
MANITOU GOLD INC.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2016
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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.

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at June 30, 2016	As at December 31, 2015
Assets		
Current assets		
Cash and cash equivalents (note 4)	\$ 76,049	\$ 255,875
Amounts receivable and other assets (note 5)	22,646	12,922
Total assets	\$ 98,695	\$ 268,797
Liabilities and Shareholders' Equity		
Current liabilities		
Amounts payable and other liabilities (notes 6 and 12)	\$ 12,106	\$ 34,093
Total liabilities	12,106	34,093
Shareholders' equity		
Share capital (note 7)	13,787,893	13,787,893
Contributed surplus	106,500	102,000
Deficit	(13,807,804)	(13,655,189)
Total shareholders' equity	86,589	234,704
Total shareholders' equity and liabilities	\$ 98,695	\$ 268,797

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 13)

Approved on behalf of the Board:

"Ron Arnold" _____ Director (Signed)

"Guy Mahaffy" _____ Director (Signed)

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three months Ended June 30, 2016	Three months Ended June 30, 2015	Six months Ended June 30, 2016	Six months Ended June 30, 2015
General and administrative expense				
Office and general (note 12)	\$ 64,106	\$ 97,735	\$ 125,252	\$ 145,526
Professional fees (note 12)	6,900	7,603	9,584	30,778
Exploration and evaluation expenditures (note 11)	659	16,096	13,689	29,974
Project generation and evaluation	-	-	-	508
Amortization	-	2,293	-	4,587
Option-based payments (note 9(i)(ii))	-	102,000	4,500	102,000
	71,665	225,727	153,025	313,373
Loss before interest income	(71,665)	(225,727)	(153,025)	(313,373)
Interest income	98	-	410	-
Net loss and comprehensive loss for the period	\$ (71,567)	\$ (225,727)	\$ (152,615)	\$ (313,373)
Net loss and comprehensive loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted (note 10)	55,022,411	55,022,411	55,022,411	55,022,411

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

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

	Six months Ended June 30, 2016	Six months Ended June 30, 2015
Operating activities		
Net loss for the period	\$ (152,615)	\$ (313,373)
Adjustments for:		
Amortization	-	4,587
Option-based payments (note 9(i)(ii))	4,500	102,000
Changes in non-cash working capital items:		
Amounts receivable and other assets	(9,724)	(13,718)
Amounts payable and other liabilities	(21,987)	(114,528)
Net cash used in operating activities	(179,826)	(335,032)
Net change in cash and cash equivalents	(179,826)	(335,032)
Cash and cash equivalents, beginning of period	255,875	813,985
Cash and cash equivalents, end of period	\$ 76,049	\$ 478,953

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

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

Equity attributable to shareholders

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2014	\$ 13,787,893	\$ 24,500	\$ -	\$(13,181,207)	\$ 631,186
Option-based payments (note 9(i))	-	-	102,000	-	102,000
Net loss for the period	-	-	-	(313,373)	(313,373)
Balance, June 30, 2015	\$ 13,787,893	\$ 24,500	\$ 102,000	\$(13,494,580)	\$ 419,813
Balance, December 31, 2015	\$ 13,787,893	\$ -	\$ 102,000	\$(13,655,189)	\$ 234,704
Option-based payments (note 9(ii))	-	-	4,500	-	4,500
Net loss for the period	-	-	-	(152,615)	(152,615)
Balance, June 30, 2016	\$ 13,787,893	\$ -	\$ 106,500	\$(13,807,804)	\$ 86,589

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

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

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 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

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 \$152,615 for the six months ended June 30, 2016 (six months ended June 30, 2015 - loss of \$313,373) and has an accumulated deficit of \$13,807,804 as at June 30, 2016 (December 31, 2015 - \$13,655,189). The Company had working capital of \$86,589 at June 30, 2016 (December 31, 2015 - \$234,704).

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 a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

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 August 23, 2016, 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, 2015, except as disclosed in note 3. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2016 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. Change in Accounting Policy

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard required a specific disclosure, materiality considerations do apply. At January 1, 2016, the Company adopted this standard and there was no material impact on the Company's unaudited condensed consolidated interim financial statements.

4. Cash and Cash Equivalents

	As at June 30, 2016	As at December 31, 2015
Cash	\$ 76,049	\$ 4,780
Guaranteed investment certificates ("GIC's")	-	251,095
Total	\$ 76,049	\$ 255,875

The GIC's earn interest at prime rate less 2.0% (2015 - prime rate less 2.0%), mature one year from the date of purchase and are redeemable at the option of the Company at any time. The GIC's matured on May 27, 2016.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

5. Amounts Receivable and Other Assets

	As at June 30, 2016	As at December 31, 2015
Sales tax receivable - (Canada)	\$ 3,746	\$ 3,458
Prepaid expenses	18,900	9,464
Total	\$ 22,646	\$ 12,922

6. Amounts Payable and Other Liabilities

	As at June 30, 2016	As at December 31, 2015
Falling due within the period		
Trade payables	\$ 2,527	\$ 9,593
Accrued liabilities	9,579	24,500
Total	\$ 12,106	\$ 34,093

7. 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 June 30, 2016, the issued share capital amounted to \$13,787,893. The changes in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
Balance at December 31, 2014, June 30, 2015, December 31, 2015 and June 30, 2016	55,022,411	\$ 13,787,893

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

8. Warrants

The following table reflects the continuity of warrants for the periods ended June 30, 2016 and 2015:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2014 and June 30, 2015	1,000,000	\$ 0.50
Balance at December 31, 2015 and June 30, 2016	-	\$ -

9. 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 June 30, 2016, the Company has 1,134,741 shares available for issuance.

The following table reflects the continuity of stock options for the periods ended June 30, 2016 and 2015:

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2014	-	\$ -
Stock options granted (i)	4,000,000	0.10
Balance at June 30, 2015	4,000,000	\$ 0.10
Balance at December 31, 2015	4,000,000	\$ 0.10
Stock options granted (ii)	250,000	0.10
Balance at June 30, 2016	4,250,000	\$ 0.10

(i) On June 24, 2015, the Company granted 4,000,000 stock options to certain directors, officers and consultants 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 \$102,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.035, expected dividend yield of 0%, expected volatility of 195% which is based on historical volatility of the Company's share price, risk-free rate of return of 0.63% and an expected maturity of 2 years. For the three and six months ended June 30, 2016, \$nil was expensed to option-based payments (three and six months ended June 30, 2015 - \$102,000).

(ii) 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 and six months ended June 30, 2016, \$nil and \$4,500, respectively, was expensed to option-based payments (three and six months ended June 30, 2015 - \$nil).

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

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9. Stock Options (Continued)

The Company had the following stock options outstanding as of June 30, 2016:

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	0.98	June 24, 2017
250,000	250,000	0.10	1.62	February 12, 2018
4,250,000	4,250,000	0.10	1.02	

10. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2016 was based on the loss attributable to common shareholders of \$71,567 and \$152,615, respectively (three and six months ended June 30, 2015 - \$225,727 and \$313,373, respectively) and the weighted average number of common shares outstanding of 55,022,411 (three and six months ended June 30, 2015 - 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 and six months ended June 30, 2016 and 2015, as they are anti-dilutive.

11. Exploration and Evaluation Expenditures

	Three months Ended June 30, 2016	Three months Ended June 30, 2015	Six months Ended June 30, 2016	Six months Ended June 30, 2015
Kenwest	\$ 659	\$ 11,147	\$ 10,285	\$ 15,822
Canamerica	-	-	738	-
Gaffney	-	4,904	2,666	14,107
Elora	-	45	-	45
	\$ 659	\$ 16,096	\$ 13,689	\$ 29,974

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

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

12. 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 and six months ended June 30, 2016, the Company paid professional fees and disbursements of \$8,640 and \$16,510, respectively (three and six months ended June 30, 2015 - \$9,366 and \$18,947, respectively) 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 June 30, 2016, Marrelli Support was owed \$nil (December 31, 2015 - \$nil).

During the three and six months ended June 30, 2016, the Company paid professional fees and disbursements of \$2,352 and \$5,429, respectively (three and six months ended June 30, 2015 - \$6,531 and \$11,212, respectively) 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 June 30, 2016, the Company had a credit of \$3,261 with DSA (December 31, 2015 - the Company owes DSA \$2,453 and this amount is included in amounts payable and other liabilities) and this amount is included in prepaid expenses.

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 and six months ended June 30, 2016, the Company paid rent of \$nil and \$3,500, respectively, to the director's company.

Salaries paid to key management personnel for the three and six months ended June 30, 2016 totaled \$29,265 and \$57,760, respectively (three and six months ended June 30, 2015 - \$48,116 and \$77,001, respectively). Option-based payments to key management personnel for the three and six months ended June 30, 2016 totaled \$nil (three and six months ended June 30, 2015 - \$95,625). Key management personnel are comprised of the Company's President and Chief Executive Officer ("CEO") and the Company's CFO. As at June 30, 2016, key management personnel were owed \$nil (December 31, 2015 - \$nil).

To the knowledge of the directors and officers of the Company, as at June 30, 2016 and December 31, 2015, 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 June 30, 2016, directors and officers of the Company control an aggregate of 4,011,000 common shares (December 31, 2015 - 3,298,000 common shares) or approximately 7.29% of the shares outstanding (December 31, 2015 - 5.99% of the shares outstanding). These holdings can change at any time at the discretion of the owner.

See note 13 for details regarding a change of control provision with a related party.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2016

(Expressed in Canadian Dollars)

Unaudited

13. 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.

14. 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.

15. Subsequent Event

On July 29, 2016, the Company closed a non-brokered private placement (the "Offering") pursuant to which it has issued an aggregate of 7,000,000 units ("Units") at a price of \$0.055 per Unit to raise aggregate gross proceeds of \$385,000. Each Unit consists of one common share of the Company and one share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at \$0.075 until July 29, 2018, provided that if at any time following November 29, 2016, the volume weighted average price of the common shares of the Company on the TSX Venture Exchange or other stock exchange where the majority of trading volume occurs exceeds \$0.15 for more than 20 consecutive trading days, the Company may provide written notice to the holders of the Warrants and the Warrants will thereafter expire on the 30th day following the provision of such notice. An Insider of the Company subscribed for an aggregate 1,000,000 Units in the Offering, being Richard Murphy, CEO of the Company.

In connection with the Offering, the Company has also issued an aggregate of 350,000 finder's units ("Finder's Units") and 350,000 broker warrants ("Broker Warrants") to certain eligible finder's assisting in the Offering. The Finder's Units bear the same terms and conditions as the Units. Each Broker Warrant entitles the holder thereof to acquire one Unit at an exercise price of \$0.055 until July 29, 2018.

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures****(Expressed in Canadian Dollars)****Six Months Ended June 30, 2016****Unaudited**

	Canamerica	Gaffney	Kenwest	Total
Acquisition costs				
Property taxes	\$ -	\$ 821	\$ 1,902	\$ 2,723
Exploration expenditures				
Field supplies and consumables	-	-	29	29
Travel and accommodation	-	-	554	554
Wages and benefits	738	1,845	7,800	10,383
	738	1,845	8,383	10,966
Total exploration and evaluation expenditures	\$ 738	\$ 2,666	\$ 10,285	\$ 13,689

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(Expressed in Canadian Dollars)****Three Months Ended June 30, 2016****Unaudited**

	Kenwest	Total
Exploration expenditures		
Field supplies and consumables	\$ (187)	\$ (187)
Travel and accommodation	159	159
Wages and benefits	687	687
	659	659
Total exploration and evaluation expenditures	\$ 659	\$ 659

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(Expressed in Canadian Dollars)****Six Months Ended June 30, 2015****Unaudited**

	Kenwest	Gaffney	Elora	Total
Acquisition costs				
Property taxes	\$ 3,274	\$ 361	\$ -	\$ 3,635
Exploration expenditures				
Field supplies and consumables	1,285	2,817	45	4,147
Travel and accommodation	708	708	-	1,416
Wages and benefits	10,555	10,221	-	20,776
	12,548	13,746	45	26,339
Total exploration and evaluation expenditures	\$ 15,822	\$ 14,107	\$ 45	\$ 29,974

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(Expressed in Canadian Dollars)****Three Months Ended June 30, 2015****Unaudited**

	Kenwest	Gaffney	Elora	Total
Acquisition costs				
Property taxes	\$ 361	\$ 251	\$ -	\$ 612
Exploration expenditures				
Field supplies and consumables	1,285	1,211	45	2,541
Travel and accommodation	708	708	-	1,416
Wages and benefits	8,793	2,734	-	11,527
	10,786	4,653	45	15,484
Total exploration and evaluation expenditures	\$ 11,147	\$ 4,904	\$ 45	\$ 16,096
