Trifecta Gold Ltd.

Interim Financial Statements

For the nine months ended

September 30, 2017

Unaudited – Prepared by Management

Trifecta Gold Ltd.
#1016 – 510 West Hastings Street
Vancouver, British Columbia
V6B 1L8

November 17, 2017

To the Shareholders of
Trifecta Gold Ltd.

The attached interim financial statements have been prepared by the management of Trifecta Gold Ltd. and have not been reviewed by the auditor of the Company.

Yours truly,

Dylan Arnold-Wallinger
Chief Executive Officer

Trifecta Gold Ltd.

Interim Statements of Financial Position

Unaudited – Prepared by Management

	Note	**September 30, 2017 $**	December 31, 2016 $
Assets			
Current assets			
Cash		636,350	100,000
Receivables and prepayments	3	106,340	7,765
		742,690	107,765
Non-current assets			
Mineral property interests	4	2,743,458	1,530,204
Total assets		**3,486,148**	1,637,969
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		202,821	55,113
Accounts payable to related parties	7	138,972	75,828
		341,793	130,941
Non-current liabilities			
Deferred income tax liability	8	18,695	-
Total liabilities		**360,488**	130,941
Shareholders' equity			
Share capital	5	3,380,151	1,550,001
Deficit		(254,491)	(42,973)
Total shareholders' equity		**3,125,660**	1,507,028
Total liabilities and shareholders' equity		**3,486,148**	1,637,969
Nature of operations and going concern	1		
Commitment	11		

Approved on behalf of the Board of Directors on November 17, 2017:

"Bruce J. Kenway" **Director** *"Graham Downs"* **Director**

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

Trifecta Gold Ltd.

Interim Statement of Changes in Shareholders' Equity

Unaudited – Prepared by Management

For the nine months ended September 30, 2017

	Number of shares #	Share capital $	Deficit $	Total shareholders' equity $
January 1, 2017	15,500,001	1,550,001	(42,973)	1,507,028
Common shares issued for mineral properties	1,150,000	310,500	-	310,500
Common shares issued for cash	10,765,000	1,575,750	-	1,575,750
Premium on flow-through shares issued	-	(37,955)	-	(37,955)
Share issue costs	-	(18,145)	-	(18,145)
Loss and comprehensive loss for the period	-	-	(211,518)	(211,518)
September 30, 2017	**27,415,001**	**3,380,151**	**(254,491)**	**3,125,660**

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

Trifecta Gold Ltd.

Interim Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

For the three and nine months ended September 30, 2017

		Three months ended		Nine months ended	
	Note	**September 30, 2017 $**	**September 30, 2016 $**	**September 30, 2017 $**	**September 30, 2016 $**
Expenses					
Accounting, audit and legal	7	6,657	-	95,172	-
General and administration expenses		2,013	-	5,210	-
Insurance		2,600	-	3,467	-
Investor relations and shareholder information		13,566	-	16,395	-
Management, administrative and corporate development fees	7	3,074	-	32,601	-
Management, administrative and corporate development salaries	7	10,520	-	12,337	-
Office rent	7	7,500	-	10,000	-
Property examination costs	7	-	-	6,630	-
Transfer agent and filing fees		6,790	-	45,712	-
Loss from operating expenses		(52,720)	-	(227,524)	-
Interest income		1,891	-	3,121	-
Loss for the period before income taxes		**(50,829)**	**-**	**(224,403)**	**-**
Deferred income tax recovery		12,885	-	12,885	-
Loss and comprehensive loss for the period		**(37,944)**	**-**	**(211,518)**	-
Loss per share					
Weighted average number of common shares outstanding					
- Basic #	6	**25,892,334**	-	22,575,223	-
- Diluted #	6	**25,892,334**	-	22,575,223	-
Basic loss per share $	6	**(0.00)**	-	(0.01)	-
Diluted loss per share $	6	**(0.00)**	-	(0.01)	-

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

Trifecta Gold Ltd.

Interim Statement of Cash Flows

Unaudited – Prepared by Management

For the nine months ended September 30, 2017

	Note	$
Operating activities		
Loss and comprehensive loss for the period		(211,518)
Interest income		(3,121)
Deferred income tax recovery		(12,885)
Net change in non-cash working capital items	9	(63,499)
		(291,023)
Financing activities		
Issue of common shares for cash		1,575,750
Share issue costs		(24,519)
		1,551,231
Investing activities		
Interest income		3,121
Mineral property acquisition costs		(91,017)
Deferred exploration and evaluation expenditures		(635,962)
		(723,858)
Net increase in cash		536,350
Cash, beginning of period		100,000
Cash, end of period		**636,350**

Supplemental cash flow information	9	

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

1. Nature of operations and going concern

Trifecta Gold Ltd. (the "Company") was incorporated on October 4, 2016 under the laws of the Province of British Columbia, Canada and was registered extra-territorially in the Yukon Territory on January 6, 2017. The Company's head office is located at 1016 - 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. The Company was a wholly owned subsidiary of Strategic Metals Ltd. ("Strategic"), until June 9, 2017, at which time Strategic's ownership position was reduced to approximately 9.19% through a Plan of Arrangement, which concluded with each Strategic shareholder receiving one Trifecta common share for every four and one-half Strategic common shares they owned as of May 31, 2017. The Company was listed on the TSX Venture Exchange ("TSX-V") on June 15, 2017.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These interim financial statements ("financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at September 30, 2017, the Company had working capital of $400,897 (December 31, 2016 – working capital deficiency of $23,176), and equity of $3,125,660 (December 31, 2016 - $1,507,028). The Company intends to raise additional funds through an equity financing, and as such, management has assessed there will be sufficient funds to meet annual fixed overhead commitments, allowing it to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited financial statements for the period ended December 31, 2016, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that the financial statements be read in conjunction with the December 31, 2016 financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies used are those the Company expects to adopt in its financial statements for the year ended December 31, 2017, and have been applied consistently to all periods presented by the Company.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

The Company was incorporated on October 4, 2016, therefore, comparative figures for the statement of loss and comprehensive loss, statement of shareholder's equity and statement of cash flows for the nine-month period ended September 30, 2016 are not applicable.

2. Significant accounting policies (continued)

(b) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2018. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

Tentatively effective for annual periods beginning on or after January 1, 2018

• New standard IFRS 9 *Financial Instruments*

IFRS 9 adds new requirements for impairment of financial assets and makes changes to the classification and measurement of financial instruments. When complete, IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standard, however, there may be enhanced disclosure requirements.

3. Receivables and prepayments

Receivables and prepayments consists of the following:

	September 30, 2017	December 31, 2016
	$	$
Prepaid expenses	17,665	2,500
Sales tax recoverable	40,801	5,265
Yukon mineral exploration grant receivable	47,874	-
	106,340	7,765

4. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in the Yukon Territory and British Columbia. The properties have been grouped into those which are wholly-owned and those under option from other parties. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects.

Changes in the project carrying amounts for the nine months ended September 30, 2017 are summarized as follows:

Wholly-owned projects	January 1, 2017 $	Acquisitions/ staking/ assessments $	Exploration and evaluation $	September 30, 2017 $
Eureka	1,136,660	-	63,874	1,200,534
Handsome Jack	-	9,572	500	10,072
Treble	115,095	-	23,212	138,307
Triple Crown	214,143	2,679	40,586	257,408
Total	**1,465,898**	**12,251**	**128,172**	**1,606,321**
Wholly-owned and under option project				
Trident - wholly-owned claims				
Squid	64,306	61,282	55,337	180,925
Trident - under option				
CH Claims	-	40,500	8,658	49,158
Squid East	-	140,540	602,006	742,546
Squid West	-	146,944	17,564	164,508
	-	**327,984**	**628,228**	**956,212**
Total	**64,306**	**389,266**	**683,565**	**1,137,137**
Total all projects	**1,530,204**	**401,517**	**811,737**	**2,743,458**

Exploration and evaluation expenditures on the projects consisted of the following:

Nine months ended September 30, 2017	Eureka $	Treble $	Triple Crown $	Trident $	Handsome Jack $	Total $
Assays	8,455	4,403	11,522	8,210	-	32,590
Bulldozer and excavator	-	-	-	67,000	-	67,000
Drilling	55	-	-	173,985	-	174,040
Field	8,123	3,877	6,244	94,149	-	112,393
Helicopter and fixed wing	-	10,580	7,758	20,536	-	38,874
Labour	40,569	20,845	34,919	247,048	500	343,881
Resource and environmental studies	-	-	5,374	4,270	-	9,644
Surveys and consulting	-	-	-	17,564	-	17,564
Travel and accommodations	6,672	2,317	3,833	50,803	-	63,625
	63,874	42,022	69,650	683,565	500	859,611
Less: Yukon mineral explortion grant	-	(18,810)	(29,064)	-	-	(47,874)
Total	**63,874**	**23,212**	**40,586**	**683,565**	**500**	**811,737**

4. Mineral property interests (continued)

(a) Wholly-owned projects

By an agreement dated December 9, 2016, the Company agreed to purchase the Eureka, Treble and Triple Crown mineral properties from Strategic by issuing Strategic 14,500,000 of its common shares at a value of $0.10 per share, giving the transaction a total value of $1,450,000. This agreed amount approximated the cumulative acquisition and exploration costs incurred on the properties by Strategic.

Transactions between related parties take place at a fair market value, where such values can be determined. The purchased properties are exploratory mineral resource projects with no proven economic mineral reserves, so there was insufficient information to determine a fair value less cost to sell, or a value in use. Under IFRS 6, mineral property interests can be carried at cost until such time the properties become impaired. Given the properties were and are not considered impaired, and given a fair value could not be determined, it was concluded the cumulative costs to Strategic on the properties best represent the transfer value of the properties.

(i) Eureka

The Eureka project consists of a 100% interest in the Eureka mineral claims located in the Dawson Mining District, Yukon Territory. The project was acquired in December 2016 from Strategic by the issue of 11,250,000 common shares at $0.10 per share for an aggregate value of $1,125,000. The claims are subject to a 1% net smelter return royalty (“NSR”).

(ii) Treble

The Treble project consists of a 100% interest in LLL mineral claims located in the Dawson Mining District, Yukon Territory. The project was acquired in December 2016 from Strategic by the issue of 1,150,000 common shares at $0.10 per share for an aggregate value of $115,000. The claims are not subject to any royalty interests.

The Company has been approved to receive financial assistance from the Yukon Government on its LLL claims, which will reimburse the Company for one-half of its 2017 qualified exploration expenditures on the claims, to a maximum of $40,000. The Company has accrued the amount of $18,810, which has been recorded as a reduction of current year exploration expenditures.

(iii) Triple Crown

The Triple Crown project consists of a 100% interest in OOO mineral claims located in the Dawson Mining District, Yukon Territory. The project was acquired in December 2016 from Strategic by the issue of 2,100,000 common shares at $0.10 per share for an aggregate value of $210,000. The claims are not subject to any royalty interests.

The Company has been approved to receive financial assistance from the Yukon Government on its OOO claims, which will reimburse the Company for one-half of its 2017 qualified exploration expenditures on the claims, to a maximum of $40,000. The Company has accrued the amount of $29,064, which has been recorded as a reduction of current year exploration expenditures.

(iv) Handsome Jack

The Handsome Jack project consists of a 100% interest in Never Sweat mineral claims located in Golden Triangle region of British Columbia. The project was acquired in September 2017 for consideration of $5,000 cash. The claims are subject to 1% NSR interest in all precious metal product from the property. The Company has the right to purchase the royalty at any time for a consideration of $500,000 cash.

4. Mineral property interests (continued)

(b) Wholly-owned and under option project

Trident

The Trident project consists of the Squid claims, which are wholly-owned, and the CH, Squid East and Squid West claims which are being acquired under option agreements.

Wholly-owned Claims

The Squid claims are located in the Dawson Mining District, Yukon Territory, and were acquired by staking.

Under Option Claims

(i) CH Claims

By an agreement dated December 8, 2016, and amended on April 27, 2017, the Company may acquire a 100% interest in the CH mineral claims located in the Dawson Mining District, Yukon Territory from Coureur Des Bois Ltee Ltd ("Coureur") for consideration of:

- Issuance of 1,500,000 common shares to Coureur as follows:
    - 150,000 shares upon completion of a TSX-V listing (issued June 15, 2017);
    - 150,000 shares on or before December 8, 2017;
    - 200,000 shares on or before December 8, 2018;
    - 300,000 shares on or before December 8, 2019; and
    - 700,000 shares on or before December 8, 2020.

Upon completion of the agreement, the Company will attain a 100% interest in the claims and Coureur will retain a 2% NSR from any precious metal commercial production and a 1% NSR from any non-precious metal commercial production. The Company would have the right at any time to purchase one-half of the NSR for $1,000,000.

(ii) Squid East and West Claims

By an agreement dated December 15, 2016, and amended on April 24, May 16 and May 18, 2017, the Company may acquire up to a 75% interest in the Squid East and Squid West mineral claims located in the Dawson Mining District, Yukon Territory from Metals Creek Resources Corp. ("Metals Creek") for the following consideration:

For a 60% interest, the following cash payments, share issuances and exploration expenditures are required:

- Cash payments totaling $45,000 as follows:
    - $10,000 upon execution of the agreement (paid on January 10, 2017);
    - $10,000 on or before December 15, 2017;
    - $10,000 on or before December 15, 2018; and
    - $15,000 on or before December 15, 2019.
- Issuance of common shares to Metals Creek as follows:
    - 1,000,000 shares upon completion of a TSX-V listing (issued June 15, 2017);
    - 1,000,000 shares on or before December 15, 2017;
    - 1,500,000 shares on or before December 15, 2018 or that number of shares with an aggregate value of $1,500,000 calculated using the applicable volume weighted average price ("VWAP"), or the Company may elect to make a cash payment of $1,500,000 in lieu of issuing the shares; and
    - 3,000,000 shares on or before December 15, 2019 or that number of shares with an aggregate value of $3,000,000 using the applicable VWAP, or the Company may elect to make a cash payment of $3,000,000 in lieu of issuing the shares.

4. Mineral property interests (continued)

(b) Wholly-owned and under option project (continued)

Under Option Claims (continued)

(ii) Squid East and West Claims (continued)

- Exploration expenditures of $2,250,000 as follows:
  - $500,000 on or before July 15, 2018;
  - $750,000 on or before December 15, 2018; and
  - $1,000,000 on or before December 15, 2019.

The Company can acquire an additional 15% interest in the property by making a cash payment of $50,000 on or before December 15, 2020, issuing to Metals Creek the lesser in value of (1) 3,500,000 common shares or (2) that number of shares with an aggregate value of $3,500,000 calculated using the applicable VWAP on or before December 15, 2020, and by incurring an additional $1,000,000 in exploration expenses on or before December 15, 2020. The Company may elect to make a cash payment of $3,500,000 in lieu of issuing the shares. Should the Company attain its 60% or 75% interest and not proceed to acquire the remaining interest, a joint venture would be formed to further explore the properties, unless otherwise agreed.

5. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the nine months ended September 30, 2017:

(a) The Company issued 6,500,000 common shares to Strategic at a value of $0.10 per share for proceeds of $650,000.

(b) The Company issued 1,000,000 common shares to Metals Creek under the option agreement for the Squid East and West claims (see note 4(b)(ii)), at the market value on issue of $0.27 per share, for an aggregate value of $270,000.

(c) The Company issued 150,000 common shares to Coureur under the option agreement for CH claims (see note 4(b)(i)), at the market value on issue of $0.27 per share, for an aggregate value of $40,500.

(d) During the period, the Company completed a private placement consisting of flow-through and non-flow through units in two tranches. The first tranche closed on July 21, 2017, and consisted of the issuance of 1,202,000 flow-through units at $0.25 per unit, for total consideration of $300,500; and 2,760,000 non-flow-through units at $0.20 per unit, for total consideration of $552,000.

The second tranche closed on August 23, 2017, and consisted of the issuance of 253,000 flow-through units at $0.25 per unit, for total consideration of $63,250; and 50,000 non-flow-through units at $0.20 per unit, for total consideration of $10,000.

Each flow-through unit consisted of one flow-through common share and one-half of a non-flow-through share purchase warrant. Each non-flow-through unit consisted of one non-flow-through common share and one-half of a non-flow-through share purchase warrant. Each whole warrant from either unit entitles the holder to purchase one non-flow-through common share at a price of $0.30 each until either July 21, 2018 or August 23, 2018, depending on the closing of the tranche involved. The Company may give notice of an earlier expiry date for the warrants if the Company's shares trade at a price greater than $0.35 for ten consecutive trading days on the TSX-V subsequent to the expiry of the four-month statutory hold period.

The Company paid a finder's fees of $5,340 in respect of the placement. Legal and filing fees amounted to $19,180 and have been recorded as a share issue cost and deducted from share capital, net of deferred income tax benefits of $6,375.

5. Share capital (continued)

Stock options

The Company has an incentive stock option plan (the "Plan"), under which the maximum number of stock options issued cannot exceed 10% of the Company's currently issued and outstanding common shares. The exercise period for any options granted under the Plan cannot exceed ten years. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less a discount of from 15% to 25%), unless otherwise agreed to by the Company and accepted by the TSX-V.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is granted an option under the plan with exercise prices below "Market Price" will become vested with the right to exercise one-sixth of the option upon conclusion of every three months subsequent to the grant date. A participant who is a consultant conducting investor relations activities who is granted options under the plan will become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

On August 25, 2017, 2,405,000 stock options were granted to Officers, Directors, related company employees and consultants, with an exercise price of $0.25 per share until August 25, 2022. The options vest one-quarter every three months from the grant date. No options had vested as of September 30, 2017. The fair value of the options on grant date was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected life of options - five years, stock price volatility – 73.59%, no dividend yield, and a risk-free interest rate yield of 1.51%. The fair value is particularly impacted by the Company's stock price volatility, which was determined using the volatility of similar resource exploration companies, as the Company does not have a five-year volatility history. Using the above assumptions, the fair value of options on grant date was $0.10 per option for a total of $324,276. The fair value of the options will be recorded as a share-based payment expense as the options vest.

As at September 30, 2017, the Company had no other options issued and outstanding.

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

A summary of the status of the Company's warrants as at September 30, 2017 and December 31, 2016, and changes during the period/year then ended is as follows:

	Nine months ended September 30, 2017		Year ended December 31, 2016	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Warrants outstanding, beginning of period/year	-	-	-	-
Private placement warrants issued	2,132,500	0.30	-	-
Warrants outstanding, end of period/year	**2,132,500**	**0.30**	-	-

5. Share capital (continued)

Warrants (continued)

As at September 30, 2017 the Company had private placement warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date
1,981,000	0.30	July 21, 2018
151,500	0.30	August 23, 2018
2,132,500		

The following table summarizes information about the warrants outstanding as at September 30, 2017:

Number of Warrants Outstanding #	Remaining life (years)	Exercise price $
2,132,500	**0.81**	**0.30**

6. Loss per share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2017 is based on the loss attributable to common shareholders of $211,518 and a weighted average number of common shares outstanding of 22,575,223.

All stock options were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

7. Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence during the nine months ended September 30, 2017.

Effective June 16, 2017, Dylan Arnold-Wallinger, the Company's President and CEO became a direct employee of the Company at a salary of $6,000 per month, which was increased to $10,000 per month, effective August 1, 2017. He was previously employed by Archer, Cathro & Associates (1981) Limited ("Archer Cathro") which charged the Company for his monthly services. All other key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on thirty days' notice. Key management personnel and Directors participate in the Company's stock option plan.

On August 25, 2017, 1,700,000 stock options were granted to key management personnel and Directors having a fair value on issue of $229,217. The options granted are exercisable at $0.25 each until August 25, 2022 and vest over a one year period ending August 25, 2018.

7. Related party payables and transactions (continued)

The Company transacted with the following related parties:

(a) Archer Cathro is a geological consulting firm which provides the Company with geological consulting services and administration. Dylan Arnold-Wallinger was a minority shareholder of Archer Cathro, which ended when he began employment with the Company. He provides the Company with management, administrative, corporate development and technical services.

(b) Glenn Yeadon is the Company's Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp"), which provides the Company with legal services.

(c) Larry Donaldson is the Company's CFO. He is a partner of Donaldson Grassi, Chartered Professional Accountants, a firm in which he has significant influence. Donaldson Grassi provides the Company with accounting and tax services.

(d) Dylan Arnold-Wallinger is the Company's President and CEO. He provides the Company with management, administrative, corporate development and technical services.

The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions 9 months ended September 30, 2017 $	Transactions 9 months ended September 30, 2016 $	**Balances outstanding, September 30, 2017 $**	Balances outstanding, December 31, 2016 $
Archer Cathro				
- Geological services	424,251	-	119,950	39,739
- Office and administration	49,486	-	11,070	10,885
	473,737	-	131,020	50,624
Yeadon Law Corp	73,927	-	-	16,204
Donaldson Grassi	33,315	-	7,952	9,000
Dylan Arnold-Wallinger (includes geological services of $18,756)	31,093	-	-	-
	612,072	**-**	**138,972**	75,828

All related party balances are unsecured and are due within thirty days without interest.

The related party transactions do not include expense reimbursements or recoverable sales tax amounts that are included in the period-end related party payable balances.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Accounting, audit and legal
- Includes the legal services of the Company's Secretary, Glenn Yeadon, charged to the Company by Yeadon Law Corp.
- Includes the accounting services of the Company's CFO, Larry Donaldson, charged to the Company by Donaldson Grassi.

(b) Management, administrative and corporate development fees
- Includes charges by Archer Cathro for administrative and investor relations personnel.

(c) Property examination costs
- Includes charges by Archer Cathro for exploration personnel.

7. Related party payables and transactions (continued)

(d) Rent
- Charged by Archer Cathro.

(e) Management, administration and corporate development salaries
- Includes the portion of Dylan Arnold-Wallinger's salary related to management, administrative and corporate development services. The remainder of Dylan Arnold-Wallinger's salary is allocated to deferred exploration and evaluation expenditures for his project technical services.

8. Income Taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	September 30, 2017 $
Loss for the period before income taxes	(224,403)
Statutory Canadian corporate tax rate	26.00%
Anticipated income tax recovery	58,345
Change in tax resulting from:	
Prior year non-capital loss utilized	11,160
Tax benefits to be renounced on flow-through expenditures	(56,620)
Income tax recovery	**12,885**

The significant components of the Company's deferred income tax liability are as follows:

	September 30, 2017 $	December 31, 2016 $
Mineral property interests	(92,851)	-
Non-capital loss carry forwards	68,738	-
Share issue costs	5,418	-
Net deferred income tax liability	(18,695)	-

As at September 30, 2017, the Company has unused non-capital losses of approximately $264,000 of which $43,000 expire in 2036 and $221,000 in 2037.

As at September 30, 2017, the Company has unclaimed resource deductions in the amount of $2,386,337 (December 31, 2016 – $1,530,204), which may be deductible against future taxable income.

As at September 30, 2017, there are share issue cost totaling $20,840 (December 31, 2016 – nil), which have not been claimed for tax purposes.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

9. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended September 30, 2017 were comprised of the following:

	September 30, 2017 $
Sales tax recoverable	(35,536)
Prepaid expenses	(15,166)
Accounts payable and accrued liabilities	4,270
Accounts payable to related parties	(17,067)
Net Change	**(63,499)**

The Company incurred non-cash financing and investing activities during the nine months ended September 30, 2017 as follows:

	September 30, 2017 $
Non-cash financing activities:	
Share capital reduced by flow-through share premium	(37,955)
Issue of share capital for option mineral property interests	310,500
	272,545
Non-cash investing activities:	
Option of mineral property interest by issue of share capital	(310,500)
Deferred exploration expenditures included in accounts payable and related party payables	303,851
Deferred exploration expenditures included in Yukon mineral exploration grant receivable	(47,874)
	(54,523)

10. Financial risk management

Capital management

The Company is a junior resource exploration company and considers items included in equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at September 30, 2017 is comprised of equity of $3,125,660 (December 31, 2016 - $1,507,028).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

10. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of accounts payable and accrued liabilities and accounts payable to related parties approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
June 30, 2017				
Cash	**636,350**	**-**	**-**	**636,350**
December 31, 2016				
Cash	100,000	-	-	100,000

Financial instruments- risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash. All of the Company's cash is held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company has minimal receivable exposure as its refundable credits are due from the Canadian Government.

(b) Interest rate risk

The Company is not exposed to interest risk as it does not hold financial securities or debt that would be impacted by fluctuation in interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Market and currency risk

The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies. It is not exposed to currency risk because it does not deal in foreign currencies.

11. Commitment

In July and August 2017, the Company completed a private placement of flow-through shares for gross proceeds of $363,750 (see note 5). The Company has spent the flow-through proceeds on the required qualified exploration programs and will renounce the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2017. The flow-through expenditures to be renounced have increased the timing differences between the book value of the Company's mineral property interests and the carrying value for tax purposes, resulting in a deferred income tax liability of $94,575, of which $37,955 decreased the flow-through share premium liability and $56,620 increased deferred income tax expenses.