



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

March 31, 2016

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

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.

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

(Expressed in Canadian Dollars)

	<u>March 31</u> <u>2016</u>	<u>December 31</u> <u>2015</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,844,322	\$ 1,565,847
Short-term investments	3,520,770	4,135,568
Marketable securities (Note 3)	1,250	1,000
Receivables	<u>214,310</u>	<u>93,201</u>
	<u>5,580,652</u>	<u>5,795,616</u>
Long term deposit (Note 4)	73,137	87,434
Land use deposits (Note 5)	67,000	67,000
Mineral properties (Note 6)	11,758,281	11,758,281
Leasehold improvements	<u>154,742</u>	<u>-</u>
	<u>\$ 17,633,812</u>	<u>\$ 17,708,331</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ <u>306,911</u>	\$ <u>103,066</u>
	<u>306,911</u>	<u>103,066</u>
Shareholders' equity		
Share capital (Note 8)	33,096,647	33,096,647
Reserves	555,238	555,238
Deficit	<u>(16,324,984)</u>	<u>(16,046,620)</u>
	<u>17,326,901</u>	<u>17,605,265</u>
	<u>\$ 17,633,812</u>	<u>\$ 17,708,331</u>

Nature and continuance of operations (Note 1)**Subsequent events** (Note 8d)

Approved and authorized by the Board on May 27, 2016

"Randy C. Turner"

Randy C. Turner, Director

"John McDonald"

John McDonald, Director

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (unaudited)

(Expressed in Canadian Dollars)

	Three Month Period Ended March 31 2016	Three Month Period Ended March 31 2015
EXPENSES		
Exploration expenditures (Note 6)	\$ 21,775	\$ 27,140
Property evaluation	54,971	45,142
Insurance	1,720	5,197
Legal, audit and accounting	2,499	595
Management fees and corporate services	57,488	52,688
Office and miscellaneous	48,644	9,492
Regulatory and transfer agent fees	6,549	8,693
Rent	32,603	60,857
Shareholder communications	4,762	2,666
Travel	11,440	1,852
Wages and benefits	54,897	70,123
	<u>(297,348)</u>	<u>(284,445)</u>
Interest income	18,734	32,550
Unrealized (loss)/gain on marketable securities	250	1,000
	<u>18,984</u>	<u>33,550</u>
Loss and comprehensive loss for the period	\$ <u>(278,364)</u>	\$ <u>(250,895)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	43,813,012	43,813,012

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (unaudited)

(Expressed in Canadian Dollars)

	Three Month Period Ended March 31 2016	Three Month Period Ended March 31 2015
Cash flows from operating activities		
Income (loss) for the period	\$ (278,364)	\$ (250,895)
Items not affecting cash:		
Interest on short-term investments	13,881	14,806
Unrealized (gain)/loss on marketable securities	(250)	(1,000)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(121,109)	(8,682)
Increase (decrease) in accounts payable and accrued liabilities	203,845	(12,930)
Net cash used in operating activities	<u>(181,997)</u>	<u>(258,701)</u>
Cash flows from investing activities		
(Acquisition) disposition of capital assets	(154,742)	-
(Increase) decrease in short-term investments	600,917	236,557
(Increase) decrease in long term deposits	14,297	-
Net cash provided by (used in) investing activities	<u>460,472</u>	<u>236,557</u>
Change in cash and cash equivalents during the period	278,475	(22,144)
Cash and cash equivalents, beginning of the period	1,565,847	2,183,790
Cash and cash equivalents, end of the period	<u>\$ 1,844,322</u>	<u>\$ 2,161,646</u>

Supplemental disclosure with respect to cash flows (Note 10)

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2015	43,813,012	\$ 33,096,647	\$ 555,238	\$ (16,046,620)	\$ 17,605,265
Loss for the period	-	-	-	(278,364)	(278,364)
Balance, March 31, 2016	<u>43,813,012</u>	<u>\$ 33,096,647</u>	<u>\$ 555,238</u>	<u>\$ (16,324,984)</u>	<u>\$ 17,326,901</u>
Balance, December 31, 2014	43,813,012	\$ 33,096,647	\$ 613,438	\$ (12,977,524)	\$ 20,732,561
Loss for the period	-	-	-	(250,895)	(250,895)
Balance, March 31, 2015	<u>43,813,012</u>	<u>\$ 33,096,647</u>	<u>\$ 613,438</u>	<u>\$ (13,228,419)</u>	<u>\$ 20,481,666</u>

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 THREE MONTH PERIOD ENDED MARCH 31, 2016 (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, 2015.

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, 2015 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 THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

	March 31, 2016	December 31, 2015
Rojo Resources Ltd.	\$ 1,250	\$ 1,000

As at March 31, 2016, the Company holds 25,000 (December 31, 2015 – 25,000) common shares of Rojo Resources Ltd. (formerly known as Lucky Strike Resources Ltd.), a public company listed on the TSX Venture Exchange.

4. COMMITMENTS

The Company entered into an operating lease agreement for its premises expiring in 2021. The minimum annual commitment under this lease is as follows:

2016	\$ 73,692
2017	\$ 88,431
2018	\$ 88,782
2019	\$ 92,642
2020	\$ 92,942
2021	\$ 23,162

During the prior year, the Company also entered into an operating lease agreement for its storage facility expiring in 2017. The minimum annual lease commitment under this lease is as follows:

2016	\$ 20,800
2017	\$ 3,480

During the prior year, the Company entered into a management agreement with a company controlled by a director which requires the Company to pay \$21,666 per month for geological consulting, management and administrative services. The agreement contains clauses which provides between 24 and 36 months remuneration should the contract be terminated or certain specified transactions occur. Effective September 1, 2014 this fee was reduced to \$16,250 per month.

As at March 31, 2016 the Company has paid \$73,137 (December 31, 2015 - \$87,434) as long term security deposits towards its office and storage facility lease agreements.

5. 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 March 31, 2016 a total of \$67,000 (December 31, 2015 - \$67,000) 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 THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

6. 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 interests in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	March 31, 2016	December 31, 2015
BRITISH COLUMBIA		
3Ts PROJECT		
Taken Property	\$ 345,693	\$ 345,693
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.		
Tam Property	1,750,979	1,750,979
A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.		
Tsacha Property	2,121,788	2,121,788
A 100% interest in certain claims subject to a 2.0% NSR.		
Tommy Lake Property	17,518	17,518
A 100% interest.		
BOT Property	-	-
A 100% interest, subject to a 1.5% NSR, two-thirds of which may be purchased back for \$700,000.		
Blackwater-South Property	-	-
A 100% interest.		
YUKON		
BOULEVARD PROJECT		
Boulevard Property	4,637,528	4,637,528
A 100% interest, subject to a 2.0% NSR. To acquire its interest, the Company paid \$80,000, issued 400,000 common shares (with an aggregate value of \$58,000) and incurred \$3,000,000 in exploration expenditures. The Company has the option, at any time on or before July 20, 2016, to buy-back one-quarter of the NSR for \$750,000. 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.		
YCS Property	425,237	425,237
A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$1,000,000.		
Solitude Property	865,566	865,566
A 100% interest by staking.		
Tiger Property	233,776	233,776
A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$2,000,000.		
WHITE GOLD PROPERTIES		
Henderson Property	1,271,780	1,271,780
A 100% interest.		
Moosehorn Property	88,416	88,416
A 100% interest.		
Total Mineral Properties	\$ 11,758,281	\$ 11,758,281

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (continued)

During the period ended March 31, 2016, 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	\$ 3,506	\$ -	\$ -	\$ -	\$ 1,986	\$ -	\$ -	\$ 5,492
YUKON								
Boulevard Project	9,909	-	1,447	2,022	1,627	-	-	15,005
Moosehorn	926	-	-	-	148	-	-	1,074
Henderson	130	-	-	-	74	-	-	204
	\$ 14,471	\$ -	\$ 1,447	\$ 2,022	\$ 3,835	\$ -	\$ -	\$ 21,775

During the period ended March 31, 2015, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
YUKON								
Boulevard	\$ 2,517	\$ -	\$ -	\$ -	\$ 838	\$ -	\$ -	\$ 3,355
Moosehorn	1,391	519	-	-	725	-	-	2,635
YCS	2,703	-	-	-	645	-	-	3,348
RECONNAISSANCE								
	14,019	-	-	-	3,783	-	-	17,802
	\$ 20,630	\$ 519	\$ -	\$ -	\$ 5,991	\$ -	\$ -	\$ 27,140

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

7. 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 includes 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:

	Three month period ended March 31, 2016	Three month period ended March 31, 2015
Management fees	\$ 49,237	\$ 44,437
Geological consulting fees	13,901	38,142
Property investigation	26,356	20,553
Directors fees	8,250	8,250
Total	\$ 97,744	\$ 111,382

Included in receivables at March 31, 2016 is \$110,775 (December 31, 2015 - \$75,822) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at March 31, 2016 is \$106,420 (December 31, 2015 - \$51,328) 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 period ended, March 31, 2016 the Company received or accrued \$10,500 (March 31, 2015 - \$15,000) for rent and \$22,233 (March 31, 2015 - \$34,224) for accounting, investor relations, geology & other.

8. 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 common shares during the periods ended March 31, 2016 and 2015.

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

As at March 31, 2016, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
2,537,500	\$ 0.20	March 1, 2017
815,000	\$ 0.20	November 7, 2018
480,000	\$ 0.15	June 2, 2020
3,832,500		

Stock option transactions are summarized as follows:

	March 31, 2016		December 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	3,832,500	\$ 0.19	3,857,500	\$ 0.20
Granted	-	-	495,000	0.15
Exercised	-	-	-	-
Expired/cancelled	-	-	(520,000)	\$ 0.20
Balance, end of period	3,832,500	\$ 0.19	3,832,500	\$ 0.19
Options exercisable, end of period	3,832,500	\$ 0.19	3,832,500	\$ 0.19

d) Share-based compensation

Subsequent to March 31, 2016, the Company granted incentive stock options to certain directors, officers and employees to purchase up to 630,000 common shares under the Company's incentive Stock Option Plan. The options will be granted for a period of five (5) years and are exercisable at a price of \$0.20 per share.

The Company did not issue any stock options during the three month period ended March 31, 2015.

e) Warrants

As at March 31, 2016 and 2015 the Company had no outstanding share purchase warrants.

9. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in North America. All of the Company's capital assets are located in Canada.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing or financing transactions during the periods ended, March 31, 2016 and 2015.