GOLDEN PEAK MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED MAY 31, 2017

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

July 27, 2017

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		May 31, 2017		October 31, 2016
ASSETS				
Current				
Cash	$	379,929	$	170
Receivables		104,849		6,859
Prepaid expenses		57,746		-
		542,524		7,029
Exploration and evaluation assets (Note 6)		3,901,508		393,959
	$	**4,444,032**	**$**	**400,988**
LIABILITIES & SHAREHOLDERS' EQUITY				
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	$	140,885	$	279,002
Other liability (Note 8)		68,340		-
		209,225		279,002
Shareholders' Equity				
Share capital (Note 9)		5,943,299		1,487,628
Contributed surplus		839,716		219,332
Deficit		(2,548,208)		(1,584,974)
		4,234,807		121,986
	$	**4,444,032**	**$**	**400,988**

Going Concern (Note 2)
Commitments (Notes 6 and 8)
Subsequent Events (Note 12)

Authorized for issuance on behalf of the Board:

"Peter Ball" Director

"Dominic Verdejo" Director

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	May 31, 2017	**May 31, 2016**	**May 31, 2017**	**May 31, 2016**
Expenses				
Consulting fees	$ 130,473	$ -	$ 294,481	$ 22,285
Management fees (Note 7)	28,500	15,000	101,750	45,000
Office and general	1,505	3,349	13,625	13,745
Professional fees (Note 7)	3,318	2,181	4,729	36,819
Rent (Note 7)	6,725	4,500	13,525	17,792
Share-based payments (Note 9)	409,077	-	421,627	-
Shareholder communications and investor relations	12,600	1,099	90,105	4,916
Transfer agent and filing fees	9,937	3,988	79,588	10,191
Travel	-	-	8,687	-
Net Loss Before Other Items	(602,135)	(33,117)	(1,028,117)	(150,748)
Other Items				
Part XII.6 tax and penalties (Note 8)	(987)	-	(2,894)	-
Loss on settlement of accounts payable (Note 9)	-	-	(107,333)	-
Impairment of exploration and evaluation assets	(60,000)	-	(60,000)	-
Other income (Note 8)	88,990	-	235,110	-
	28,003	-	64,883	-
Net Loss and Comprehensive Loss for the Period	$ (574,132)	$ (33,117)	$ (963,234)	$ (150,748)
Loss per Share - Basic and Diluted	$ (0.04)	$ (0.00)	$ (0.09)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	14,220,644	1,469,890	10,920,350	1,469,890

GOLDEN PEAK MINERALS INC.
Condensed Interim Statement of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	**Share Capital**	**Share Subscriptions**	**Contributed Surplus**	**Deficit**	**Total**
Balance, August 31, 2015	**1,301,860**	**$ 1,116,381**	**$ -**	**$ 212,129**	**$ (1,009,738)**	**$ 318,772**
Private placement	157,141	110,000	-	-	-	110,000
Share issuance costs	-	(19,300)	-	-	-	(19,300)
Finders' warrants	-	(7,203)	-	7,203	-	-
Shares issued for exploration and evaluation assets	207,500	152,750	-	-	-	152,750
Share subscriptions received	-	-	45,500	-	-	45,500
Net and comprehensive loss for the period	-	-	-	-	(150,748)	(150,748)
Balance, May 31, 2016	**1,666,501**	**1,352,628**	**45,500**	**219,332**	**(1,160,486)**	**456,974**
Private placement	150,000	75,000	(45,500)	-	-	29,500
Shares issued for exploration and evaluation assets	100,000	60,000	-	-	-	60,000
Net and comprehensive loss for the period	-	-	-	-	(424,488)	(424,488)
Balance, August 31, 2016	**1,916,501**	**1,487,628**	**-**	**219,332**	**(1,584,974)**	**121,986**
Private placements	8,189,656	2,511,498	-	-	-	2,511,498
Share issuance costs	-	(212,303)	-	-	-	(212,303)
Finders' warrants	-	(126,231)	-	126,231	-	-
Shares issued for exploration and evaluation assets	4,800,000	2,102,500	-	-	-	2,102,500
Shares issued for settlement of accounts payable	9,259	4,074	-	-	-	4,074
Units issued for settlement of accounts payable	177,037	77,896	-	75,663	-	153,559
Warrants exercised	437,500	87,500	-	-	-	87,500
Stock options exercised	38,000	7,600	-	-	-	7,600
Fair value of stock options exercised	-	3,137	-	(3,137)	-	-
Stock options granted	-	-	-	421,627	-	421,627
Net and comprehensive loss for the period	-	-	-	-	(963,234)	(963,234)
Balance, May 31, 2017	**15,567,953**	**$ 5,943,299**	**$ -**	**$ 839,716**	**$ (2,548,208)**	**$ 4,234,807**

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended
(Unaudited - Expressed in Canadian Dollars)

	May 31, 2017	May 31, 2016
Operating Activities		
Net loss for the period	$ (963,234)	$ (150,748)
Items not involving cash:		
Share-based payments	421,627	-
Loss on settlement of accounts payable	107,333	-
Impairment of exploration	60,000	-
Other income	(235,110)	-
Changes in non-cash working capital balances:		
Receivables	(97,990)	(2,969)
Prepaid expenses	(57,746)	-
Accounts payable and accrued liabilities	(143,308)	61,328
Cash Used in Operating Activities	(908,428)	(92,389)
Investing Activity		
Exploration and evaluation asset expenditures, net	(1,409,558)	(1,209)
Cash Used in Investing Activity	(1,409,558)	(1,209)
Financing Activities		
Shares issued for cash, net of issuance costs	2,697,745	90,700
Share subscriptions received	-	45,500
Loans from directors	-	3,000
Cash Provided by Financing Activities	2,697,745	139,200
Change in Cash	379,759	45,602
Cash, Beginning of Period	170	190
Cash, End of Period	$ 379,929	$ 45,792
Non-Cash Transactions and Supplemental Disclosures		
Shares issued for exploration and evaluation asset (Notes 6 and 9)	$ 2,102,500	$ 152,750
Shares and units issued for accounts payable	$ 157,633	$ -
Exploration and evaluation expenditures included in accounts payable (beginning of period)	$ 25,000	$ -
Exploration and evaluation expenditures included in accounts payable (end of period)	$ 80,491	$ -
Flow-through premium recorded as other liability	$ 303,450	$ -
Fair value of stock options exercised	$ 3,137	$ -
Fair value of finders’ warrants	$ 126,231	$ -
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

Golden Peak Minerals Inc. (the "Company") is an exploration stage company incorporated pursuant to the British Columbia Business Corporations Act on March 31, 2011. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "GP". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

On August 11, 2016, the Company consolidated its common shares on a one new share for ten old shares basis. All share and per share amounts have been revised to reflect the consolidation.

2. GOING CONCERN

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred a net loss of $963,234 for the nine months ended May 31, 2017 (May 31, 2016 - $150,748) and has an accumulated deficit of $2,548,208 at May 31, 2017 (August 31, 2016 - $1,584,974). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 27, 2017.

b) Measurement basis

These condensed interim financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale, and fair value through profit or loss. These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended August 31, 2016.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the year the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Critical judgments in applying accounting policies (continued)

c) Income taxes (continued)

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

d) Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed interim financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at May 31, 2017, the Company has no known rehabilitation requirements and accordingly, no provision has been made.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (continued)

b) Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation asset are summarized as follows:

	Hemlo Properties	Atikwa Lake Property	Maybrun Property	Grenfell Property	Lac Lapointe Property	Foubert Lake Property	Oyster Property	Columbia Shear Property	Total
Acquisition Costs									
Balance, August 31, 2015	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 155,000**	**$ -**	**$ 39,250**	**$ 194,250**
Claim costs	-	1,209	-	-	-	-	-	-	1,209
Acquisition and option payments (shares)	-	60,000	-	-	92,750	-	60,000	-	212,750
Impairment	-	-	-	-	-	-	-	(39,250)	(39,250)
Balance, August 31, 2016	**-**	**61,209**	**-**	**-**	**92,750**	**155,000**	**60,000**	**-**	**368,959**
Acquisition and option payments (cash)	205,000	6,480	40,000	50,000	-	-	-	-	301,480
Acquisition and option payments (shares)	1,392,500	-	600,000	110,000	-	-	-	-	2,102,500
Claim costs	122	1,264	-	-	-	-	-	-	1,386
Impairment	-	-	-	-	-	-	(60,000)		(60,000)
Balance, May 31, 2017	**1,597,622**	**68,953**	**640,000**	**160,000**	**92,750**	**155,000**	**-**	**-**	**2,714,325**
Deferred Exploration Expenditures									
Balance, August 31, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**240,148**	**240,148**
Geological	-	-	-	-	25,000	-	-	-	25,000
Impairment	-	-	-	-	-	-	-	(240,148)	(240,148)
Balance, August 31, 2016	**-**	**-**	**-**	**-**	**25,000**	**-**	**-**	**-**	**25,000**
Camp and other	431,411	64,723	-	80,173	-	-	-	-	576,307
Geological	248,710	85,480	-	10,500	149,148	-	-	-	493,838
Geophysics	92,038	-	-	-	-	-	-	-	92,038
Balance, May 31, 2017	**$ 772,159**	**$ 150,203**	**$ -**	**$ 90,673**	**$ 174,148**	**$ -**	**$ -**	**$ -**	**$ 1,187,183**
Total Exploration and Evaluation Assets									
Balance, August 31, 2016	**$ -**	**$ 61,209**	**$ -**	**$ -**	**$ 117,750**	**$ 155,000**	**$ 60,000**	**$ -**	**$ 393,959**
Balance, May 31, 2017	**$ 2,369,781**	**$ 219,156**	**$ 640,000**	**$ 250,673**	**$ 266,898**	**$ 155,000**	**$ -**	**$ -**	**$ 3,901,508**

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Hemlo Properties

Heikki Property

On October 28, 2016, the Company entered into four option agreements to acquire the Esa, Kulta, Seija and Soturi properties, collectively the Heikki Property, located in Ontario. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 2,600,000 common shares of the Company (issued and valued at $1,040,000) and making a cash payment of $105,000 (paid) upon approval by the TSX-V;
- Issuing 3,100,000 common shares of the Company by November 17, 2017; and
- Issuing 1,750,000 common shares of the Company by November 17, 2018.

The vendors retain a 3% NSR on the property. The Company has the option to purchase 1% of the 3% NSR (one-third) at a price of $500,000.

Hemlo East

On January 27, 2017, the Company entered into an option agreement to acquire the Hemlo East Property, located in Ontario. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 750,000 common shares of the Company (issued and valued at $352,500) and making a cash payment of $100,000 (paid) upon approval by the TSX-V;
- Issuing 500,000 common shares of the Company and making a cash payment of $100,000 by February 8, 2018;
- Issuing 500,000 common shares of the Company and making a cash payment of $100,000 by February 8, 2019; and
- Issuing 500,000 common shares of the Company and making a cash payment of $40,000 by February 8, 2020.

The Company must also incur exploration expenditures on the property as follows:

- $600,000 on or before January 27, 2018;
- An additional $600,000 on or before January 27, 2019; and
- An additional $600,000 on or before January 27, 2020.

The vendors retain a 2.5% NSR on the property. The Company has the option to purchase 0.5% of the 2.5% NSR (one-fifth) at a price of $1,000,000 USD.

Hemlo East Extension

On May 31, 2017, the Company entered into an agreement to acquire additional claims expanding the Hemlo East property. Under the terms of the agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 1,100,000 common shares of the Company upon approval by the TSX-V (issued subsequent to May 31, 2017 and valued at $341,000); and
- Issuing 500,000 common shares of the Company and making a cash payment of $250,000 by December 19, 2017.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of $1,000,000.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Hemlo Properties (continued)

Hemlo West

On May 31, 2017, the Company entered into an agreement to acquire additional claims in the Hemlo area. Under the terms of the agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 1,100,000 common shares of the Company upon approval by the TSX-V (issued subsequent to May 31, 2017 and valued at $341,000); and
- Issuing 500,000 common shares of the Company and making a cash payment of $250,000 by December 19, 2017.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of $1,000,000.

b) Atikwa Lake Property

On February 4, 2016, the Company entered into an agreement to acquire a 100% undivided interest in 20 mineral claims located in Ontario. As consideration, the Company issued 75,000 common shares of the Company at a value of $60,000.

c) Maybrun Property

On April 7, 2017, the Company entered into an agreement to acquire a 100% interest in the Maybrun Property located in Ontario. As consideration, the Company issued 1,200,000 common shares of the Company at a value of $600,000 and paid $40,000 in cash.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of $1,000,000.

d) Grenfell Property

On October 13, 2016, the Company entered into an option agreement to acquire the Grenfell Property located in Ontario. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 250,000 common shares of the Company (issued and valued at $110,000) and making a cash payment of $50,000 (paid) upon approval by the TSX-V;
- Issuing 250,000 common shares of the Company and making a cash payment of $50,000 by October 26, 2017;
- Issuing 250,000 common shares of the Company and making a cash payment of $50,000 by October 26, 2018; and
- Issuing 250,000 common shares of the Company and making a cash payment of $50,000 by October 26, 2019.

In the event of a minimum discovery of 1,000,000 ounces of gold or gold equivalent resource, the Company will pay a bonus of $1,000,000 to the optionor upon completion of a National Instrument 43-101 compliant report.

The original vendor retains a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of $1,000,000.

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

e) Lac Lapointe Property

On February 15, 2016, the Company entered into an option agreement to acquire a 100% undivided interest in 20 mineral claims located in Quebec. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 132,500 common shares of the Company upon approval by the TSX-V (issued and valued at $92,750);
- Cash payment of $40,000 on or before August 15, 2017; and
- Cash payment of $100,000 on or before February 15, 2019.

The vendor retains a 2% GORR on the property. The Company has the option to purchase 1% of the 2% GORR (one-half return) at a price of $1,000,000.

f) Foubert Lake Property

On June 26, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 11 mineral claims located in Quebec. As consideration, the Company paid a total of $11,000 in cash and issued a total of 240,000 common shares of the Company at a value of $144,000.

The vendor retains a 1% NSR on the property. The Company has the option to purchase the NSR at a price of $500,000.

g) Oyster Property

On September 23, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 4 mineral claims located in Manitoba. As consideration, the Company issued 100,000 common shares of the Company at a value of $60,000.

The vendor retains a 3% Gross Overriding Royalty Return ("GORR") on the property. The Company has the option to purchase 1% of the 3% GORR (one-third) at a price of $1,000,000.

h) Columbia Shear Group Property

On May 9, 2011, and subsequently amended on September 17, 2012, the Company entered into an option agreement to acquire a 100% undivided interest in 22 mineral claims located in British Columbia. As consideration, the Company agreed to pay a total of $75,000 in cash, issue 12,500 common shares of the Company and incur $1,000,000 in exploration expenditures as follows:

	Cash Payments	Exploration Expenditures	Number of Common Shares to be Issued
Upon execution of the Agreement (paid)	$ 10,000	$ -	-
One year from the Agreement date (incurred)	-	100,000	-
Upon listing on April 10, 2013 (paid and issued)	15,000	-	7,500
Before April 10, 2014 (issued)	-	-	5,000
Before April 10, 2015	10,000	200,000	-
Before April 10, 2016	15,000	300,000	-
Before April 10, 2017	25,000	400,000	-
Total	$ 75,000	$ 1,000,000	12,500

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

h) Columbia Shear Group Property (continued)

The Company agreed to pay the optionor a 3% Net Smelter Royalty ("NSR") on the property. The Company also had the option to purchase 2% of the 3% NSR (two-thirds) at a price of $500,000 per percentage point at any time starting on the date that the property is put into commercial production. The purchase of the remaining 1% was negotiable after commercial production commences.

During the year ended August 31, 2016, the Company relinquished its option on the Columbia Sheer Group Property. Accordingly, the property was written down to $nil.

7. RELATED PARTY BALANCES AND TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the statements of comprehensive loss:

		Nine Months Ended May 31, 2017		Nine Months Ended May 31, 2016
Management fees	$	101,750	$	30,000
Geological	$	14,583	$	-
Share-based compensation	$	94,402	$	-

Key management includes directors and officers of the Company, including the Chief Executive Officer and Chief Financial Officer.

During the nine months ended May 31, 2017, the Company paid $47,500 for consulting fees to companies controlled by directors (2016 - $nil), $nil (2016 - $4,800) for professional fees to a company controlled by a director and $nil (2016 - $6,750) in rent to companies controlled by directors.

As at May 31, 2017, included in accounts payable and accrued liabilities is $nil (August 31, 2016 - $126,789) due to directors and officers of the Company and companies controlled by directors of the Company and $41,876 (August 31, 2016 - $nil) due to a company in which an officer of the Company is an officer and director for shared administrative costs. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

8. OTHER LIABILITY AND FLOW-THROUGH COMMITMENT

<u>Other Liability</u>

Other liability consists of the liability portion of the flow-through shares issued.

During the nine months ended May 31, 2017, the Company issued 2,022,998 flow-through shares at a price of $0.65 per share. The premium paid by investors was calculated as $0.15 per share. Accordingly, $303,450 was recorded as other liability.

At May 31, 2017, the balance of other liability was reduced to $68,340 as a result of qualifying expenditures incurred by the Company. This resulted in other income of $235,110.

8. OTHER LIABILITY AND FLOW-THROUGH COMMITMENT (Continued)

Flow-Through Commitment

At May 31, 2017, the Company had a remaining commitment to incur exploration expenditures in relation to its December 2016 flow-through share financing of $296,141.

Included in accounts payable and accrued liabilities at May 31, 2017 is a provision for Part XII.6 tax of $1,555 (August 31, 2016 - $367).

During the nine months ended May 31, 2017, the Company paid $1,339 (2016 - $nil) for Part XII.6 tax and other provincial taxes in relation to its December 2015 flow-through share financing.

9. SHARE CAPITAL

a) Authorized

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

b) Issued and outstanding

Nine Months Ended May 31, 2017

On September 26, 2016, the Company completed a non-brokered private placement for gross proceeds of $499,999. The Company issued 4,166,658 units at a price of $0.12 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of two years. The Company incurred share issue costs of $3,483.

On October 26, 2016, the Company settled accounts payable and accrued liabilities of $50,300 by issuing 9,259 common shares and 177,037 units, each unit consisting of one common share and one non-transferable warrant of the Company. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.36 for a period of four years. The fair value of the common shares issued was $4,074 and the fair value of the units issued was $153,559. Accordingly, the Company realized a loss on settlement of accounts payable of $107,333. The fair value of the warrants included in the units was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of 4 years; risk-free interest rate of 0.62%; annualized volatility of 214%; dividend yield of zero; and stock price at date of grant of $0.44. The Company used historical volatility to estimate the volatility of the share price.

On October 26, 2016, the Company issued 250,000 common shares valued at $110,000 for the acquisition of the Grenfell Property (Note 6(d)).

On November 17, 2016, the Company issued 2,600,000 common shares valued at $1,040,000 for the acquisition of the Heikki Property (Note 6(a)).

On December 20, 2016, the Company completed a non-brokered private placement for gross proceeds of $2,314,949. The Company issued 2,000,000 non-flow-through common shares of the Company at a price of $0.50 per share and 2,022,998 flow-through common shares of the Company at a price of $0.65 per share.

The premium paid by investors on the flow-through units was calculated as $0.15 per share. Accordingly, $303,450 was recorded as other liability.

9. SHARE CAPITAL (Continued)

b) Issued and outstanding (continued)

The company incurred finder's fees of $196,495 and other share issue costs of $12,325. The Company also issued 332,300 finder's warrants valued at $126,231 (Note 9(c)) and entitling the holder to acquire one non-flow-through common share of the Company at an exercise price of $0.50 per share for a period of two years.

On February 9, 2017, the Company issued 750,000 common shares valued at $352,500 for the acquisition of the Hemlo East Property (Note 6(a)).

On April 13, 2017, the Company issued 1,200,000 common shares valued at $600,000 for the acquisition of the Maybrun Property (Note 6(c)).

During the nine months ended May 31, 2017, the Company received $87,500 on the exercise of 437,500 warrants and $7,600 on the exercise of 38,000 stock options.

Year Ended August 31, 2016

On December 24, 2015, the Company completed a non-brokered private placement for gross proceeds of $110,000. The Company issued 157,142 flow-through units at a price of $0.70 per unit. Each unit consisted of one flow-through common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of $1.20 for a period of one year.

The premium paid by investors on the flow-through units was calculated as $nil per share. Accordingly, no other liability was recorded.

The Company paid finders fees of $19,300 and issued 12,570 finder's warrants valued at $7,203 (Note 8(c)) and entitling the holder to acquire one non-flow-through common share of the Company at an exercise price of $0.70 for a period of three years.

On February 10, 2016, the Company issued 75,000 common shares valued at $60,000 for the acquisition of the Atikwa Lake Property (Note 6(d)).

On February 19, 2016, the Company issued 132,500 common shares valued at $92,750 for the acquisition of the Lac Lapointe Property (Note 6(e)).

On May 4, 2016, the Company issued 100,000 common shares valued at $60,000 for the acquisition of the Oyster Property (Note 6(g)).

On July 7, 2016, the Company completed a non-brokered private placement for gross proceeds of $75,000. The Company issued 150,000 common shares of the Company at a price of $0.50 per share.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Warrants

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

	Nine Months Ended May 31, 2017		**Year Ended August 31, 2016**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	258,001	$ 1.69	166,860	$ 1.50
Issued	4,675,995	0.23	91,141	1.13
Exercised	(437,500)	0.20	-	-
Expired	(245,431)	1.74	-	-
Outstanding, end of period	4,251,065	$ 0.23	258,001	$ 1.69

The following warrants were outstanding and exercisable at May 31, 2017:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants
September 26, 2018	1.32	$ 0.20	3,729,158
December 20, 2018	1.56	$ 0.50	332,300
December 24, 2018	1.57	$ 0.70	12,570
October 26, 2020	3.41	$ 0.36	177,037
	1.43		4,251,065

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finder's warrants granted. The fair value of each finder's warrant grant was calculated using the following weighted average assumptions:

	Nine Months Ended May 31, 2017	**Year Ended August 31, 2016**
Expected life (years)	2.00	3.00
Risk-free interest rate	0.82%	0.50%
Expected annualized volatility	117%	235%
Dividend yield	N/A	N/A
Stock price at grant date	$0.60	$0.60
Exercise price	$0.50	$0.70
Weighted average grant date fair value	$0.38	$0.57

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Stock options

The Company adopted a Stock Option Plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a 12-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding under the Company's stock option plan are summarized as follows:

	Nine Months Ended May 31, 2017		**Year Ended August 31, 2016**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	16,000	$ 1.50	37,000	$ 1.50
Expired	(16,000)	1.50	(21,000)	1.50
Exercised	(38,000)	0.20	-	-
Granted	1,452,000	0.38	-	-
Outstanding, end of period	1,414,000	$ 0.38	16,000	$ 1.50

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

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
September 7, 2017	0.27	$ 0.20	114,000	114,000
April 11, 2020	2.87	$ 0.40	1,300,000	1,300,000
	2.66		1,414,000	1,414,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each stock option grant was calculated using the following weighted average assumptions:

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Stock options (continued)

	Nine Months Ended May 31, 2017	Year Ended August 31, 2016
Expected life (years)	2.79	N/A
Risk-free interest rate	0.80%	N/A
Expected annualized volatility	136%	N/A
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.39	N/A
Exercise price	$ 0.38	N/A
Weighted average grant date fair value	$ 0.29	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, receivables and accounts payable. Cash is classified as FVTPL. Receivables is classified as loans and receivables. Accounts payable is classified as other financial liabilities. The carrying value of these instruments approximates their fair values due to the relatively short periods to maturity of these instruments.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

May 31, 2017	Level 1	Level 2	Level 3	Total
Cash	$ 379,929	$ -	$ -	$ 379,929

August 31, 2016	Level 1	Level 2	Level 3	Total
Cash	$ 170	$ -	$ -	$ 170

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash, the Company places the instrument with a major Canadian financial institution.

10. FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at May 31, 2017, the Company had cash of $379,929 (August 31, 2016 - $170) to settle accounts payable and accrued liabilities of $140,885 (August 31, 2016 - $279,002) which fall due for payment within twelve months of the statement of financial position date. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* - The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary assets or liabilities.

ii) *Interest rate risk* - The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company does not have significant exposure to this risk.

11. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to 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. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2017. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

a) On June 19, 2017, the Company issued 2,200,000 common shares valued at $682,000 for the acquisition of the Hemlo East Extension and the Hemlo West (Note 6(a)).

12. SUBSEQUENT EVENTS (Continued)

b) On June 19, 2017, the Company entered into an option agreement to acquire additional claims on the Atikwa Lake Property. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 25,000 common shares of the Company (issued and valued at $7,000) and making a cash payment of $10,000 (paid) upon approval by the TSX-V;
- Issuing 25,000 common shares of the Company and making a cash payment of $25,000 by June 23, 2018;
- Issuing 50,000 common shares of the Company and making a cash payment of $35,000 by June 23, 2019; and
- Issuing 85,000 common shares of the Company and making a cash payment of $60,000 by June 23, 2020.

The Company must also incur exploration expenditures on the additional claims as follows:

- $50,000 on or before June 19, 2018
- An additional $75,000 on or before June 19, 2019; and
- An additional $150,000 on or before June 19, 2020.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of $1,000,000.

c) Subsequent to May 31, 2017, the Company received $12,500 on the exercise of 62,500 warrants.

d) Subsequent to May 31, 2017, 25,000 stock options expired unexercised following the termination of a consultant.