



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

June 30, 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>June 30</u> <u>2018</u>	<u>December 31</u> <u>2017</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,171,270	\$ 1,559,526
Short-term investments	1,117,821	1,207,880
Receivables (Note 6)	278,579	343,648
Investments (Note 3)	55,862	96,120
	<u>2,623,532</u>	<u>3,207,174</u>
Long term deposit	101,888	101,888
Land use deposits (Note 4)	72,000	72,000
Equipment	74,489	87,747
Mineral properties (Note 5)	<u>11,848,726</u>	<u>11,848,726</u>
	<u>\$ 14,720,635</u>	<u>\$ 15,317,535</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 147,432	\$ 309,358
	<u>147,432</u>	<u>309,358</u>
Shareholders' equity		
Share capital (Note 7)	35,495,295	35,495,295
Reserves	404,328	407,016
Deficit	<u>(21,326,420)</u>	<u>(20,894,134)</u>
	<u>14,573,203</u>	<u>15,008,177</u>
	<u>\$ 14,720,635</u>	<u>\$ 15,317,535</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 8, 2018.

"Kendra Johnston"

Kendra Johnston, Director

"Randy C. Turner"

Randy C. Turner, Director

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Expenses				
Exploration Expenditures (Note 5)	\$ 35,465	\$ 169,350	\$ 16,063	\$ 310,328
Property Investigation	41,334	50,741	48,739	50,741
Depreciation	6,629	6,629	13,258	13,258
Insurance	-	-	3,662	1,933
Legal, audit and accounting	20,568	22,471	20,657	29,918
Management fees and corporate services (Note 6)	67,800	60,987	135,600	115,475
Office and miscellaneous	11,781	4,184	32,334	4,436
Regulatory and transfer agent fees	1,774	1,125	13,187	8,916
Rent	31,660	21,721	33,442	47,665
Share-based compensation (Note 7)	-	-	-	281,396
Shareholder communications	3,765	37,644	22,101	64,645
Travel	8,006	1,840	12,693	6,065
Wages and benefits	37,663	27,030	63,492	80,071
	<u>(266,445)</u>	<u>(403,722)</u>	<u>(415,228)</u>	<u>(1,014,847)</u>
Interest income	9,967	12,541	20,513	28,010
Unrealized (loss)/gain on marketable securities	<u>(18,666)</u>	<u>750</u>	<u>(40,259)</u>	<u>750</u>
	<u>(8,699)</u>	<u>13,291</u>	<u>(19,746)</u>	<u>28,760</u>
Loss and comprehensive loss for the period	\$ <u><u>(275,144)</u></u>	\$ <u><u>(390,431)</u></u>	\$ <u><u>(434,974)</u></u>	\$ <u><u>(986,087)</u></u>
Basic and diluted loss per common share	\$ <u><u>(0.01)</u></u>	\$ <u><u>(0.01)</u></u>	\$ <u><u>(0.01)</u></u>	\$ <u><u>(0.02)</u></u>
Weighted average number of common shares outstanding	56,090,392	56,090,392	56,090,392	55,959,729

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cash flows used in operating activities		
Loss for the period	\$ (434,974)	\$ (986,087)
Items not affecting cash:		
Depreciation	13,258	13,258
Share-based compensation	-	281,396
Interest on short-term investments	(7,107)	2,645
Unrealized loss/(gain) on investments	40,259	(750)
Changes in non-cash working capital items:		
Decrease in prepaid expenses	-	11,111
Decrease in receivables	65,069	75,742
(Increase) decrease in accounts payable and accrued liabilities	(161,926)	47,339
Net cash used in operating activities	<u>(485,421)</u>	<u>(555,346)</u>
Cash flows from financing activities		
Issuance of common shares for cash	-	120,000
Net cash provided by financing activities	<u>-</u>	<u>120,000</u>
Cash flows from investing activities		
Increase in long-term deposit	-	(28,750)
Decrease in short-term investments	97,165	389,471
Net cash from investing activities	<u>97,165</u>	<u>360,721</u>
Change in cash and cash equivalents during the period	(388,256)	(74,625)
Cash and cash equivalents, beginning of the period	1,559,526	1,913,424
Cash and cash equivalents, end of the period	\$ <u><u>1,171,270</u></u>	\$ <u><u>1,838,799</u></u>

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

INDEPENDENCE GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)**

(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2016	55,490,392	\$ 35,265,861	\$ 520,982	\$ (18,623,355)	\$ 17,163,488
Issued for incentive stock options	600,000	229,434	(109,434)	-	120,000
Reserves transferred on cancelled/expired options	-	-	(278,145)	278,145	-
Share-based compensation	-	-	281,396	-	281,396
Loss for the period	-	-	-	(986,087)	(986,087)
Balance, June 30, 2017	56,090,392	\$ 35,495,295	\$ 414,799	\$ (19,331,297)	\$ 16,578,797
Reserves transferred on cancelled/expired options	-	-	(81,239)	81,239	-
Share-based compensation	-	-	73,456	-	73,456
Loss for the period	-	-	-	(1,644,076)	(1,644,076)
Balance, December 31, 2017	56,090,392	\$ 35,495,295	\$ 407,016	\$ (20,894,134)	\$ 15,008,177
Reserves transferred on cancelled/expired options	-	-	(2,688)	2,688	-
Loss for the period	-	-	-	(434,974)	(434,974)
Balance, June 30, 2018	56,090,392	\$ 35,495,295	\$ 404,328	\$ (21,326,420)	\$ 14,573,203

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

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Independence Gold Corp. ("Independence" or the "Company") was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its properties contain economically recoverable mineral reserves.

The Company's head office and principal address is 1020 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Management believes that the Company has sufficient working capital to maintain its operations for the upcoming fiscal year.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2017.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2017 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)**3. MARKETABLE SECURITIES**

	June 30, 2018	December 31, 2017
Rojo Resources Ltd.	\$ 1,150	\$ 2,000
Metallic Minerals Corp.	54,712	94,120
Total	\$ 55,862	\$ 96,120

As at June 30, 2018, the Company holds 5,000 (December 31, 2017 – 5,000) common shares of Rojo Resources Ltd., a public company listed on the TSX Venture Exchange. These shares were received pursuant to mineral property option agreements with the Company, at a value of \$42,000.

On September 29, 2017, the Company received 200,000 common shares and 200,000 warrants of Metallic Minerals Corporation pursuant to the sale of certain mineral properties that were written off in previous fiscal years. The common shares were recorded at fair value and the warrants were recorded at fair value using the Black-Scholes option pricing model. The Company revalues the common shares and warrants at each reporting period. Any changes in the fair value of the common shares and warrants is recorded in profit or loss.

The common shares and warrants when received, had a fair value of \$64,000 and \$3,971, respectively. The fair value of the warrants was based on the Black-Scholes valuation model using the following inputs:

	June 30, 2018	December 31, 2017
Risk-free interest rate	1.44%	0.62 – 1.81%
Expected life of warrants	1.24 years	1.75 – 2.00 years
Expected annualized volatility	30%	30%
Expected dividend rate	0%	0%

4. LAND USE DEPOSITS

The Company has provided deposits as security for land use and potential future reclamation work relating to its mineral properties. As at June 30, 2018 a total of \$72,000 (December 31, 2017 - \$72,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)**5. MINERAL PROPERTIES**

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, except as described below are properly registered and in good standing.

The Company holds interest in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	June 30 2018	December 31 2017
BRITISH COLUMBIA		
<u>3Ts PROJECT</u>		
Taken Property	\$ 345,693	\$ 345,693
<i>A 100% interest in certain claims. The property is subject to a sliding scale net smelter returns royalty ("NSR") ranging from 2.0% to 4.0%. The Company may reduce the NSR to 1.0% by paying \$2,000,000 per percent.</i>		
Tam Property	1,750,979	1,750,979
<i>A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.</i>		
Tsacha Property	2,121,788	2,121,788
<i>A 100% interest in certain claims subject to a 2.0% NSR.</i>		
Tommy Lake Property	17,518	17,518
<i>A 100% interest.</i>		
YUKON		
<u>BOULEVARD PROJECT</u>		
Boulevard Property	4,683,537	4,683,537
<i>A 100% interest, subject to a 2.0% NSR. Upon completion of a 43-101 report with specific resource estimates, the Company will be obligated to issue a further 1,000,000 common shares.</i>		
YCS Property	425,237	425,237
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$1,000,000.</i>		
Solitude Property	865,566	865,566
<i>A 100% interest.</i>		
Tiger Property	233,776	233,776
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$2,000,000.</i>		
<u>WHITE GOLD PROPERTIES</u>		
Henderson Property	1,271,780	1,271,780
<i>A 100% interest.</i>		
Moosehorn Property	88,416	88,416
<i>A 100% interest.</i>		
Stinger Property	44,436	44,436
<i>A 100% interest.</i>		
	\$ <u>11,848,726</u>	\$ <u>11,848,726</u>

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)**5. MINERAL PROPERTIES (continued)**

During the six months ended June 30, 2018, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	\$ 15,058	\$ -	\$ -	\$ 132	\$ 6,296	\$ -	\$ -	\$ 21,486
YUKON								
Boulevard Project	16,275	-	3,454	-	27,791	-	-	47,521
Henderson	5,125	1,527	-	24	5,934	-	(40,000)	(27,390)
Moosehorn	3,514	1,528	-	-	1,356	-	(39,888)	(33,489)
Flow	1,862	-	-	-	756	-	-	2,617
Stinger	2,694	-	-	-	2,624	-	-	5,318
Others*	-	-	-	-	-	-	-	-
	\$ 44,528	\$ 3,055	\$ 3,454	\$ 156	\$ 44,757	\$ -	\$ (79,888)	\$ 16,063

*Others include Rosebute, Wolf Creek and Keno.

During the six months ended June 30, 2017, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	\$ 15,492	\$ 62,142	\$ -	\$ 1,018	\$ 2,953	\$ -	\$ -	\$ 81,605
YUKON								
Boulevard Project	49,773	447	-	42,639	17,938	293	-	111,090
Henderson	4,526	238	-	78,861	591	-	-	84,216
Moosehorn	2,513	-	-	2,730	1,094	-	(40,000)	(33,663)
Flow	1,334	-	-	3,482	-	-	-	4,816
Stinger	2,003	635	-	44,480	131	-	-	47,249
Wolf Creek	362	-	-	-	678	-	-	1,040
Rosebute	3,586	-	-	1,148	9,241	-	-	13,975
	\$ 79,589	\$ 63,462	\$ -	\$ 174,358	\$ 32,626	\$ 293	\$ (40,000)	\$ 310,328

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)**6. RELATED PARTY TRANSACTIONS**

The consolidated financial statements include the financial statements of Independence Gold Corp. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Golden Pavilion Resources Ltd.	British Columbia, Canada	100%	Holding company
Silver Quest Resources (US) Ltd.	Nevada, USA	100%	Inactive

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management for services rendered are as follows:

	Six months ended June 30, 2018	Six months ended June 30, 2017
Management fees	\$ 113,100	\$ 98,475
Directors fees	22,500	17,000
Geological consulting fees	28,002	14,625
Share-based compensation*	-	249,419
Property investigation	13,398	-
Total	\$ 177,000	\$ 379,519

* Share-based compensation consists of options granted to key management. The value shown above is calculated using the Black-Scholes option pricing model and does not represent actual amounts received.

Included in receivables at June 30, 2018 is \$270,004 (December 31, 2017 - \$258,576) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at June 30, 2018 is \$10,075 (December 31, 2017 - \$125,605) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors. During the six months ended, June 30, 2018, the Company received or accrued \$ 14,325 (June 30, 2017 - \$25,800) for rent and \$22,553 (June 30, 2017 - \$69,924) for accounting, investor relations, geology and other.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital

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

b) Issued share capital

The Company did not issue any shares during the six months period ended June 30, 2018.

During the year ended, December 31, 2017 the Company issued 600,000 common shares with an aggregate value of \$120,000 pursuant to the exercise of incentive stock options.

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at June 30, 2018, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
590,000	\$ 0.20	November 7, 2018
250,000	\$ 0.15	June 2, 2020
450,000	\$ 0.20	May 18, 2021
1,850,000	\$ 0.25	March 1, 2022
200,000	\$ 0.20	November 2, 2022
3,340,000		

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

Stock option transactions are summarized as follows:

	June 30, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	3,370,000	\$ 0.22	3,785,000	\$ 0.20
Granted	-	-	2,400,000	\$ 0.25
Exercised	-	-	(600,000)	\$ 0.20
Expired/cancelled	30,000	0.20	(2,215,000)	\$ 0.21
Balance, end of period	3,340,000	\$ 0.22	3,370,000	\$ 0.22
Options exercisable, end of period	3,340,000	\$ 0.22	3,370,000	\$ 0.22

d) Share-based compensation

The Company did not issue any stock options during the six months ended June 30, 2018.

During the six months ended June 30, 2017, the Company granted 2,200,000 stock options with a fair value of \$281,395 or \$0.13 per option. All options vest immediately on grant.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the noted year:

	2017
Risk-free interest rate	0.98%
Expected life of options	5 years
Annualized volatility	86.91%
Weighted average FV	\$ 0.13
Expected dividend rate	0%

e) Warrants

As at June 30, 2018 and 2017 the Company had no outstanding share purchase warrants.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the six months ended June 30, 2018 consisted of the transfer of reserves on expired/cancelled options of \$2,688 (June 30, 2017 - \$278,145) and transfer of reserves on exercise of options of \$Nil (June 30, 2017 - \$109,434).