
MANITOU GOLD INC.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2017
(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, 2017	As at December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 130,633	\$ 332,641
Amounts receivable and other assets (note 3)	12,498	7,314
Total assets	\$ 143,131	\$ 339,955
Liabilities and Shareholders' Equity		
Current liabilities		
Amounts payable and other liabilities (notes 4 and 10)	\$ 28,475	\$ 20,971
Total liabilities	28,475	20,971
Shareholders' equity		
Share capital (note 5)	13,971,792	13,971,792
Warrants (note 6)	188,353	188,353
Contributed surplus (note 7)	63,686	106,500
Deficit	(14,109,175)	(13,947,661)
Total shareholders' equity	114,656	318,984
Total shareholders' equity and liabilities	\$ 143,131	\$ 339,955

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)

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
General and administrative expense				
Office and general (note 10)	\$ 68,628	\$ 64,106	\$ 137,000	\$ 125,252
Professional fees (note 10)	5,986	6,900	14,649	9,584
Exploration and evaluation expenditures (note 9)	42,350	659	52,679	13,689
Option-based payments (note 7)	59,186	-	59,186	4,500
Total general and administrative expense	176,150	71,665	263,514	153,025
Loss before interest income	(176,150)	(71,665)	(263,514)	(153,025)
Interest income	-	98	-	410
Net loss and comprehensive loss for the period	\$ (176,150)	\$ (71,567)	\$ (263,514)	\$ (152,615)
Net loss and comprehensive loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding - basic and diluted (note 8)	62,372,411	55,022,411	62,372,411	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, 2017	Six Months Ended June 30, 2016
Operating activities		
Net loss for the period	\$ (263,514)	\$ (152,615)
Adjustments for:		
Option-based payments (note 7)	59,186	4,500
Changes in non-cash working capital items:		
Amounts receivable and other assets	(5,184)	(9,724)
Amounts payable and other liabilities	7,504	(21,987)
Net cash used in operating activities	(202,008)	(179,826)
Net change in cash and cash equivalents	(202,008)	(179,826)
Cash and cash equivalents, beginning of period	332,641	255,875
Cash and cash equivalents, end of period	\$ 130,633	\$ 76,049

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, 2015	\$ 13,787,893	\$ -	\$ 102,000	\$(13,655,189)	\$ 234,704
Option-based payments (note 7)	-	-	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
Balance, December 31, 2016	\$ 13,971,792	\$ 188,353	\$ 106,500	\$(13,947,661)	\$ 318,984
Expiration of options	-	-	(102,000)	102,000	-
Option-based payments (note 7)	-	-	59,186	-	59,186
Net loss for the period	-	-	-	(263,514)	(263,514)
Balance, June 30, 2017	\$ 13,971,792	\$ 188,353	\$ 63,686	\$(14,109,175)	\$ 114,656

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, 2017

(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 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 \$263,514 for the six months ended June 30, 2017 (six months ended June 30, 2016 - loss of \$152,615) and has an accumulated deficit of \$14,109,175 as at June 30, 2017 (December 31, 2016 - \$13,947,661). The Company had working capital of \$114,656 at June 30, 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(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 3, 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 June 30, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 1,244	\$ 2,361
Prepaid expenses	11,254	4,953
Total	\$ 12,498	\$ 7,314

4. Amounts Payable and Other Liabilities

	As at June 30, 2017	As at December 31, 2016
Falling due within the period		
Trade payables	\$ 8,093	\$ 4,006
Accrued liabilities	20,382	16,965
Total	\$ 28,475	\$ 20,971

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

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 June 30, 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
Balance at December 31, 2015 and June 30, 2016	55,022,411	\$ 13,787,893
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)
Balance at December 31, 2016 and June 30, 2017	62,372,411	\$ 13,971,792

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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

6. Warrants

The following table reflects the continuity of warrants for the periods ended June 30, 2017 and 2016:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2015 and June 30, 2016	-	\$ -
Warrants granted (note 5(b))	7,700,000	0.07
Balance at December 31, 2016 and June 30, 2017	7,700,000	\$ 0.07

The Company had the following warrants outstanding at June 30, 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
7,700,000	\$0.074	

(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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

7. Stock Options

The Company has a formal stock option plan (the "Plan"). At the annual and special meeting held on July 13, 2017, the Company pass an amendment to the existing stock option plan of the Company to provide for the issuance thereunder of such number of common shares of the Company as is equal to 10% of the aggregate number of common shares of the Company issued and outstanding from time to time. As at June 30, 2017, the Company has 4,987,241 shares available for issuance. The following table reflects the continuity of stock options for the periods ended June 30, 2017 and 2016:

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2015	4,000,000	\$ 0.10
Stock options granted (i)	250,000	0.10
Balance at June 30, 2016 and December 31, 2016	4,250,000	0.10
Stock options granted (ii)	1,000,000	0.10
Stock options expired	(4,000,000)	0.10
Balance at June 30, 2017	1,250,000	\$ 0.10

(i) 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, 2017, \$nil was expensed to option-based payments (three and six months ended June 30, 2016 - \$nil and \$4,500, respectively).

(ii) On April 9, 2017, the Company granted 1,000,000 stock options to an Officer 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 \$59,186 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.08, expected dividend yield of 0%, expected volatility of 168% which is based on historical volatility of the Company's share price, risk-free rate of return of 0.76% and an expected maturity of 2 years. For the three and six months ended June 30, 2017, \$59,186 was expensed to option-based payments (three and six months ended June 30, 2016 - \$nil).

The Company had the following stock options outstanding as of June 30, 2017:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Expiry Date
250,000	250,000	0.10	0.62	February 12, 2018
1,000,000	1,000,000	0.10	1.78	April 9, 2019
1,250,000	1,250,000	0.10	1.54	

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2017 was based on the loss attributable to common shares of \$176,150 and \$263,514, respectively (three and six months ended June 30, 2016 - loss of \$71,567 and \$152,615, respectively) and the weighted average number of common shares outstanding of 62,372,411 (three and six months ended June 30, 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 and six months ended June 30, 2017 and three and six months ended June 30, 2016, as they are anti-dilutive.

9. Exploration and Evaluation Expenditures

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Kenwest	\$ 42,350	\$ 659	\$ 52,679	\$ 10,285
Canamerica	-	-	-	738
Gaffney	-	-	-	2,666
	\$ 42,350	\$ 659	\$ 52,679	\$ 13,689

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 and six months ended June 30, 2017, the Company paid professional fees and disbursements of \$14,028 and \$30,294, respectively (three and six months ended June 30, 2016 - \$10,992 and \$21,939, respectively) to Marrelli Support Services Inc., ("Marrelli Support"), DSA Corporate Services Inc. ("DSA Corp") and DSA Filing Services Limited ("DSA Filing"), together known as the "Marrelli Group", for:

- (i) Carmelo Marrelli, President of Marrelli Group, to act as the Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping services;
- (iii) Regulatory filing services; and
- (iv) Corporate secretarial services.

These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at June 30, 2017, the Marrelli Group was owed \$2,717 (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 and six months ended June 30, 2017, the Company paid rent of \$nil, (three and six months ended June 30, 2016 -\$nil and \$3,500, respectively), to the director's company.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

10. Related Party Balances and Transactions (Continued)

Salaries paid to key management personnel for the three and six months ended June 30, 2017 totaled \$55,227 and \$86,551, respectively (three and six months ended June 30, 2016 - \$29,265 and \$57,760, respectively). Option-based payments to key management personnel for the three and six months ended June 30, 2017 totaled \$59,186 (three and six months ended June 30, 2016 - \$nil). Key management personnel are comprised of the Company's Chief Executive Officer ("CEO"), the President and the Company's CFO. As at June 30, 2017, key management personnel were owed \$nil (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 June 30, 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 June 30, 2017, directors and officers of the Company control an aggregate of 4,964,000 common shares (December 31, 2016 - 4,011,000 common shares) or approximately 7.96% 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.

Pursuant to an executive employment agreement with the President, in the event of termination, the President is entitled to three months base salary. In the event of a change of control of the Company, the President is entitled to receive a payment equal to 12 months' base salary in the sum of \$86,000.

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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2017

(Expressed in Canadian Dollars)

Unaudited

13. Subsequent Events

On July 7, 2017, the Company granted 4,950,000 stock options with an exercise price of \$0.10 per common share which vested immediately and have an expiry date of July 7, 2019.

On July 21, 2017, the Company closed the First Tranche of a non-brokered private placement (the "Offering") pursuant to which it has issued an aggregate of 7,059,000 units ("Units") at a price of \$0.085 per Unit to raise aggregate gross proceeds of \$600,015. Each Unit consists of one common share of the Company and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one additional common share of the Company at \$0.13 until July 21, 2019. Insiders of the Company subscribed for an aggregate 359,000 Units in the Offering, *being Mr. Ron Arnold, Director of the Company*, subscribing for 295,000 Units and *Mr. Patrice Dubreuil, President of the Company*, subscribing for 64,000 Units.

No finder's fees were paid in the First Tranche. All of the securities issued and issuable in the First Tranche are subject to a statutory hold period expiring on November 22, 2017.

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures****(Expressed in Canadian Dollars)****Six Months Ended June 30, 2017****Unaudited**

	Kenwest
Acquisition costs	
Property taxes	\$ 3,445
Exploration expenditures	
Consultants	15,498
Field supplies and consumables	3,267
Travel and accommodation	7,853
Wages and benefits	22,616
	49,234
Total exploration and evaluation expenditures	\$ 52,679

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(Expressed in Canadian Dollars)****Three Months Ended June 30, 2017****Unaudited**

	Kenwest
Acquisition costs	
Property taxes	\$ 653
Exploration expenditures	
Consultants	9,748
Field supplies and consumables	3,067
Travel and accommodation	7,410
Wages and benefits	21,472
	41,697
Total exploration and evaluation expenditures	\$ 42,350

Manitou Gold Inc.**Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(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
Exploration expenditures	
Field supplies and consumables	\$ (187)
Travel and accommodation	159
Wages and benefits	687
	659
Total exploration and evaluation expenditures	\$ 659
