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**MANITOU GOLD INC.  
CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2017  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed consolidated interim financial statements of Manitou Gold Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

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	As at March 31, 2017	As at December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 237,872	\$ 332,641
Amounts receivable and other assets (note 3)	20,663	7,314
<b>Total assets</b>	<b>\$ 258,535</b>	<b>\$ 339,955</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 4 and 10)	\$ 26,915	\$ 20,971
<b>Total liabilities</b>	<b>26,915</b>	<b>20,971</b>
<b>Shareholders' equity</b>		
Share capital (note 5)	13,971,792	13,971,792
Warrants (note 6)	188,353	188,353
Contributed surplus (note 7)	106,500	106,500
Deficit	(14,035,025)	(13,947,661)
<b>Total shareholders' equity</b>	<b>231,620</b>	<b>318,984</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 258,535</b>	<b>\$ 339,955</b>

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

Nature of Operations and Going Concern (note 1)

Contingencies (note 11)

Subsequent Events (note 13)

**Approved on behalf of the Board:**

"Ron Arnold" \_\_\_\_\_ Director (Signed)

"Guy Mahaffy" \_\_\_\_\_ Director (Signed)

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three Months Ended March 31, 2017</b>	<b>Three Months Ended March 31, 2016</b>
<b>General and administrative expense</b>		
Office and general (note 10)	\$ 68,372	\$ 61,146
Professional fees (note 10)	8,663	2,684
Exploration and evaluation expenditures (note 9)	10,329	13,030
Option-based payments (note 7)	-	4,500
<b>Total general and administrative expense</b>	<b>87,364</b>	<b>81,360</b>
<b>Loss before interest income</b>	<b>(87,364)</b>	<b>(81,360)</b>
Interest income	-	312
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (87,364)</b>	<b>\$ (81,048)</b>
<b>Net loss and comprehensive loss per share - basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding - basic and diluted (note 8)</b>	<b>62,372,411</b>	<b>55,022,411</b>

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

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three Months Ended March 31, 2017</b>	<b>Three Months Ended March 31, 2016</b>
<b>Operating activities</b>		
Net loss for the period	\$ (87,364)	\$ (81,048)
Adjustments for:		
Option-based payments (note 7)	-	4,500
Changes in non-cash working capital items:		
Amounts receivable and other assets	(13,349)	(12,746)
Amounts payable and other liabilities	5,944	(11,799)
<b>Net cash used in operating activities</b>	<b>(94,769)</b>	<b>(101,093)</b>
<b>Net change in cash and cash equivalents</b>	<b>(94,769)</b>	<b>(101,093)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>332,641</b>	<b>255,875</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 237,872</b>	<b>\$ 154,782</b>

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

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****Unaudited**

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**Equity attributable to shareholders**

	<b>Share Capital</b>	<b>Warrants</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2015</b>	<b>\$ 13,787,893</b>	<b>\$ -</b>	<b>\$ 102,000</b>	<b>\$(13,655,189)</b>	<b>\$ 234,704</b>
Option-based payments (note 7)	-	-	4,500	-	4,500
Net loss for the period	-	-	-	(81,048)	(81,048)
<b>Balance, March 31, 2016</b>	<b>\$ 13,787,893</b>	<b>\$ -</b>	<b>\$ 106,500</b>	<b>\$(13,736,237)</b>	<b>\$ 158,156</b>
<b>Balance, December 31, 2016</b>	<b>\$ 13,971,792</b>	<b>\$ 188,353</b>	<b>\$ 106,500</b>	<b>\$(13,947,661)</b>	<b>\$ 318,984</b>
Net loss for the period	-	-	-	(87,364)	(87,364)
<b>Balance, March 31, 2017</b>	<b>\$ 13,971,792</b>	<b>\$ 188,353</b>	<b>\$ 106,500</b>	<b>\$(14,035,025)</b>	<b>\$ 231,620</b>

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

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# **Manitou Gold Inc.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**Three Months Ended March 31, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Nature of Operations and Going Concern**

Manitou Gold Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's registered office is located at The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1.

These unaudited condensed consolidated interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred losses in previous periods, with a current net loss of \$87,364 for the three months ended March 31, 2017 (three months ended March 31, 2016 - loss of \$81,048) and has an accumulated deficit of \$14,035,025 as at March 31, 2017 (December 31, 2016 - \$13,947,661). The Company had working capital of \$231,620 at March 31, 2017 (December 31, 2016 - \$318,984).

However, the existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Due to continuing operating losses and limited working capital, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of uncertainty that may cast doubt on the Company's ability to continue as a going concern; however, management believes it has sufficient working capital to support planned operations for the ensuing twelve months. The unaudited condensed consolidated interim financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

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# Manitou Gold Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

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### 2. Significant Accounting Policies

#### Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of May 26, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed consolidated interim financial statements. These adjustments could be material.

#### Recent Accounting Pronouncements

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

### 3. Amounts Receivable and Other Assets

	As at March 31, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 7,697	\$ 2,361
Prepaid expenses	12,966	4,953
Total	\$ 20,663	\$ 7,314

### 4. Amounts Payable and Other Liabilities

	As at March 31, 2017	As at December 31, 2016
Falling due within the period		
Trade payables	\$ 22,490	\$ 4,006
Accrued liabilities	4,425	16,965
Total	\$ 26,915	\$ 20,971

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 5. Share Capital

(a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued

At March 31, 2017, the issued share capital amounted to \$13,971,792. The changes in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
<b>Balance at December 31, 2015 and March 31, 2016</b>	<b>55,022,411</b>	<b>\$ 13,787,893</b>
Issue of units	7,000,000	385,000
Finder's units	350,000	19,250
Cost of issue - broker warrants	-	(8,686)
Cost of issue - finder's units	-	(19,250)
Cost of issue - cash	-	(12,748)
Warrant valuation	-	(179,667)
<b>Balance at December 31, 2016 and March 31, 2017</b>	<b>62,372,411</b>	<b>\$ 13,971,792</b>

On July 29, 2016, the Company completed a non-brokered private placement of 7,000,000 units ("Units") for aggregate gross proceeds of \$385,000. Each Unit consists of one common share and one purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.075 for a period of twenty-four months.

In connection with the above-noted private placement, and in lieu of the payment of any cash finder's fees, the Company issued 350,000 finder's units. The finder's units bear the same conditions and terms as the Units. The warrants issued were assigned a value of \$179,667 using the Black-Scholes valuation model (7,000,000 warrants - \$171,111 and 350,000 warrants included in finder's units - \$8,556). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.54%;
- Expected life: 2 years;
- Expected volatility: 172% based on historical trends; and
- Weighted average share price: \$0.09.

350,000 broker warrants were issued in connection with the closing. Each broker warrant entitles the holder thereof to purchase one unit (having the same terms as a Unit) at an exercise price of \$0.055, for a period of twenty-four months. The broker warrants were assigned a value of \$8,686 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.54%;
- Expected life: 2 years;
- Expected volatility: 172% based on historical trends; and
- Weighted average share price: \$0.09.

No cash finder's fees were paid in connection with the private placement.



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**Manitou Gold Inc.****Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended March 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

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**6. Warrants**

The following table reflects the continuity of warrants for the periods ended March 31, 2017 and 2016:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance at December 31, 2015 and March 31, 2016</b>	-	\$ -
Warrants granted (note 5(b))	7,700,000	0.07
<b>Balance at December 31, 2016 and March 31, 2017</b>	<b>7,700,000</b>	<b>\$ 0.07</b>

The Company had the following warrants outstanding at March 31, 2017:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
7,350,000	\$0.075	July 29, 2018
350,000 (i)	0.055	July 29, 2018
<b>7,700,000</b>	<b>\$0.074</b>	

(i) exercisable into a unit, comprised of one common share and one purchase warrant exercisable at \$0.075 for a period of twenty-four months.

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 7. Stock Options

The Company has a formal stock option plan (the "Plan"). The Plan is referred to as a "fixed" plan and provides for an aggregate number of 5,384,741 shares reserved for issuance. As at March 31, 2017, the Company has 1,134,741 shares available for issuance. The following table reflects the continuity of stock options for the periods ended March 31, 2017 and 2016:

	Number of Options	Weighted Average Exercise Price
<b>Balance at December 31, 2015</b>	<b>4,000,000</b>	<b>\$ 0.10</b>
Stock options granted	250,000	0.10
<b>Balance at March 31, 2016</b>	<b>4,250,000</b>	<b>\$ 0.10</b>
<b>Balance at December 31, 2016 and March 31, 2017</b>	<b>4,250,000</b>	<b>\$ 0.10</b>

On February 12, 2016, the Company granted 250,000 stock options to a consultant of the Company. All options are exercisable at a price of \$0.10 per common share. The options vest immediately and expire in two years. The grant date fair value of \$4,500 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.03, expected dividend yield of 0%, expected volatility of 169% which is based on historical volatility of the Company's share price, risk-free rate of return of 0.44% and an expected maturity of 2 years. For the three months ended March 31, 2017, \$nil was expensed to option-based payments (three months ended March 31, 2016 - \$4,500).

The Company had the following stock options outstanding as of March 31, 2017:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Expiry Date
4,000,000	4,000,000	0.10	0.23	June 24, 2017
250,000	250,000	0.10	0.87	February 12, 2018
<b>4,250,000</b>	<b>4,250,000</b>	<b>0.10</b>	<b>0.27</b>	

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2017 was based on the loss attributable to common shares of \$87,364 (three months ended March 31, 2016 - loss of \$81,048) and the weighted average number of common shares outstanding of 62,372,411 (three months ended March 31, 2016 - 55,022,411) for basic and diluted loss per share. Diluted loss per share did not include the effect of warrants and options for the three months ended March 31, 2017 and three months ended March 31, 2016, as they are anti-dilutive.

#### 9. Exploration and Evaluation Expenditures

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Kenwest	\$ 10,329	\$ 9,626
Canamerica	-	738
Gaffney	-	2,666
	<u>\$ 10,329</u>	<u>\$ 13,030</u>

For details on the exploration and evaluation expenditures see the attached schedules at the end of these statements.

#### 10. Related Party Balances and Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

During the three months ended March 31, 2017, the Company paid professional fees and disbursements of \$10,324 (three months ended March 31, 2016 - \$7,870) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is President. Carmelo Marrelli is the Chief Financial Officer ("CFO") of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at March 31, 2017, Marrelli Support was owed \$nil (December 31, 2016 - \$nil).

During the three months ended March 31, 2017, the Company paid professional fees and disbursements of \$5,942 (three months ended March 31, 2016 - \$3,077) to DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services and affiliated with Marrelli Support through common ownership. These services were incurred in the normal course of operation of corporate secretarial matters. As at March 31, 2017, DSA was owed \$869 (December 31, 2016 - \$896).

Under an office rental agreement beginning July 2015 with a company controlled by a director of the Company, the Company was committed to a monthly rental payment of \$1,500 until June 2016. However, this amount was reduced to \$1,000 per month in February 2016 and the lease terminated prematurely in March 2016. During the three months ended March 31, 2017, the Company paid rent of \$nil (three months ended March 31, 2016 - \$3,500), to the director's company.

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# **Manitou Gold Inc.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**Three Months Ended March 31, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **10. Related Party Balances and Transactions (continued)**

Salaries paid to key management personnel for the three months ended March 31, 2017 totaled \$31,324 (three months ended March 31, 2016 - \$28,495). Key management personnel are comprised of the Company's Chief Executive Officer ("CEO") and the Company's CFO. As at March 31, 2017, key management personnel were owed \$4,688 (December 31, 2016 - \$nil). The Board of Directors do not have employment or service contracts with the Company. Directors and officers are entitled to stock options for their services.

To the knowledge of the directors and officers of the Company, as at March 31, 2017 and December 31, 2016, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all the common shares of the Company.

As of March 31, 2017, directors and officers of the Company control an aggregate of 4,011,000 common shares (December 31, 2016 - 4,011,000 common shares) or approximately 6.43% of the shares outstanding (December 31, 2016 - 6.43% of the shares outstanding). These holdings can change at any time at the discretion of the owner.

See note 11 for details regarding a change of control provision with a related party.

### **11. Contingencies**

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with government agencies, suppliers, consultants, and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

#### **Environmental Contingencies**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

#### **Employment Agreement**

Pursuant to an executive employment agreement with the CEO, in the event of termination, the CEO is entitled to 12 months' base salary plus a further month's salary for each completed year of service since May 1, 2015. In the event of a change of control of the Company, the CEO is entitled to receive a payment equal to 24 months' base salary in the sum of \$168,000.

### **12. Segmented Information**

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed consolidated interim financial statements also represent segment amounts.

### **13. Subsequent Events**

On April 9, 2017, the Company granted 1,000,000 stock options with an exercise price of \$0.10 per common share which vested immediately and have an expiry date of April 9, 2019.

On April 10, 2017, the Company announced the appointment of Mr. Pat Dubreuil to the position of President of the Company. Richard Murphy, who previously held the roles of both President and Chief Executive Officer, will remain in the role of CEO.

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**Manitou Gold Inc.****Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures****(Expressed in Canadian Dollars)****Three Months Ended March 31, 2017****Unaudited**

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	<b>Kenwest</b>
	<b>\$</b>
Acquisition costs	
Property taxes	2,792
Exploration expenditures	
Consultants	5,750
Field supplies and consumables	200
Travel and accommodation	443
Wages and benefits	1,144
	<u>7,537</u>
Total exploration and evaluation expenditures	<u>10,329</u>

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**Manitou Gold Inc.****Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)**  
**(Expressed in Canadian Dollars)****Three Months Ended March 31, 2016****Unaudited**

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	<b>Canamerica</b>	<b>Gaffney</b>	<b>Kenwest</b>	<b>Total</b>
Acquisition costs				
Property taxes	\$ -	\$ 821	\$ 1,902	\$ 2,723
Exploration expenditures				
Field supplies and consumables	\$ -	\$ -	\$ 216	\$ 216
Travel and accommodation	-	-	395	395
Wages and benefits	738	1,845	7,113	9,696
	738	1,845	7,724	10,307
Total exploration and evaluation expenditures	\$ 738	\$ 2,666	\$ 9,626	\$ 13,030

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