related to the purchase of the Upper Hyland property.

In July 2016, the Company closed a private placement for 11,036,000 units at a price of $0.73 per unit and 8,305,000 flow-through units of the Company at a price of $1.00 per flow-through unit for total gross proceeds of $16,361,280. Each unit consists of one Class A common share of the Company and one-half of one share purchase warrant. Each flow-through unit consists of one flow-through Class A common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional Class A common share of the Company at a price of $1.00 per share for a period of two years from the closing date. The expiry date of the warrants can be accelerated if the Company's volume weighted average price is $2.50 for 20 consecutive trading days, in which event the Company may give notice that the warrants expire 30 days following the notice of acceleration. The Company paid cash share issuance costs of $1,279,358 and issued 1,318,030 agent warrants valued at $606,294 in connection with the private placement.

In June 2016, the Company returned 10,312,154 Class A common shares to treasury. The shares were repurchased for $1,546,823 and the amount was deducted from equity. No gain or loss was recorded in the statement of comprehensive loss.

In June 2016, the Company issued 245,901 Class A common shares at a fair value of $196,721 to Tr'ondëk Hwëch'in First Nation as settlement of the agreement related to the Brewery Creek property.

In May 2016, the Company closed a private placement for 21,350,000 units and 5,650,000 flow-through units each at a price of $0.16 per unit for total proceeds of $4,320,000. Each unit consists of one Class A common share and one share purchase warrant. Each flow-through unit consists of one flow-through Class A common share and one share purchase warrant. Warrants comprising the units and flow-through units entitle holders to purchase one additional Class A common share, exercisable at a price of $0.21 per share for a period of two years from the date of issue of the warrants. The company paid cash share issuance costs of $208,569 and issued 1,274,000 finder's warrants valued at $407,228 in relation to the private placement. Each finder's warrant entitles the holder to purchase a finder's unit at an exercise price of $0.16 per unit. Each finder's unit is comprised of one Class A common share and one share purchase warrant which entitles the holder to purchase one Class A common share at an exercise price of $0.21 per share for a period of two years from the date of issue of the finder's units.

In April 2016, the Company issued 425,964 Class A common shares at a fair value of $85,193 to certain of its suppliers as payment for services provided.

(in Canadian Dollars)

In March 2016, the Company completed a share purchase agreement with a third party. The Company acquired 50,000 shares of Till Capital Ltd. and issued 1,875,000 units to the vendor in consideration at a fair value of $210,000. Each unit consists of one Class A common share and one share purchase warrant, with each warrant exercisable at $0.15 cents for two years.

In February 2016, the Company closed a private placement for 2,315,000 units and 250,000 flow-through units each at a price of $0.10 per unit for total proceeds of $256,500. Each unit and flow-through unit consists of one Class A common share and one share purchase warrant. Each warrant forming part of a unit will entitle the holder to purchase one additional Class A common share, exercisable at a price of $0.15 per share for a period of two years from the date of issue of such warrant. Each warrant forming part of a flow-through unit will entitle the holder to purchase one additional flow-through Class A common share, exercisable at a price of $0.15 per share for a period of two years from the date of issue of such warrant. The Company paid share issuance costs of $7,783.

During the year ended December 31, 2016, the Company issued:

- 135,000 Class A common shares at a fair value of $27,000 to employees and contractors involved in the Company's bulk sample program on the 3 Aces property,
- 3,415,000 Class A common shares for proceeds of $683,250 related to the exercise of warrants and,
- 427,500 Class A common shares for proceeds of $106,863 related to the exercise of stock options.

b) Stock options and warrants

The Company has a stock option plan under which directors, officers, employees, management and consultants of the Company are eligible to receive stock options. The maximum number of common shares issuable pursuant to the exercise of outstanding options granted under the plan is 10% of the issued shares of the Company at the time of granting the options. The maximum number of stock options granted to any one optionee in a 12-month period may not exceed 5% of the outstanding common shares of the Company. Options granted under the plan may not exceed a term of ten years and vest at terms determined by the directors at the time of grant. The exercise price, expiry date, and vesting term of each option is determined by the directors at the time of grant, provided that the exercise price may not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

During the six months ended June 30, 2017, the Company recognized stock-based compensation related to options of $832,549 (2016 - $411,625). The weighted average fair value of options granted in the six months ended June 30, 2017 was $0.90 (2016 - $0.40) per share.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2017	2016
Risk-free interest rate	0.85%	0.54%
Expected life of option	3 years	3 years
Expected dividend yield	0%	0%
Expected stock price volatility	115.17%	136.06%

(in Canadian Dollars)

Stock option transactions are summarized as follows:

	Outstanding Options	Weighted Average Exercise Price
Balance, December 31, 2015	**1,835,000**	**$0.16**
Granted	4,542,000	0.56
Exercised	(427,500)	0.19
Forfeited	(15,000)	0.69
Balance, December 31, 2016	**5,934,500**	**$0.46**
Granted	1,100,000	1.45
Exercised	(971,250)	0.41
Forfeited	(180,000)	0.81
Balance, June 30, 2017	**5,883,250**	**$0.64**
Exercisable, June 30, 2017	3,983,188	

(in Canadian Dollars)

As at June 30, 2017 incentive stock options were outstanding as follows:

Expiry Date	Outstanding Options	Exercise Price ($)
August 1, 2017	225,000	0.20
November 17, 2017	450,000	0.10
March 1, 2018	100,000	0.14
March 1, 2018	100,000	0.17
March 1, 2018	100,000	0.66
March 23, 2018	10,000	0.12
June 22, 2018	125,000	0.12
October 1, 2018	110,000	0.14
February 25, 2019	753,750	0.17
May 2, 2019	10,000	0.25
May 24, 2019	252,500	0.43
June 3, 2019	1,590,000	0.66
June 20, 2019	75,000	0.95
July 20, 2019	30,000	0.82
August 10, 2019	105,000	0.91
October 7, 2019	462,000	0.69
October 11, 2019	25,000	0.72
October 14, 2019	25,000	0.80
October 19, 2019	15,000	0.75
November 9, 2019	10,000	0.77
November 23, 2019	250,000	0.56
January 20, 2020	85,000	0.99
February 1, 2020	50,000	1.51
March 21, 2020	530,000	1.60
March 21, 2020	130,000	1.41
April 10, 2020	50,000	1.60
April 24, 2020	115,000	1.32
May 2, 2020	40,000	1.33
May 4, 2020	25,000	1.27
June 5, 2020	35,000	1.43
	5,883,250	0.64

(in Canadian Dollars)

During the period, 251,562 finders' warrants with a fair value of $0.84 were issued in connection with private placements (2016 – 32,714,000) and 100,000 warrants with a fair value of $0.87 were issued for the acquisition of the Reef property (2016 – $nil). The fair value of the warrants granted was estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2017	2016
Risk-free interest rate	0.85%	0.63%
Expected life of option	2.3 years	2.0 years
Expected dividend yield	0%	0%
Expected stock price volatility	107.11%	102.77%

Share purchase warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted Average Exercise Price ($)
Balance, December 31, 2015	**-**	**-**
Granted	43,702,530	0.40
Exercised	(3,415,000)	0.20
Balance, December 31, 2016	**40,287,530**	**0.42**
Granted	351,562	1.60
Exercised	(4,235,048)	0.34
Balance, June 30, 2017	**36,404,044**	**0.43**

At June 30, 2017, warrants were outstanding as follows:

Expiry Date	Outstanding Warrants	Exercise Price ($)
February 25, 2018	2,000,000	0.15
March 3, 2018	875,000	0.15
May 24, 2018	21,682,500	0.21
May 24, 2018 (finder's w arrants)*	1,274,000	0.16
July 26, 2018	10,220,982	1.00
March 14, 2019	251,562	1.60
March 23, 2020	100,000	1.59
	36,404,044	0.43

*These finder's warrants are exercisable into one Class A common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional Class A common l share at a price of $0.21 until May 24, 2018.

(in Canadian Dollars)

12. EXPLORATION EXPENSES

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Personnel	$ 967,624	$ 242,334	$ 1,826,256	$ 625,495
Drilling	1,033,891	54,004	1,461,778	54,004
Field & General	656,196	11,333	778,905	141,855
Geochemistry	587,972	81,098	879,301	116,072
Geophysics	24,635	-	24,635	-
Helicopter & Airplane	100,731	-	142,773	3,609
Logistics & Support	574,225	122,219	928,523	207,413
Community & Environment	102,627	1,500	204,201	15,878
Miscellaneous	14,638	103,325	88,009	130,262
Amortization	82,629	38,952	140,860	73,520
Cost Recoveries	-	(139,262)	-	(139,262)
	$ 4,145,168	$ 515,503	$ 6,475,241	$ 1,228,846

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Share-based compensation	$ 438,264	$ 367,055	$ 832,548	$ 411,625
Office and insurance	500,811	17,327	858,560	28,711
Travel, shareholder relations and promotion	102,858	130,284	304,765	162,242
Professional fees	66,727	71,620	219,343	96,109
Regulatory & compliance	18,431	29,349	40,896	40,985
	$ 1,127,091	$ 615,635	$ 2,256,112	$ 739,672

(in Canadian Dollars)

14. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital

	Six months ended June 30,	
	2017	**2016**
Accounts receivable	$ (319,971)	$ (15,707)
Prepaid expenses and deposits	(533,166)	(6,051)
Accounts payable and accrued liabilities	(174,921)	221,744
Inventory	-	(139,262)
Due torelated party	-	(13,005)
	$(1,028,058)	$ 47,719

Non-cash financing and investing activities

	Six months ended June 30,	
	2017	**2016**
Premium received on flow-through shares in private placement (note 9)	$ 777,113	$ -
Exercise of stock options	260,353	26,763
Shares issued for property acquisition	179,300	
Warrants issued for property acquisition	87,585	-
Shares received for mineral properties (note 6)	-	55,573
Share purchase warrants issued	212,480	407,228
Shares issued in purchase agreement	-	210,000
Shares issued for settlement of accounts payable	-	85,193
	$ 1,516,831	$ 784,757

15. RELATED PARTY TRANSACTIONS

a) Key management compensation

The compensation paid or payable to key management (Officers and Directors) for management services provided is as follows:

	Six months ended June 30,	
	2017	**2016**
Salary	$ 315,628	$ 12,987
Stock-based compensation	313,509	290,752
	$ 629,137	$ 303,739

b) Other transactions

In August 2014, the Company entered into a Mining Lease and Sublease Agreement (the “Agreement”) with a company owned by the Chairman of the Board, Platoro West Inc. (“Platoro”), on its Castle West property in Nevada. In February 2016, May 2016, and August 2016, the Company made option payments of US$2,500 (CAD: $3,135), US$18,000 (CAD $23,392) and US$12,555 (CAD: $16,313), respectively.

During the period ended June 30, 2017, the Company returned the Castle West property to Platoro, wrote off the December 31, 2016 balance of the property of $92,641 and paid additional lease fees of US$20,500 (CAD $27,537) to two underlying vendors.

c) Balances outstanding

There was $25,579 due to officers of the Company at June 30, 2017 (2016 - $2,777).

During the period ended June 30, 2016 the Company advanced US$10,000 (2017 - $Nil) to a director for future expense reimbursements to be incurred in the normal course of operations for general corporate matters.

d) Loans payable

During the period ended June 30, 2016, the Company received additional loans in the amount of $117,935 from a director, and then subsequently repaid the entire outstanding principal amount ($335,304) of the loans in full. The Director waived the interest owed on the loan and accordingly the Company recorded a gain on forgiveness of interest for $12,701.

16. FINANCIAL INSTRUMENTS

Financial instruments include cash and any contract that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at June 30, 2017, and December 31, 2016, the Company's carrying values of cash and cash equivalents, short term investments and accounts payable approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted 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; and
Level 3 – Inputs that are not based on observable market data.

At June 30, 2017, and December 31, 2016, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy and the Promissory Note is based on level 2 inputs of the fair value hierarchy. Marketable securities values are based on the closing trading price of the shares on public stock exchanges at the period-end date. The Promissory Note is carried at amortized cost using the effective interest rate method. The fair value of the Promissory Note was estimated using a discounted cash flow calculation, using a discount rate of 15.00% which is management’s estimate of the Company’s cost of borrowing.

Financial Risks Management

Market risk
Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

Foreign exchange risk
The Company operates mainly in Canada but a small portion of the Company’s financial assets and liabilities are denominated in US dollars. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

(in Canadian Dollars)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short term investments, receivables and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash held in bank accounts, short term investments consist of GIC's held at a major Canadian financial institution and accounts receivable consists of goods and services tax and a minimal amount of accrued interest on guaranteed investment certificates, for which management believes the risk of loss to be minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

Interest rate risk

Interest rate risk mainly arises from the Company's cash and cash equivalents and short term investments, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible. The Company's borrowings are at fixed rates. The fair value of the fixed-rate Promissory Note fluctuates with changes in market interest rates, but the cash flows do not.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. At June 30, 2017, the Company had working capital of $13,308,293 (2016 - $6,873,157)

The following tables detail the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts on the Statements of Financial Position.

As at June 30, 2017

	Up to 1 year	1-5 years	Total
Accounts payable and accrued liabilities	$ 1,899,016	$ -	$ 1,899,016
Flow-through share premium liability	271,989	-	271,989
Promissory note	-	-	-
	$ 2,171,005	$ -	$ 2,171,005

As at December 31, 2016

	Up to 1 year	1-5 years	Total
Accounts payable and accrued liabilities	$ 2,073,937	$ -	$ 2,073,937
Flow-through share premium liability	238,400	-	238,400
Promissory note	1,000,000	2,200,000	3,200,000
	$ 3,312,337	$ 2,200,000	$ 5,512,337

(in Canadian Dollars)

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents, short term investments and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the periods ended June 30, 2017 and December 31, 2016.

17. COMMITMENTS

a) On May 8, 2017, the Company amended its lease agreement for an office space which originally commenced on October 1, 2016 and ended September 30, 2021. Under the revised lease agreement, the company moved to a new location in Vancouver. The new lease commenced on June 1, 2017 and ends on May 31, 2021, and commits the Company to the following annual lease payments:

Year	Payments
2017	$46,514
2018	$74,652
2019	$77,570
2020	$80,488
2021	$83,406
2022	$35,259

As of June 30, 2017, the Company has prepaid a rental deposit totaling of $18,164.

b) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% of "on the ground" exploration expenditures.

c) During the period ended March 31, 2017, the Company entered into a building lease agreement commencing February 1, 2017, for a period of three years. The Company is leasing a building in Watson Lake, Yukon for $1,800 per month for the first six months, payable in advance, and for $1,300 per month thereafter, with the reduction in the lease fee of $500 per month subject to flooring improvements to be made by the Company.

d) During the period ended March 31, 2017, the Company entered into a building lease agreement commencing May 15, 2017, for a period of one year. The Company is leasing a unit in a building in Whitehorse, Yukon for $2,000 per month.

18. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2017, the Company:

a) Received proceeds of $59,900 from the exercise of 245,000 stock options and proceeds of $164,325 from the exercise of 782,500 warrants.

b) Acquired 1,750,000 units of Taku Gold Corp. ("Taku") in a private placement at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a $0.15 for a period of two years.

c) Sold a number of non-core assets to Taku, including the Chopin, Korat and Lucky Joe projects, and certain claims held in the Fortymile area. The Company also assigned Taku all of its interests in an agreement to acquire the Fortymile project. As consideration, Taku issued the Company 3,500,000 common shares and granted the Company NSR's on the Chopin (1%), Korat (1%), Lucky Joe (1.5%) and Fortymile (0.5%) claims.

d) Optioned the Sonora Gulch property to Taku. Taku can earn a 100% interest in the Sonora Gulch Project by issuing the Company of an aggregate of 11,000,000 common shares as follows:
   - 4,500,000 on the closing date (received);
   - 3,500,000 on August 1, 2018, or that number of Taku common shares equal in value to $1,400,000 (based on the 10-day volume weighted average price ("VWAP") of Taku's common shares immediately prior to the first anniversary date, if the VWAP is greater than $0.40);
   - 3,000,000 on August 1, 2019, or that number of Taku common shares equal in value to $1,200,000 (based on the 10-day VWAP of Taku's common shares immediately prior to the second anniversary date, if the VWAP is greater than $0.40)

   The Company also retained a 1% NSR on the Sonora Gulch property.