



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

March 31, 2014

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

(Expressed in Canadian Dollars)

	<u>March 31</u> <u>2014</u>	<u>December 31</u> <u>2013</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 2,418,423	\$ 4,922,152
Short-term investments	6,005,143	3,853,073
Marketable Securities (Note 3)	15,000	17,000
Receivables (Note 5)	56,863	39,964
Prepaid expenses	22,449	23,271
	<u>8,517,878</u>	<u>8,855,460</u>
Land use deposits (Note 4)	67,000	67,000
Exploration advances	50,000	50,000
Mineral properties (Note 6)	<u>13,236,088</u>	<u>13,231,005</u>
	<u>\$ 21,870,966</u>	<u>\$ 22,203,465</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ <u>23,734</u>	\$ <u>32,420</u>
	<u>23,734</u>	<u>32,420</u>
Shareholders' equity		
Share capital (Note 7)	33,096,647	33,096,647
Reserves	652,857	652,857
Deficit	<u>(11,902,272)</u>	<u>(11,578,459)</u>
	<u>21,847,232</u>	<u>22,171,045</u>
	<u>\$ 21,870,966</u>	<u>\$ 22,203,465</u>

Approved and authorized by the Board on May 21, 2014

"Randy C. Turner"

Randy C. Turner, Director

"Michael McPhie"

Michael McPhie, Director

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS (unaudited)

(Expressed in Canadian Dollars)

	Three Month Period Ended March 31 2014	Three Month Period Ended March 31 2013
EXPENSES		
Exploration expenditures (Note 6)	\$ 105,469	\$ 714,970
Legal, audit and accounting	-	22,925
Management fees and corporate services	77,750	80,030
Office and miscellaneous	10,536	32,762
Regulatory and transfer agent fees	6,427	9,640
Rent	57,268	51,785
Shareholder communications	5,977	12,338
Travel	12,489	7,638
Wages and benefits	81,224	80,533
	<u>(357,140)</u>	<u>(1,012,621)</u>
Interest income	35,327	4,057
Unrealized (loss)/gain on marketable securities (Note 3)	<u>(2,000)</u>	<u>(1,000)</u>
	<u>33,327</u>	<u>3,057</u>
Loss and comprehensive loss for the period	\$ <u><u>(323,813)</u></u>	\$ <u><u>(1,009,564)</u></u>
Basic and diluted loss per common share	\$ <u><u>(0.01)</u></u>	\$ <u><u>(0.02)</u></u>
Weighted average number of common shares outstanding	43,813,012	43,613,012

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (unaudited)

(Expressed in Canadian Dollars)

	Three Month Period Ended March 31 2014	Three Month Period Ended March 31 2013
Cash flows from operating activities		
Income (loss) for the period	\$ (323,813)	\$ (1,009,564)
Items not affecting cash:		
Interest on short-term investments	(20,583)	-
Unrealized (gain)/loss on marketable securities	2,000	1,000
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(16,899)	91,770
(Increase) decrease in prepaid expenses	822	8,278
Increase (decrease) in accounts payable and accrued liabilities	(8,686)	105,432
	<hr/>	<hr/>
Net cash used in operating activities	<u>(367,159)</u>	<u>(803,084)</u>
Cash flows from investing activities		
(Acquisition) disposition of mineral properties	(5,083)	-
(Increase)/decrease in short-term investments	(2,131,487)	(1,457,658)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	<u>(2,136,570)</u>	<u>(1,457,658)</u>
Change in cash and cash equivalents during the period	(2,503,729)	(2,260,742)
Cash and cash equivalents, beginning of the period	<u>4,922,152</u>	<u>5,093,683</u>
Cash and cash equivalents, end of the period	<u>\$ 2,418,423</u>	<u>\$ 2,832,941</u>
Supplemental disclosure with respect to cash flows (Note 9)		

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN 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, 2013	43,813,012	\$ 33,096,647	\$ 652,857	\$ (11,578,459)	\$ 22,171,045
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(323,813)</u>	<u>(323,813)</u>
Balance, March 31, 2014	<u>43,813,012</u>	<u>\$ 33,096,647</u>	<u>\$ 652,857</u>	<u>\$ (11,902,272)</u>	<u>\$ 21,847,232</u>
Balance, December 31, 2012	43,613,012	\$ 33,068,647	\$ 569,972	\$ (8,497,840)	\$ 25,140,779
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,009,564)</u>	<u>(1,009,564)</u>
Balance, March 31, 2013	<u>43,613,012</u>	<u>\$ 33,068,647</u>	<u>\$ 569,972</u>	<u>\$ (9,507,404)</u>	<u>\$ 24,131,215</u>

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

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (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 1410 - 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. 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, 2013.

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, 2013 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, 2014 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

	March 31, 2014	December 31, 2013
Lucky Strike Resources Ltd.	\$ 15,000	\$ 17,000

As at March 31, 2014, the Company holds 200,000 (December 31, 2013 – 200,000) common shares of Lucky Strike Resources Ltd., a public company listed on the TSX Venture Exchange. The shares were received pursuant to mineral property option agreements with the Company, at a value of \$42,000.

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, 2014 a total of \$67,000 (December 31, 2013 - \$67,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

5. 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, 2014	Three month period ended March 31, 2013
Management fees	\$ 58,250	\$ 60,375
Geological consulting fees	47,250	47,250
Directors fees	19,500	19,500
Total	\$ <u>125,000</u>	\$ <u>127,125</u>

Included in receivables at March 31, 2014 is \$46,949 (December 31, 2013 - \$28,996) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at March 31, 2014 is \$3,000 (December 31, 2013 - \$1,365) due to directors and companies with directors and/or officers in common.

INDEPENDENCE GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2014 (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, 2014	December 31, 2013
BRITISH COLUMBIA		
3Ts - 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.		
3Ts - 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.		
3Ts - Tsacha Property	2,121,788	2,121,788
A 100% interest in certain claims subject to a 2.0% NSR.		
3Ts - Tommy Lake Property	17,518	17,518
A 100% interest.		
3Ts - BOT Property	-	-
A 100% interest, subject to a 1.5% NSR, two-thirds of which may be purchased back for \$700,000.		
Emmett Lake Property	5,083	-
A 100% interest by staking.		
YUKON		
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.		
Henderson Property	1,271,780	1,271,780
A 100% interest by staking.		
CCR (Sizzler) Property	533,060	533,060
A 100% interest, subject to a 2.0% NSR. The Company has the option, at any time on or before June 29, 2015, to buy-back one-half of the NSR for \$1,000,000. Upon completion of a 43-101 report with specific resource estimates, the Company will be obligated to pay an additional \$100,000 and issue a further 75,000 common shares.		

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)**6. MINERAL PROPERTIES** *(continued)***YUKON** *(continued)***OTHER PROPERTIES**

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.		
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.		
Keno Property	27,011	27,011
A 100% interest.		

DAWSON RANGE PROPERTIES

The Company holds a 100% interest in the following properties.

Birdman Property	30,206	30,206
Ember Property	71,686	71,686
Gemini Property	44,967	44,967
Ladue Property	327,355	327,355
Matson Property	55,283	55,283
Moosehorn Property	88,415	88,415
Solo Property	358,396	358,396
Solitude Property	865,566	865,566
Wolfcreek Property	24,761	24,761

Total Mineral Properties	\$ 13,236,088	\$ 13,231,005
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INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES *(continued)*

During the period ended March 31, 2014, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Reclamation & Safety	Recoveries	Total for the year
BRITISH COLUMBIA								
3Ts	\$ 6,810	-	5,115	3,150	126	-	-	\$ 15,201
Emmett Lake	6,303	711	-	-	522	-	-	7,536
Reconnaissance	8,135	-	-	-	-	-	-	8,135
YUKON								
Boulevard	1,217	110	-	-	-	-	-	1,327
YCS	89	110	-	-	-	-	-	199
NEVADA								
Reconnaissance	63,057	-	-	-	556	-	-	63,613
ARIZONA								
Reconnaissance	5,678	-	-	-	-	-	-	5,678
SOUTH DAKOTA								
Reconnaissance	3,780	-	-	-	-	-	-	3,780
	\$ 95,069	931	5,115	3,150	1,204	-	-	\$ 105,469

During the period ended March 31, 2013, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Reclamation & Safety	Recoveries	Total for the year
BRITISH COLUMBIA								
3Ts	\$ 45,822	-	619,351	15,732	2,936	9,510	-	\$ 693,351
YUKON								
Aspen & Grizzly	19	-	-	-	275	-	-	294
Boulevard	965	2,565	220	162	2,090	-	-	6,002
Henderson	39	-	-	-	556	-	-	595
Sizzler	-	-	-	-	-	-	-	-
Dawson Range	584	4,148	-	372	3,726	-	-	8,830
Other	769	3,899	-	-	1,230	-	-	5,898
	\$ 48,198	10,612	619,571	16,266	10,813	9,510	-	\$ 714,970

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (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 common shares during the three month periods ended, March 31, 2014 and 2013.

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, 2014, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
	3,100,000	\$ 0.20	March 1, 2017
	1,005,000	\$ 0.20	November 7, 2018
	4,105,000		

Stock option transactions are summarized as follows:

	March 31, 2014		December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	4,105,000	\$ 0.20	3,125,000	\$0.35
Effects of re-pricing	-	-	(3,125,000)	(0.35)
Effects of re-pricing	-	-	3,125,000	0.20
Granted	-	-	1,005,000	0.20
Exercised	-	-	-	-
Expired/cancelled	-	-	(25,000)	0.20
Balance, end of year	4,105,000	\$ 0.20	4,105,000	\$ 0.20
Options exercisable, end of year	4,105,000	\$ 0.20	4,105,000	\$ 0.20

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

d) Share-based compensation

The Company did not issue any stock options during the three month periods ended March 31, 2014 and 2013.

e) Warrants

As at March 31, 2014 the Company had no outstanding share purchase warrants.

Share purchase warrant transactions were as follows:

	March 31, 2014		December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	-	-	1,467,322	\$ 0.77
Exercised	-	-	-	-
Expired/cancelled	-	-	(1,467,322)	0.77
Balance, end of year	-	-	-	-

8. 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.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing or financing transactions during the periods ended, March 31, 2014 and 2013.