



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

March 31, 2017

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>2017</u>	<u>December 31</u> <u>2016</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,797,990	\$ 1,913,424
Short-term investments	3,139,085	3,130,109
Marketable securities (Note 3)	1,250	1,250
Receivables (Note 6)	199,464	308,256
Prepaid expenses	-	11,111
	<u>5,137,789</u>	<u>5,364,150</u>
Long term deposit	73,137	73,137
Land use deposits (Note 4)	67,000	67,000
Equipment	107,633	114,262
Mineral properties (Note 5)	<u>11,788,281</u>	<u>11,788,281</u>
	<u>\$ 17,173,840</u>	<u>\$ 17,406,830</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ <u>204,612</u>	\$ <u>243,342</u>
	<u>204,612</u>	<u>243,342</u>
Shareholders' equity		
Share capital (Note 7)	35,495,295	35,265,861
Reserves	414,799	520,982
Deficit	<u>(18,940,866)</u>	<u>(18,623,355)</u>
	<u>16,969,228</u>	<u>17,163,488</u>
	<u>\$ 17,173,840</u>	<u>\$ 17,406,830</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on May 30, 2017

"Randy C. Turner"

Randy C. Turner, Director

"Michael McPhie"

Michael McPhie, Director

INDEPENDENCE GOLD CORP.

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

Expressed in Canadian Dollars

	Three Month Period Ended March 31, 2017	Three Month Period Ended March 31, 2016
EXPENSES		
Exploration expenditures (Note 5)	\$ 140,978	\$ 21,775
Property investigation	-	54,971
Depreciation	6,629	-
Insurance	1,933	1,720
Legal, audit and accounting	7,447	2,499
Management fees and corporate services (Note 6)	54,488	57,488
Office and miscellaneous	252	48,644
Regulatory and transfer agent fees	7,791	6,549
Rent	25,944	32,603
Share-based compensation (Note 7)	281,396	-
Shareholder communications	27,001	4,762
Travel	4,225	11,440
Wages and benefits	53,041	54,897
	<u>(611,125)</u>	<u>(297,348)</u>
Interest income	15,469	18,734
Unrealized (loss)/gain on marketable securities	-	250
	<u>15,469</u>	<u>18,984</u>
Loss and comprehensive loss for the period	\$ <u>(595,656)</u>	\$ <u>(278,364)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding - basic and diluted	56,090,392	43,813,012

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)

	Three Month Period Ended March 31 2017	Three Month Period Ended March 31 2016
Cash flows from operating activities		
Income (loss) for the period	\$ (595,656)	\$ (278,364)
Items not affecting cash:		
Depreciation	6,629	-
Share-based compensation	281,396	-
Interest on short-term investments	(15,469)	13,881
Unrealized (gain)/loss on marketable securities	-	250
Changes in non-cash working capital items:		
(Increase) decrease in prepaid expenses	11,111	-
(Increase) decrease in receivables	108,792	(121,109)
Increase (decrease) in accounts payable and accrued liabilities	(38,730)	203,845
Net cash used in operating activities	<u>(241,927)</u>	<u>(181,497)</u>
Cash flows from financing activities		
Issuance of common shares for cash	<u>120,000</u>	-
Net cash provided by (used in) financing activities	<u>120,000</u>	-
Cash flows from investing activities		
(Acquisition) disposition of equipment	-	(154,742)
(Increase) decrease in long term deposit	-	14,297
(Increase) decrease in short-term investments	<u>6,493</u>	<u>600,917</u>
Net cash provided by (used in) investing activities	<u>6,493</u>	<u>460,472</u>
Change in cash and cash equivalents during the period	(115,434)	278,975
Cash and cash equivalents, beginning of the period	1,913,424	1,565,847
Cash and cash equivalents, end of the period	<u>\$ 1,797,990</u>	<u>\$ 1,844,822</u>
Supplemental disclosure with respect to cash flows (Note 8)		

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

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>
Issued for mineral properties	300,000	96,000	-	-	96,000
Issued for private placements	10,884,880	1,959,278	-	-	1,959,278
Issued for incentive stock options	492,500	149,793	(60,293)	-	89,500
Share issuance costs	-	(35,857)	-	-	(35,857)
Reserves transferred on cancelled/expired options	-	-	(30,404)	30,404	-
Share-based compensation	-	-	56,441	-	56,441
Loss for the period	-	-	-	(2,328,775)	(2,328,775)
Balance, December 31, 2016	<u>55,490,392</u>	<u>35,265,861</u>	<u>520,982</u>	<u>(18,623,355)</u>	<u>17,163,488</u>
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	-	-	-	(595,656)	(595,656)
Balance, March 31, 2017	<u>56,090,392</u>	<u>\$ 35,495,295</u>	<u>\$ 414,799</u>	<u>\$ (18,940,866)</u>	<u>\$ 16,969,228</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 MONTHS ENDED MARCH 31, 2017 (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, 2016.

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, 2016 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 MONTHS ENDED MARCH 31, 2017 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

	March 31, 2017	December 31, 2016
Rojo Resources Ltd.	\$ 1,250	\$ 1,250

As at March 31, 2017, the Company holds 25,000 (December 31, 2016 – 25,000) common shares of Rojo Resources Ltd., a public company listed on the TSX Venture Exchange.

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 March 31, 2017 a total of \$67,000 (December 31, 2016 - \$67,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

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.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 (Expressed in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

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

	March 31, 2017	December 31, 2016
BRITISH COLUMBIA		
<u>3Ts PROJECT</u>		
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.		
YUKON		
<u>BOULEVARD PROJECT</u>		
Boulevard Property	4,667,528	4,667,528
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.		
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.		
<u>WHITE GOLD PROPERTIES</u>		
Henderson Property	1,271,780	1,271,780
A 100% interest.		
Moosehorn Property	88,416	88,416
A 100% interest.		
Total Mineral Properties	\$ <u>11,788,281</u>	\$ <u>11,788,281</u>

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 (Expressed in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

During the period ended March 31, 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	6,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,097
YUKON								
Boulevard Project	30,487	-	-	22,644	14,321	-	-	67,452
Henderson	15,244	-	-	77,910	-	-	-	93,154
Moosehorn	6,097	-	-	2,093	-	-	(40,000)	(31,810)
Flow	3,049	-	-	3,036	-	-	-	6,085
Ember	-	-	-	-	-	-	-	-
Wolfcreek	-	-	-	-	-	-	-	-
	\$ 60,975	\$ -	\$ -	\$ 105,682	\$ 14,321	\$ -	(40,000)	\$ 140,978

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

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.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 (Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

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

	Three month period ended March 31, 2017	Three month period ended March 31, 2016
Management fees	\$ 49,237	\$ 49,237
Geological consulting fees	7,312	13,901
Directors fees	5,250	8,250
Share-based compensation*	249,419	-
Property investigation	-	13,901
Total	<u>\$ 311,218</u>	<u>\$ 97,744</u>

** 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 March 31, 2017 is \$185,383 (December 31, 2016 - \$136,257) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at March 31, 2017 is \$72,192 (December 31, 2016 - \$95,876) 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, 2017 the Company received or accrued \$12,900 (March 31, 2016 - \$10,500) for rent and \$44,226 (March 31, 2016 - \$22,233) for accounting, investor relations, geology and other.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 (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

During the period ended March 31, 2017 the Company issued;

- 600,000 common shares with an aggregate value of \$120,000 pursuant to the exercise of incentive stock options.

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

- 10,884,880 flow through shares ("FT Shares") as part of a Private Placement with Goldcorp Inc. at a price of \$0.18 per FT Share for total gross proceeds of \$1,959,278. The Company incurred \$35,857 in other share issuance costs,
- 100,000 common shares with a value of \$30,000 pursuant to the Boulevard Property Option Agreement,
- 200,000 common shares with a value of \$66,000 pursuant to the Rosebute Property Option Agreement, and
- 492,500 common shares with an aggregate value of \$89,500 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 March 31, 2017, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
730,000	\$ 0.20	November 7, 2018
300,000	\$ 0.15	June 2, 2020
630,000	\$0.20	May 18, 2021
2,200,000	\$0.25	March 1, 2022
3,860,000		

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 (Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

Stock option transactions are summarized as follows:

	March 31, 2017		December 31, 2016	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
	of Options		of Options	
Balance, beginning of period	3,785,000	\$ 0.19	3,832,500	\$ 0.19
Granted	2,200,000	\$ 0.25	630,000	\$ 0.20
Exercised	(600,000)	\$ 0.20	(492,500)	\$ 0.18
Expired/cancelled	(1,525,000)	\$ 0.20	(185,000)	\$ 0.20
Balance, end of period	3,860,000	\$ 0.22	3,785,000	\$ 0.20
Options exercisable, end of period	3,860,000	\$ 0.22	3,785,000	\$ 0.20

d) Share-based compensation

During the period ended March 31, 2017, the Company granted 2,200,000 (2016 – Nil) stock options with a fair value of \$281,395 (2016 - \$Nil) or \$0.13 (2015 - \$Nil) 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 years:

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

e) Warrants

As at March 31, 2017 and 2016 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 period ended March 31, 2017 consisted of the transfer of reserves on expired/cancelled options of \$278,145 and transfer of reserves on exercise of options of \$109,434.

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