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**MANITOU GOLD INC.  
CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 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 September 30, 2017	As at December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 578,406	\$ 332,641
Amounts receivable and other assets (note 3)	41,511	7,314
<b>Total assets</b>	<b>\$ 619,917</b>	<b>\$ 339,955</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 4 and 10)	\$ 41,176	\$ 20,971
<b>Total liabilities</b>	<b>41,176</b>	<b>20,971</b>
<b>Shareholders' equity</b>		
Share capital (note 5)	14,400,647	13,971,792
Warrants (note 6)	391,063	188,353
Contributed surplus (note 7)	389,721	106,500
Deficit	(14,602,690)	(13,947,661)
<b>Total shareholders' equity</b>	<b>578,741</b>	<b>318,984</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 619,917</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)

## Manitou Gold Inc.

### Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
<b>General and administrative expense</b>				
Office and general (note 10)	\$ 90,845	\$ 29,423	\$ 227,845	\$ 154,675
Professional fees (note 10)	10,468	3,717	25,117	13,301
Exploration and evaluation expenditures (note 9)	81,167	376	133,846	14,065
Option-based payments (note 7)	326,035	-	385,221	4,500
<b>Total general and administrative expense</b>	<b>508,515</b>	<b>33,516</b>	<b>772,029</b>	<b>186,541</b>
<b>Loss before interest and other income</b>	<b>(508,515)</b>	<b>(33,516)</b>	<b>(772,029)</b>	<b>(186,541)</b>
Interest income	-	-	-	410
Other income	15,000	-	15,000	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (493,515)</b>	<b>\$ (33,516)</b>	<b>\$ (757,029)</b>	<b>\$ (186,131)</b>
<b>Net loss and comprehensive loss per share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding - basic and diluted (note 8)</b>	<b>67,885,335</b>	<b>60,055,563</b>	<b>64,230,246</b>	<b>56,712,375</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>Nine Months Ended September 30, 2017</b>	<b>Nine Months Ended September 30, 2016</b>
<b>Operating activities</b>		
Net loss for the period	\$ (757,029)	\$ (186,131)
Adjustments for:		
Option-based payments (note 7)	385,221	4,500
Changes in non-cash working capital items:		
Amounts receivable and other assets	(34,197)	1,748
Amounts payable and other liabilities	20,205	(17,401)
<b>Net cash used in operating activities</b>	<b>(385,800)</b>	<b>(197,284)</b>
<b>Financing activities</b>		
Issuance of share capital (note 5(b))	642,515	385,000
Cost of issue	(10,950)	(9,156)
<b>Net cash provided by financing activities</b>	<b>631,565</b>	<b>375,844</b>
<b>Net change in cash and cash equivalents</b>	<b>245,765</b>	<b>178,560</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>\$ 578,406</b>	<b>\$ 434,435</b>

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
<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>
Issue of units (note 5(b))	385,000	-	-	-	385,000
Finder's units (note 5(b))	19,250	-	-	-	19,250
Cost of issue (note 5(b))	(37,092)	8,686	-	-	(28,406)
Warrant valuation (note 5(b))	(179,667)	179,667	-	-	-
Option-based payments (note 7)	-	-	4,500	-	4,500
Net loss for the period	-	-	-	(186,131)	(186,131)
<b>Balance, September 30, 2016</b>	<b>\$ 13,975,384</b>	<b>\$ 188,353</b>	<b>\$ 106,500</b>	<b>\$(13,841,320)</b>	<b>\$ 428,917</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>
Issue of units (note 5(b))	642,515	-	-	-	642,515
Cost of issue (note 5(b))	(10,950)	-	-	-	(10,950)
Warrant valuation (note 5(b))	(202,710)	202,710	-	-	-
Expiration of options	-	-	(102,000)	102,000	-
Option-based payments (note 7)	-	-	385,221	-	385,221
Net loss for the period	-	-	-	(757,029)	(757,029)
<b>Balance, September 30, 2017</b>	<b>\$ 14,400,647</b>	<b>\$ 391,063</b>	<b>\$ 389,721</b>	<b>\$(14,602,690)</b>	<b>\$ 578,741</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 and Nine months Ended September 30, 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 \$757,029 for the nine months ended September 30, 2017 (nine months ended September 30, 2016 - loss of \$186,131) and has an accumulated deficit of \$14,602,690 as at September 30, 2017 (December 31, 2016 - \$13,947,661). The Company had working capital of \$578,741 at September 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.

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# Manitou Gold Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 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 November 6, 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 September 30, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 15,201	\$ 2,361
Prepaid expenses	26,310	4,953
Total	\$ 41,511	\$ 7,314

### 4. Amounts Payable and Other Liabilities

	As at September 30, 2017	As at December 31, 2016
Falling due within the period		
Trade payables	\$ 30,901	\$ 4,006
Accrued liabilities	10,275	16,965
Total	\$ 41,176	\$ 20,971

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 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 September 30, 2017, the issued share capital amounted to \$14,400,647. The changes in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
<b>Balance at December 31, 2015</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	-	(9,156)
Warrant valuation	-	(179,667)
<b>Balance at September 30, 2016</b>	<b>62,372,411</b>	<b>13,975,384</b>
Cost of issue - cash	-	(3,592)
<b>Balance at December 31, 2016</b>	<b>62,372,411</b>	<b>13,971,792</b>
Issue of units	7,559,000	642,515
Cost of issue - cash	-	(10,950)
Warrant valuation	-	(202,710)
<b>Balance at September 30, 2017</b>	<b>69,931,411</b>	<b>\$ 14,400,647</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.



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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 5. Share Capital (continued)

##### (b) Common shares issued (continued)

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.

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 ("Security Units") at a price of \$0.085 per Security Unit to raise aggregate gross proceeds of \$600,015. Each Security Unit consists of one common share of the Company and one half of one common share purchase warrant (a "Warrant Security"). Each whole Warrant Security 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 Security Units in the Offering, being Mr. Ron Arnold, Director of the Company, subscribing for 295,000 Security Units and Mr. Patrice Dubreuil, President of the Company, subscribing for 64,000 Security 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.

The Security Warrants issued were assigned a value of \$190,802 using the Black-Scholes valuation model (3,529,500 Security Warrants). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.25%;
- Expected life: 2 years;
- Expected volatility: 159% based on historical trends; and
- Weighted average share price: \$0.08.

On September 18, 2017, Manitou announced that it has closed the second and final tranche (the "Second Tranche") of its Offering, to raise additional gross proceeds of \$42,500. In connection with the completion of the Second Tranche, the Company issued 500,000 Security Units at a price of \$0.085 per Security Unit. No finder's fees were paid in the Second Tranche. All of the securities issued and issuable in the Second Tranche are subject to a statutory hold period expiring on January 19, 2018.

The Security Warrants issued were assigned a value of \$11,908 using the Black-Scholes valuation model (250,000 Security Warrants). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.57%;
- Expected life: 2 years;
- Expected volatility: 151% based on historical trends; and
- Weighted average share price: \$0.08.

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Warrants

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

	Number of Warrants	Weighted Average Exercise Price
<b>Balance at December 31, 2015</b>	-	\$ -
Warrants granted (note 5(b))	7,700,000	0.07
<b>Balance at September 31, 2016 and December 31, 2016</b>	<b>7,700,000</b>	<b>\$ 0.07</b>
Warrants granted (note 5(b))	3,779,500	0.13
<b>Balance at September 30, 2017</b>	<b>11,479,500</b>	<b>\$ 0.09</b>

The Company had the following warrants outstanding at September 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
3,529,500	0.13	July 21, 2019
250,000	0.13	September 18, 2019
<b>11,479,500</b>	<b>\$0.09</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 and Nine months Ended September 30, 2017

(Expressed in Canadian Dollars)

Unaudited

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#### 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 passed a resolution amending 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 September 30, 2017, the Company has 793,141 options available for issuance. The following table reflects the continuity of stock options for the periods ended September 30, 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 (i)	250,000	0.10
<b>Balance at September 30, 2016 and December 31, 2016</b>	<b>4,250,000</b>	<b>0.10</b>
Stock options granted (ii)	1,000,000	0.10
Stock options granted (iii)	4,950,000	0.10
Stock options expired	(4,000,000)	0.10
<b>Balance at September 30, 2017</b>	<b>6,200,000</b>	<b>\$ 0.10</b>

(i) On February 12, 2016, the Company granted 250,000 stock options to a consultant of the Company 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 nine months ended September 30, 2017, \$nil was expensed to option-based payments (three and nine months ended September 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 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 nine months ended September 30, 2017, \$nil and \$59,186, respectively was expensed to option-based payments (three and nine months ended September 30, 2016 - \$nil).

(iii) 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. The grant date fair value of \$326,035 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.09, expected dividend yield of 0%, expected volatility of 160% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.16% and an expected maturity of 2 years. For the three and nine months ended September 30, 2017, \$326,035 was expensed to option-based payments (three and nine months ended September 30, 2016 - \$nil).

## Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements  
Three and Nine months Ended September 30, 2017  
(Expressed in Canadian Dollars)  
Unaudited

### 7. Stock Options (continued)

The Company had the following stock options outstanding as of September 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	0.37	February 12, 2018
1,000,000	1,000,000	0.10	1.52	April 9, 2019
4,950,000	4,950,000	0.10	1.77	July 7, 2019
6,200,000	6,200,000	0.10	1.67	

### 8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2017 was based on the loss attributable to common shares of \$493,515 and \$757,029, respectively (three and nine months ended September 30, 2016 - loss of \$33,516 and \$186,131, respectively) and the weighted average number of common shares outstanding of 67,885,335 and 64,230,246, respectively (three and nine months ended September 30, 2016 - 60,055,563 and 56,712,375, respectively) for basic and diluted loss per share. Diluted loss per share did not include the effect of warrants and options for the three and nine months ended September 30, 2017 and three and nine months ended September 30, 2016, as they are anti-dilutive.

### 9. Exploration and Evaluation Expenditures

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Kenwest	\$ 65,657	\$ 376	\$ 118,336	\$ 10,661
Goudreau (note 13)	15,510	-	15,510	-
Canamerica	-	-	-	738
Gaffney	-	-	-	2,666
	\$ 81,167	\$ 376	\$ 133,846	\$ 14,065

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.

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## **Manitou Gold Inc.**

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

**Three and Nine months Ended September 30, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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

During the three and nine months ended September 30, 2017, the Company paid professional fees and disbursements of \$14,455 and \$44,749, respectively (three and nine months ended September 30, 2016 - \$12,474 and \$34,413, 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 September 30, 2017, the Marrelli Group was owed \$2,740 (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 nine months ended September 30, 2017, the Company paid rent of \$nil, (three and nine months ended September 30, 2016 - \$nil and \$3,500, respectively), to the director's company.

Salaries paid to key management personnel for the three and nine months ended September 30, 2017 totaled \$51,387 and \$137,938, respectively (three and nine months ended September 30, 2016 - \$9,908 and \$67,668, respectively). Option-based payments to key management personnel for the three and nine months ended September 30, 2017 totaled \$326,035 and \$385,221, respectively (three and nine months ended September 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 September 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 September 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 September 30, 2017, directors and officers of the Company control an aggregate of 5,013,000 common shares (December 31, 2016 - 4,011,000 common shares) or approximately 7.17% 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.

See note 5(b) for details regarding related party participation in the Offering.

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# **Manitou Gold Inc.**

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

**Three and Nine months Ended September 30, 2017**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **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.

### **13. Subsequent Events**

On October 30, 2017, the Company closed its strategic acquisition (the "Acquisition") of four contiguous parcels of land totaling approximately 160 acres of patented surface and mining rights located in Jacobson Township within the Sault Ste. Marie Mining Division (the "Property"). The Property lies on the Goudreau-Lochalsh deformation zone, which hosts Richmond Mines' Island Gold Mine, and lies approximately 2 km east of the past producing Edwards and Cline Mines. The patents covering the Property date back to the 1930s and have seen little or no modern mineral exploration.

The Property has been acquired in consideration of: (i) the issuance of 200,000 common shares of the Company, (ii) a cash payment to the vendor in the amount of \$60,000 and (iii) the issuance to the vendor of a net smelter royalty of 1% on production generated on the Property (which may be purchased by the Company at any time for a cash payment to the vendor in the amount of \$1,000,000). The common shares issued in consideration of the Acquisition are subject to a statutory hold period expiring February 27, 2018.

The Company also staked mining claims totaling 164 acres covering the eastern extension of the Goudreau-Lochalsh deformation zone. This additional land acquisition is part of the Company's continuing effort to secure a larger presence along the prolific deformation zone where Richmond Mines continues to build up reserves to the west along the deformation zone.

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

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	<b>Goudreau</b>	<b>Kenwest</b>	<b>Total</b>
Acquisition costs			
Property taxes	\$ -	\$ 3,567	\$ 3,567
Exploration expenditures			
Consultants	1,080	38,570	<b>39,650</b>
Field supplies and consumables	-	5,448	<b>5,448</b>
Mine engineering	-	26,538	<b>26,538</b>
Travel and accommodation	4,346	15,306	<b>19,652</b>
Wages and benefits	10,084	28,907	<b>38,991</b>
	15,510	114,769	<b>130,279</b>
Total exploration and evaluation expenditures	\$ 15,510	\$ 118,336	\$ <b>133,846</b>

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

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	<b>Goudreau</b>	<b>Kenwest</b>	<b>Total</b>
Acquisition costs			
Property taxes	\$ -	\$ 122	\$ 122
Exploration expenditures			
Consultants	1,080	23,072	<b>24,152</b>
Field supplies and consumables	-	2,181	<b>2,181</b>
Mine engineering	-	26,538	<b>26,538</b>
Travel and accommodation	4,346	7,453	<b>11,799</b>
Wages and benefits	10,084	6,291	<b>16,375</b>
	15,510	65,535	<b>81,045</b>
Total exploration and evaluation expenditures	\$ 15,510	\$ 65,657	\$ <b>81,167</b>

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

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	<b>Canamerica</b>	<b>Gaffney</b>	<b>Kenwest</b>	<b>Total</b>
Acquisition costs				
Property taxes	\$ -	\$ 821	\$ 2,278	\$ 3,099
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	\$ 10,661	\$ 14,065

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

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	<b>Kenwest</b>
Acquisition costs	
Property taxes	\$ 376
Total exploration and evaluation expenditures	\$ 376

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