NV GOLD CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

SIX MONTHS ENDED FEBRUARY 28, 2017 and 2016

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	February 28, 2017	August 31, 2016
ASSETS		
Current		
Cash	$ 1,355,886	$ 328,198
Accounts receivable	3,210	5,067
Prepaid expenses	42,730	1,068
	1,401,826	334,333
Reclamation bonds (Note 5)	40,538	45,116
Exploration advances (Note 6)	44,830	69,441
Exploration and evaluation assets (Note 6)	2,708,085	39,485
	$ 4,195,279	$ 488,375
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 66,375	$ 19,643
Due to related parties (Note 9)	23,115	65,495
	89,490	85,138
Shareholders' equity		
Share capital (Note 8)	10,573,901	6,236,430
Share subscriptions received	-	371,347
Share-based payments reserve (Note 8)	1,530,407	1,031,185
Deficit	(7,998,519)	(7,235,725)
	4,105,789	403,237
	$ 4,195,279	$ 488,375

Nature of operations (Note 1)
Basis of presentation (Note 2)
Events subsequent to the reporting period (Note 14)

Approved on behalf of the Board
on April 12, 2017

"John E. Watson" Director *"Peter A. Ball"* Director

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

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended February 28, 2017	Three Months Ended February 29, 2016	Six Months Ended February 28, 2017	Six Months Ended February 29, 2016
EXPENSES				
Advertising and promotion	$ 26,252	$ -	$ 37,831	$ -
Bank charges and interest	713	1,099	2,419	1,558
Consulting	21,720	29,199	81,764	70,323
Office and general	3,223	1,407	6,625	2,754
Professional fees	34,174	48,397	73,424	72,878
Property investigation (recovery)	(53)	8,492	15,243	8,492
Registration and filing	7,685	8,260	11,471	9,608
Shareholder costs	4,897	4,203	7,274	4,744
Share-based compensation (Note 8)	75	-	499,222	-
Transfer agent	1,903	1,488	3,412	2,131
Travel and related	20,867	-	21,801	-
Loss before other items	(121,456)	(102,545)	(760,486)	(172,488)
OTHER ITEMS				
Foreign exchange gain (loss)	(3,382)	7,679	(2,600)	6,410
Interest income	287	5	292	5
Write-down of exploration and evaluation assets	-	-	-	(58,763)
	(3,095)	7,684	(2,308)	(52,348)
Loss and comprehensive loss for the period	$ (124,551)	$ (94,861)	$ (762,794)	$ (224,836)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.02)
Weighted average number of shares outstanding	23,423,915	10,141,259	20,717,316	10,141,259

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

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT FEBRUARY 28, 2017

	Share Capital		Share Subscriptions Received	Share-based Payments Reserve	Deficit	Total Shareholders' Equity (Deficiency)
	No. of Shares	Amount				
Balance, August 31, 2015	**10,141,260**	**$ 6,094,177**	$ -	**$ 1,031,185**	**$ (7,189,365)**	**$ (64,003)**
			-			
Loss for the period	-	-	-	-	(224,836)	(224,836)
Balance, February 29, 2016	**10,141,260**	**$ 6,094,177**	$ **-**	**$ 1,031,185**	**$ (7,414,201)**	**$ (288,839)**
Shares issued for debt settlement	1,580,592	142,253	-	-	-	142,253
Share subscriptions received	-	-	371,347	-	-	371,347
Income for the period	-	-	-	-	178,476	178,476
Balance, August 31, 2016	**11,721,852**	**$ 6,236,430**	**$ 371,347**	**$ 1,031,185**	**$ (7,235,725)**	**$ 403,237**
Shares issued for mineral property and database	6,172,730	2,160,455	-	-	-	2,160,455
Shares issued for finder's fees on Swiss Permits	40,000	8,000	-	-	-	8,000
Private placements	9,783,000	2,228,900	(371,347)	-	-	1,857,553
Share issue costs	-	(59,884)	-	-	-	(59,884)
Share-based compensation	-	-	-	499,222	-	499,222
Loss for the period	-	-	-	-	(762,794)	(762,794)
Balance, February 28, 2017	**27,717,582**	**$10,573,901**	**$ -**	**$ 1,530,407**	**$ (7,998,519)**	**$ 4,105,789**

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

NV GOLD CORPORATION
CONDENSED COSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Six Months Ended February 28, 2017	Six Months Ended February 29, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (762,794)	$ (224,836)
Items not affecting cash		
Foreign exchange	(465)	36,825
Interest accrued on promissory note payable to related party	-	313
Share-based compensation	499,222	-
Write-down of exploration and evaluation assets	-	58,763
Change in non-cash working capital items:		
Accounts receivable	1,857	4,138
Prepaid expenses	(41,662)	(1,617)
Accounts payable and accrued liabilities and due to related parties	(8,502)	(345,348)
Net cash (used in) provided by operating activities	(312,344)	(471,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation bonds	5,043	3,430
Proceeds from sale of mineral property	-	592,065
Exploration and evaluation assets	(503,887)	(63,256)
Exploration advances	41,207	-
Net cash used in investing activities	(457,637)	532,239
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	1,857,553	-
Share issue costs paid	(59,884)	-
Promissory notes issued to related party	-	67,998
Promissory notes settled with related party	-	(67,998)
Net cash provided by financing activities	1,797,669	-
Change in cash during the period	1,027,688	60,477
Cash, beginning of period	328,198	28,695
Cash, end of period	$ 1,355,886	$ 89,172

Supplemental disclosures with respect to cash flows (Note 12)

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

1. NATURE OF OPERATIONS

The Company was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company is engaged in the identification, acquisition and exploration of mineral properties. The Company began trading on the TSX Venture Exchange ("TSX-V") on November 26, 2009 under the trading symbol NVX.

The address of the Company's corporate office is located at Suite 810 - 609 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended August 31, 2016.

b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (cont'd…)

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of $762,794 during the six month period ended February 28, 2017 and, as of that date the Company's deficit was $7,998,519. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

	February 28, 2017	August 31, 2016
Working capital	$ 1,312,336	$ 249,195
Deficit	(7,998,519)	(7,235,725)

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the financial statements of the parent company, NV Gold Corporation, and its subsidiaries listed below:

	Jurisdiction	Nature of Operations	Equity Interest 2017	Equity Interest 2016
NV Gold Corporation(USA) Inc. ("NV Gold USA")	Nevada, USA	Exploration	100%	100%
SwissGold Exploration AG ("SwissGold")	Switzerland	Exploration	100%	100%

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances and transactions have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Other financial liabilities: This category includes amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit or loss. The Company's accounts receivable are classified as loans and receivables. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Mineral property assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Reclamation bonds

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based payment transactions

Where equity-settled share options are awarded to employees, the fair value of the options is measured on the date of grant using the Black-Scholes option pricing model and is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payment transactions (cont'd…)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period which they occur. The Company had no rehabilitation obligations as at February 28, 2017 and February 29, 2016.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Earning/Loss per share

Basic earnings / loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

New Standards Not Yet Adopted

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the company.

IFRS 9, "Financial Instruments", is part of the IASB's wider project to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 retains but simplifies the mixed measurement model and established two primary measurement categories for financial assets; amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company on or after September 1, 2018. The Company will continue to evaluate and monitor the developments of this new standard.

IFRS 15, "Revenue from Contracts with Customers", is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 replaces IAS 11, *"Construction Contracts"*, and IAS 18, *"Revenue"* among others. It provides a single model in order to depict the transfer of promised goods or services to customers. The standard is effectives for the Company on or after September 1, 2018. The Company will continue to evaluate and monitor the developments of this new standard.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New Standards Not Yet Adopted (cont'd…)

IFRS 16, "Leases", is a new standard to set out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17, *"Leases"*, and instead introduces a single lessee accounting model. It provides a single model in order to depict the transfer of promised goods or services to customers. The standard is effectives for the Company on or after September 1, 2019. The Company will continue to evaluate and monitor the developments of this new standard.

4. 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 in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

   The application of the Company's accounting policy for exploration and evaluation 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 may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period 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) Share-based compensation

   The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 8.

(Expressed in Canadian Dollars)

5. RECLAMATION BONDS

The Company's refundable reclamation bonds are comprised of the following:

	February 28, 2017	August 31, 2016
Nevada property (Cooks Creek Project)	$ 18,945	$ -
Afgan-Kobeh property	21,593	21,376
Rattlesnake Hills project	-	23,740
	$ 40,538	$ 45,116

6. EXPLORATION AND EVALUATON ASSETS

The following exploration and evaluation assets expenditures were incurred on the Company's mineral properties.

For the six month period ended February 28, 2017	Nevada Properties	SW Pipe	Frazier Dome	Swiss Permits	Total
Acquisition costs					
Balance, August 31, 2016	$ -	$ -	$ -	$ 1	$ 1
Additions	1,692,357	-	-	21,505	1,713,862
Total acquisition cost, February 28, 2017	1,692,357	-	-	21,506	1,713,863
Exploration costs					
Balance, August 31, 2016	$ -	$ -	$ -	39,484	39,484
Additions:					
Assays	63,869	1,106	1,114	1,334	67,423
Claim filing and registration	85,870	52,344	27,209	142	165,565
Drilling and related	128,871	-	-	-	128,871
Geological consulting	42,861	9,003	6,686	-	58,550
Geological database	468,099	-	-	-	468,099
Land management	21,426	-	-	-	21,426
Maps and database management	19,263	94	94	-	19,451
Materials and supplies	2,310	41	41	41	2,433
Meals and lodging	1,637	468	-	703	2,808
Sample storage	4,316	-	-	1,593	5,909
Site access and preparation	8,162	-	-	-	8,162
Travel and transport	3,813	995	589	644	6,041
	850,497	64,051	35,733	4,457	954,738
Total exploration costs, February 28, 2017	850,497	64,051	35,733	43,941	994,222
Total exploration and evaluation assets, February 28, 2017	$ 2,542,854	$ 64,051	$ 35,733	$ 65,447	$ 2,708,085

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATON ASSETS (cont'd…)

For the year ended August 31, 2016	Swiss Permits	Afgan-Kobeh Property	Total
Acquisition costs			
Balance, August 31, 2015	$ 1	$ 415,234	$ 415,235
Additions	-	-	-
Total acquisition cost, August 31, 2016	1	415,234	415,235
Exploration costs			
Balance, August 31, 2015	32,999	176,831	209,830
Additions:			
Assays	1,122	-	1,122
Claim filing and registration	6,075	-	6,075
Geological consulting	38,046	-	38,046
Maps and database management	1,201	-	1,201
Materials and supplies	864	-	864
Meals and lodging	6,339	-	6,339
Sample storage	810	-	810
Travel and transport	10,791	-	10,791
	65,248	-	65,248
Total exploration costs, August 31, 2016	98,247	176,831	275,078
Less: sale of exploration and evaluation assets	-	(592,065)	(592,065)
Less: write-off of exploration and evaluation assets	(58,763)	-	(58,763)
Total exploration and evaluation assets, August 31, 2016	$ 39,485	$ -	$ 39,485

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge title to all of its properties is in good standing.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATON ASSETS (cont'd…)

Nevada Properties (Nevada, USA)

On September 29, 2016 the Company completed its acquisition of the Nevada assets of Redstar Gold Corp. ("Redstar") according to the detailed terms of the agreement (the "Purchase Agreement") previously announced on September 2, 2016. These assets consist of a 100% interest in 11 exploration projects in Nevada ("Nevada Properties"), 4 of which are subject to NSRs, as well as the AngloGold-Ashanti database (the "Database") purchased by Redstar in 2008.

The Company acquired the Database and the 11 Nevada Properties by issuing to Redstar a total of 6,172,730 common shares of the Company, including 172,730 shares to comply with the anti-dilution provision of the Purchase Agreement, resulting in Redstar owning 29.9% of the Company's outstanding common shares upon completion of the transaction. As part of the transaction, the Company appointed two directors from Redstar to its board of directors.

The Nevada Properties are comprised of the following projects:

Project Name	Number of Claims	County in State of Nevada
Baker Springs	22	Elko
Cooks Creek	66	Lander
Gold Cloud	20	Eureka
Larus	36	Eureka
Long Island	27	Nye
Oasis	10	Esmeralda
Painted Hills	14	Humboldt
Queens	4	Nye
Richmond Summit	30	Eureka
Root Spring	26	Pershing
Seven Devils	54	Pershing
	309	

SW Pipe Project (Nevada, USA)

The Company staked 84 unpatented mining claims in Lander County, Nevada. The claims, collectively named the SW Pipe Project, cover approximately 6.5 square km (2.5 square miles).

Frazier Dome Project (Nevada, USA)

The Company staked 50 unpatented mining claims in Nye County, Nevada. The claims, collectively named the Frazier Dome Project, cover approximately 3.9 square km (1.5 square miles).

Exploration advances

During the six month period ended February 28, 2017, the Company incurred $44,830 (August 31, 2016 - $69,441) as exploration advances on mineral claims that it was staking and acquiring to which legal title was in the process of being transferred. See Note 14, Events subsequent to the reporting period.

6. EXPLORATION AND EVALUATON ASSETS (cont'd…)

Swiss Permits (Switzerland)

The Company, through its Swiss subsidiary, SwissGold, was issued a five year exploration permit ("Permit") for gold and precious metals that covers an area of approximately 224km^2 within the Communes of Medel/Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. Under the terms of the Permit, the Company must:

a) pay an initial fee of Swiss Francs 4,500 (paid);
b) pay an annual fee of Swiss Francs 4,500 (paid);
c) incur exploration expenditures of Swiss Francs 120,000 before the end on 2015; and
d) incur exploration expenditures of Swiss Francs 100,000 annually thereafter during the first term of the permit to maintain the Permit in good standing.

Excess expenditures may be carried forward to meet expenditure requirements in future years. Also, the Communes can issue a mining concession to the Company subject to: (i) completion of a satisfactory feasibility study; (ii) completion of an environmental impact study; and (iii) consent from each of the three municipal bodies in the Communes.

In early fiscal 2016, the Company wrote-down the Swiss Permits to $1 due to the uncertainty of receiving relief from future work commitment obligations that the Company was seeking. As a result, $58,763 in exploration and evaluation costs were charged to operations during the year ended August 31, 2016. However, on February 19, 2016, the Company received written confirmation from the Communes regarding future work commitment obligations. The Communes have agreed to provide the Company with relief from incurring exploration expenditures for 2016 and 2017. The Company will still incur approximately US$10,000 in maintenance fees in each year during 2016 and 2017 to keep the Swiss Permits in good standing.

During the six month period ended February 28, 2017, the Company issued 40,000 common shares valued at $8,000 and paid Swiss Francs 10,000 as a finder's fee pursuant to the terms of an agreement in connection with the Company securing the Permit.

Afgan-Kobeh Property (Nevada, USA)

The Company held a 100% interest in the Afgan-Kobeh project located in Eureka County, Nevada. The Company acquired its interest in the project during fiscal 2012 by completing the terms of an option agreement entered into with Gold Standard Royalty (Nevada) Inc., ("Gold Standard") during fiscal 2010. Under the terms of the agreement, the Company paid US$200,000 in cash and issued 120,000 common shares at a fair value of $150,000 and 120,000 share purchase warrants at an exercise price of $0.40 per share expiring June 14, 2012 (expired) with a fair value of $62,374 using the Black-Scholes option pricing method with a volatility of 100%, risk-free interest rate of 1.81%, an estimated useful life of 2 years and 0% annual dividend rate. The property is subject to a 1% NSR.

As at August 31, 2015, the Company wrote-down the Afgan-Kobeh Property by $633,656 to a carrying value of $592,065 (US$450,000).

On December 18, 2015, the Company entered into an agreement whereby it sold the Afgan-Kobeh Property to McEwen Mining Inc. for US$450,000. A portion of the proceeds from the sale were used to reimburse cash advances and promissory notes payable of US$355,038 due to the President and CEO of the Company. The remaining balance of the proceeds were used for general working capital purposes.

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are comprised of the following:

	February 28, 2017	August 31, 2016
Accrued liabilities	$ 529	$ 7,604
Trade payables	65,846	12,039
Total	$ 66,375	$ 19,643

8. SHAREHOLDERS' EQUITY

Authorized:

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

During the six month ended February 28, 2017, the Company issued:

a) 6,172,730 common shares valued at $2,160,455 to Redstar to acquire the Nevada Properties and a Database (Note 6).

b) 2,750,000 units (the "Units") at $0.20 per unit for gross proceeds of $550,000 pursuant to a private placement financing that was completed on September 29, 2016. A cash Finder's fee of $2,250 was paid. Each unit consisted of one share and one-half of one Warrant exercisable at $0.40 per share until September 29, 2018. The expiry date of each whole Warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $0.60 for ten consecutive trading days, the Company may notify the holder in writing that the Warrants will expire 20 trading days from receipt of such notice unless exercised by the holder before such date.

c) 2,723,000 units at $0.30 per unit for gross proceeds of $816,900 pursuant to a private placement financing completed on November 22, 2016. Each unit issued consisted of one share and one-half of one warrant exercisable at $0.60 per share until November 22, 2018. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $1.00 for ten consecutive trading days, the Company may notify the holder in writing that the warrants will expire 20 trading days from receipt of such notice unless exercised by the holder before such date.

d) 4,310,000 units at $0.20 per unit for gross proceeds of $862,000 pursuant to a non-brokered private placement. Each unit consists of one common share and one-half of one warrant exercisable at $0.30 per share expiring February 27, 2019. The Company paid a cash finder's fee of $16,800. The units and any common shares issued pursuant to the exercise of the warrants are subject to a hold period expiring June 28, 2017. The proceeds of the private placement will be used by the Company for the acquisition and advancement of new and existing mineral properties and for general working capital.

e) 40,000 common shares valued at $8,000 for finder's fees pursuant to terms of an agreement on the Company securing an exploration license on the Swiss Permits (Note 6).

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY (cont'd…)

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

a) 1,580,592 common shares to the President and CEO in settlement of $142,253 in debt of the Company payable to him for past services and out of pocket expenses incurred on behalf of the Company.

Stock options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. The exercise price of each option may not be less than the fair market value of the common shares.

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

	Number of Options		Weighted Average Exercise Price
Outstanding, August 31, 2015	754,000	$	0.75
Expired/cancelled	(148,000)		(0.50)
Outstanding, August 31, 2016	606,000		0.82
Granted	1,525,000		0.34
Expired/cancelled	(130,000)		(0.50)
Outstanding, February 28, 2017	2,001,000	$	0.38
Exercisable, February 28, 2017	1,926,000	$	0.38

Stock options outstanding at February 28, 2017 are as follows:

Number Of Options	Exercise Price	Expiry Date
146,000	$ 0.25	January 20, 2019
330,000	$ 0.60	January 28, 2020
1,450,000	$ 0.35	September 29, 2021
75,000	$ 0.20	February 27, 2022
2,001,000		

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY (cont'd…)

Warrants

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

	Number of Warrants		Weighted Average Exercise Price
Outstanding, August 31, 2015	2,726,133	$	0.70
Expired/cancelled	(1,696,133)		(0.66)
Outstanding, August 31, 2016	1,030,000		0.83
Granted	4,891,500		0.41
Outstanding, February 28, 2017	5,921,500	$	0.48
Exercisable, February 28, 2017	5,921,500	$	0.48

Warrants outstanding at February 28, 2017 are as follows:

Number of Warrants		Exercise Price	Expiry Date
670,000	$	1.00	April 28 2017 (i)
200,000	$	0.50	September 15, 2017
160,000	$	0.50	April 22, 2018
1,375,000	$	0.40	September 29, 2018 (ii)
1,361,500	$	0.60	November 22, 2018 (iii)
2,155,000	$	0.30	February 27, 2019
5,921,500			

i) The warrants are subject to an accelerated exercise provision in the event the volume weighted average trading price exceeds $1.50 for a period of 20 consecutive days.

ii) The warrants are subject to an accelerated exercise provision in the event the volume weighted average trading price exceeds $0.60 for a period of 10 consecutive days.

iii) The warrants are subject to an accelerated exercise provision in the event the volume weighted average trading price exceeds $1.00 for a period of 10 consecutive days.

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY (cont'd…)

Share-based compensation

During the six month period ended February 28, 2017, the Company recognized $499,222 (2016 - $Nil) in share-based compensation on stock options that vested during the current period. The Company granted 1,525,000 (2016 – nil) stock options with a fair value of $0.34 (2016 - $Nil). The fair value of share-based compensation was calculated using the Black-Scholes option-pricing model.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	February 28, 2017	February 29, 2016
Risk-free interest rate	0.57% ~ 1.12%	-
Expected life of options	5 years	-
Annualized volatility	213.92% ~ 214.07%	-
Forfeiture rate	0.0%	-
Dividend rate	0.0%	-

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the six month period ended February 28, 2017:

i) Paid or accrued $39,864 (2016 - $56,909) in consulting fees to the President and CEO of the Company.

ii) Received $Nil (2016 - US$25,000 ($32,756)) from the President and CEO of the Company by issuing a promissory note payable at an interest rate of 5% per year. Interest of $Nil (2015 – US$92 ($123)) has been accrued.

iii) Paid $Nil (2016 - US$355,038 (Cdn$468,918)) to the President and CEO of the Company representing a reimbursement of cash advances and promissory notes payable.

iv) Paid or accrued $Nil (2016 - $19,702) in fees which have been capitalized to exploration and evaluation assets to a company controlled by a director of the Company.

v) Paid or accrued $Nil (2016 - $4,500) in consulting fees to directors of the Company.

vi) Paid or accrued $78,072 (2016 - $31,481) in professional fees and share issue costs to companies controlled by officers of the Company.

9. RELATED PARTY TRANSACTIONS (cont'd…)

Included in due to related parties as of February 28, 2017 is $23,115 (August 31, 2016 - $65,495) due to directors and companies controlled by officers. The amounts are non-interest bearing and unsecured.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the six month period ended February 28, 2017, 1,200,000 (2016–Nil) stock options, out of a total of 1,525,000 (2016 – Nil) (Note 8), were granted to directors and officers. The fair value of $413,040 (2016 - $Nil) was recorded as share-based compensation.

Other than disclosed above, there was no other compensation paid to key management during the six months ended February 28, 2017 and February 29, 2016.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2– inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at February 28, 2017, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables consist of GST recoverable from the Canadian Government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 28, 2017, the Company had a cash balance of $1,355,886 to settle current liabilities of $89,490. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company has two foreign subsidiaries whose operations are in the United States and Switzerland respectively, which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar, United States dollar and the Swiss Franc. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the six month period ended February 28, 2017 included:

a) Exploration and evaluation assets of $4,853 are accrued in accounts payable and accrued liabilities.

b) Exploration advances of $26,621 are included in accounts payable and accrued liabilities.

c) Issuance of 6,172,730 common shares valued at $2,160,455 to Redstar to acquire the Nevada Properties and a Database (Note 6).

d) Issuance of 40,000 common shares valued at $8,000 as finder's fees pursuant to the terms of an agreement in connection with securing the Permit in Switzerland (Note 6).

There were no significant non-cash transactions during the six month period ended February 29, 2016.

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company has mineral properties located geographically as follows:

Exploration and evaluation assets	February 28, 2017	August 31, 2016
United States of America	$ 2,642,638	$ -
Switzerland	65,447	39,485
Total	$ 2,708,085	$ 39,485

Reclamation bonds of $40,538 (August 31, 2016 - $45,116) were held entirely in the United States of America.

14. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to the six month period ended February 28, 2017:

The Company staked 217 lode mining claims, covering approximately 17 square km in Humboldt County, Nevada. The Company has named the claims collectively, Across-the-Valley or ATV Project.