AURVISTA GOLD CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED

JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Aurvista Gold Corporation

Condensed 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 (note 3)	$	3,658,309	$	4,734,942
Marketable securities (note 4)		-		113,400
Sales taxes receivable		959,660		277,499
Mining exploration tax credit receivable		360,000		100,000
Prepaid expenses		90,603		82,783
Funds reserved for exploration (note 3)		3,043,305		-
Total current assets		8,111,877		5,308,624
Property and equipment (note 5)		66,433		456
Total assets	$	8,178,310	$	5,309,080
EQUITY AND LIABILITIES				
Current liabilities				
Trade accounts payable and accrued liabilities	$	540,779	$	736,812
Unamortized premium on flow-through shares (note 15)		1,187,631		-
Contingent liabilities (note 16)		502,000		242,000
		2,230,410		978,812
Equity				
Share capital (note 8)		39,820,531		34,839,323
Reserves		8,749,039		5,473,029
Accumulated other comprehensive loss		-		(208,918)
Deficit		(42,621,670)		(35,773,166)
Total equity		5,947,900		4,330,268
Total equity and liabilities	$	8,178,310	$	5,309,080

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

Nature of operations (note 1)
Subsequent events (note 17)

Approved on behalf of the Board:

"R. Bryan Keeler", Director

"Pierre B. Lebel", Director

Aurvista Gold Corporation

Condensed 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
Operating expenses				
Exploration and evaluation expenditures (notes 6 and 7)	**$ (2,291,860)**	$ (327,092)	**$ (5,133,070)**	$ (335,987)
General and administrative (note 11)	**(1,044,813)**	(215,555)	**(1,631,857)**	(325,939)
Finance income	**2,540**	-	**6,739**	1,314
Finance (expense)	**(1,214)**	(698)	**(2,029)**	(1,153)
Premium on flow-through shares	**18,209**	52,761	**18,209**	52,761
Loss on sale of marketable securities (note 4)	**-**	-	**(106,767)**	-
Net loss for the period	**$ (3,317,138)**	$ (490,584)	**$ (6,848,775)**	$ (609,004)
Other comprehensive loss				
Items that will be reclassified subsequently to income				
Net change in available for sale financial assets	**$ -**	$ 32,400	**$ 208,918**	$ 32,400
Other comprehensive gain for the period	**-**	32,400	**208,918**	32,400
Total comprehensive loss for the period	**$ (3,317,138)**	$ (458,184)	**$ (6,639,857)**	$ (576,604)
Basic and diluted net loss per share (note 14)	**$ (0.023)**	$ (0.007)	**$ (0.049)**	$ (0.008)
Weighted average number of common shares outstanding	**144,165,470**	75,022,635	**138,780,373**	72,267,126

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

Aurvista Gold Corporation
Condensed Interim Statements of Cash Flows
(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
Operating activities				
Net loss for the period	**$ (3,317,138)**	$ (490,584)	**$ (6,848,775)**	$ (609,004)
Adjustments for:				
Amortization	**5,539**	455	**9,839**	910
Premium on flow-through shares	**(18,209)**	(52,761)	**(18,209)**	(52,761)
Share-based payments	**381,461**	12,112	**519,775**	24,224
Loss on sale of marketable securities	**-**	-	**106,767**	-
Changes in non-cash working capital items:				
Other receivables	**-**	-	**-**	114,165
Sales taxes receivable	**(403,496)**	(33,071)	**(682,161)**	(45,647)
Mining exploration tax credit receivable	**(260,000)**	(94,637)	**(260,000)**	(94,637)
Prepaid expenses	**(44,598)**	(35,837)	**(7,820)**	(51,100)
Trade accounts payable and accrued liabilities	**(407,823)**	207,522	**(196,033)**	102,062
Contingent liabilities	**260,000**	200,000	**260,000**	200,000
Net cash used in operating activities	**(3,804,264)**	(286,801)	**(7,116,617)**	(411,788)
Investing activities				
Increase in funds reserved for exploration	**(3,043,305)**	(297,877)	**(3,043,305)**	(297,877)
Acquisition of property and equipment	**(29,679)**	-	**(75,816)**	-
Net cash provided by investing activities	**(3,072,984)**	(297,877)	**(3,119,121)**	(297,877)
Financing activities				
Proceeds from issuance of units	**7,189,965**	1,097,880	**7,189,965**	1,097,880
Share issue costs	**(148,678)**	(86,430)	**(148,678)**	(86,430)
Proceeds from warrant exercise	**1,040,473**	-	**1,902,267**	-
Proceeds on sale of marketable securities	**-**	-	**215,551**	-
Net cash provided by (used in) financing activities	**8,081,760**	1,011,450	**9,159,105**	1,011,450
Net change in cash and cash equivalents	**1,204,512**	426,772	**(1,076,633)**	301,785
Cash and cash equivalents, beginning of period	**2,453,797**	132,748	**4,734,942**	257,735
Cash and cash equivalents, end of period	**$ 3,658,309**	$ 559,520	**$ 3,658,309**	$ 559,520

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

Aurvista Gold Corporation
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

Equity attributable to shareholders

		Reserves				
	Share capital	Share-based payments reserve	Warrants reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2016	**$ 34,839,323**	**$ 1,304,771**	**$ 4,168,258**	**$ (208,918)**	**$ (35,773,166)**	**$ 4,330,268**
Private placement - flow-through units	3,089,965	-	-	-	-	3,089,965
Private placement - common share units	4,100,000	-	-	-	-	4,100,000
Valuation of warrants issued	(3,395,964)	-	3,395,964	-	-	-
Share issuance costs	(148,678)	-	-	-	-	(148,678)
Premium on flow-through shares	(1,205,840)	-	-	-	-	(1,205,840)
Warrants expired	-	-	(271)	-	271	-
Warrants exercised	1,902,267	-	-	-	-	1,902,267
Valuation of warrants exercised	639,458	-	(639,458)	-	-	-
Share based payments		519,775	-	-	-	519,775
Net loss for the period	-	-	-	-	(6,848,775)	(6,848,775)
Other comprehensive loss	-	-	-	208,918	-	208,918
Balance, June 30, 2017	**$ 39,820,531**	**$ 1,824,546**	**$ 6,924,493**	**$ -**	**$ (42,621,670)**	**$ 5,947,900**
Balance, December 31, 2015	**$ 32,014,380**	**$ 912,567**	**$ -**	**$ (273,718)**	**$ (32,747,541)**	**$ (94,312)**
Private placement - flow-through units	508,920	-	-	-	-	508,920
Private placement - common share units	588,960	-	-	-	-	588,960
Valuation of warrants issued	(471,021)	-	471,021	-	-	-
Share issuance costs	(86,430)	-	-	-	-	(86,430)
Premium on flow-through shares	(127,230)	-	-	-	-	(127,230)
Share based payments	-	24,224	-	-	-	24,224
Net loss for the period	-	-	-	-	(609,004)	(609,004)
Other comprehensive income	-	-	-	32,400	-	32,400
Balance, June 30, 2016	**$ 32,427,579**	**$ 936,791**	**$ 471,021**	**$ (241,318)**	**$ (33,356,545)**	**$ 237,528**

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

1. Nature of operations

Aurvista Gold Corporation (the "Company" or "Aurvista") is a company domiciled in Canada. Aurvista was incorporated on June 3, 2010 under the Ontario Business Corporations Act and was continued under the Canada Corporations Act by articles of continuance dated June 22, 2011. The address of the Company's registered office is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6. The Company is primarily involved in the exploration of mineral resources.

These unaudited condensed interim financial statements have been prepared on the basis of the going concern assumption, in other words, the Company will be able to realize its assets, discharge its liabilities and pursue its mining exploration program in the normal course of operations. The Company has a working capital surplus at June 30, 2017 of $5,881,467. Management is of the opinion that the Company will be able to meet its exploration plan, which is approximately $6,000,000, and can keep its properties in good standing for at least the next twelve months.

The Company has not yet determined whether its mining properties contain mineral deposits that are economically recoverable and has an accumulated deficit of $42,621,670. These conditions, which are the nature of all junior mining exploration companies, raise questions regarding the Company's ability to continue as a going concern.

The Company's unaudited condensed interim financial statements do not include any adjustments to the assets carrying amount, to the expenses presented and to the reclassification of the balance sheet items that could be necessary should the Company be unable to continue its operations.

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 International Financial Reporting Interpretations Committee ("IFRIC"). These 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 required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of August 28, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual 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 financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim financial statements.

New standards and interpretations not yet adopted

IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 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, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian dollars)

3. Cash and cash equivalents

	As at June 30, 2017	As at December 31, 2016
Bank balances	$ 6,479,379	$ 734,942
Money management Investment savings account	222,235	4,000,000
	6,701,614	4,734,942
Funds reserved for exploration	(3,043,305)	-
Cash and cash equivalents	$ 3,658,309	$ 4,734,942

4. Marketable securities

	As at June 30, 2017	As at December 31, 2016
Cost		
1,080,000 common shares of S.E.M. Vior Inc. (“Vior”)	$ -	$ 350,870
Unrealized (loss)		
1,080,000 common shares of Vior	-	(237,470)
	$ -	$ 113,400

During the six months ended June 30, 2017, the Company sold its investment in marketable securities for $215,551, net of commission.

5. Property and equipment

Cost	Office equipment	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2015	$ -	$ 5,458	$ 14,480	$ 3,711	$ 23,649
Disposals	-	-	(14,480)	-	(14,480)
Balance, December 31, 2016	-	5,458	-	3,711	9,169
Additions	23,365	-	-	52,451	75,816
Balance, June 30, 2017	$ 23,365	$ 5,458	$ -	$ 56,162	$ 84,985

Accumulated Amortization	Office equipment	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2015	$ -	$ 3,183	$ 14,480	$ 3,711	$ 21,374
Amortization during the period	-	1,819	(14,480)	-	(12,661)
Balance, December 31, 2016	-	5,002	-	3,711	8,713
Amortization during the period	1,167	456	-	8,216	9,839
Balance, June 30, 2017	$ 1,167	$ 5,458	$ -	$ 11,927	$ 18,552

Carrying value	Office equipment	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2016	$ -	$ 456	$ -	$ -	$ 456
Balance, June 30, 2017	$ 22,198	$ -	$ -	$ 44,235	$ 66,433

(Expressed in Canadian dollars)

6. Mining Properties

The accumulated mining property acquisition costs, which have been expensed, are as follows:

	As at June 30, 2017	As at June 30, 2016
Douay property		
Opening balance	**$ 20,892,875**	$ 20,892,875
Acquisition	**357,500**	-
Ending balance	**$ 21,250,375**	$ 20,892,875

During the six months ended June 30, 2017, the Company repurchased and cancelled the 1.5% NSR on the North West Claims from CANEX Metals Inc. (formerly Northern Abitibi Mining Corp.) ("CANEX") for a total cash consideration of $325,000, revised its obligations to CANEX further to the bonus purchase price, for $20,000 and acquired the remaining 10% interest in the West Zone acquired from Vior for $12,500.

During the six months ended June 30, 2017, the Company staked an additional 294 mineral claims surrounding the Company's Douay Property. Subsequent to June 30, 2017, the Company staked an additional 51 mostly contiguous mineral claims to the west of the Douay property.

7. Exploration and evaluation expenditures

The accumulated exploration and evaluation expenditures, which have been expensed, are as follows:

	As at June 30, 2017	As at June 30, 2016
Douay property		
Drilling and core	**$ 4,251,534**	$ 77,693
Engineering	**30,660**	(1,255)
Environmental	**36,768**	-
Geochemical	**87,696**	-
Geology	**133,345**	3,265
Geophysics	**107,246**	138,916
Licences and permits	**37,999**	781
Project management and supervision	**55,077**	11,224
Other exploration costs	**35,245**	105,363
	4,775,570	335,987
Opening balance	**9,676,704**	7,887,728
Ending balance	**$ 14,452,274**	$ 8,223,715

8. Share capital

a) Authorized share capital

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

(Expressed in Canadian dollars)

8. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2015	69,511,617	$ 32,014,380
Private placement - flow-through units (i)	6,361,504	508,920
Private placement - common share units (i)	9,816,000	588,960
Valuation of warrants issued (i)	-	(471,021)
Premium on flow-through shares (i)	-	(127,230)
Share issuance costs (i)	-	(86,430)
Balance, June 30, 2016	85,689,121	$ 32,427,579
Balance, December 31, 2016	131,162,407	$ 34,839,323
Private placement - flow-through units (ii)	7,536,501	3,089,965
Private placement - common share units (ii)	16,400,000	4,100,000
Valuation of warrants issued (ii)	-	(3,395,964)
Premium on flow-through shares (ii)	-	(1,205,840)
Share issuance costs (ii)	-	(148,678)
Warrants exercised (note 10)	17,739,357	1,902,267
Valuation of warrants exercised (note 10)	-	639,458
Balance, June 30, 2017	172,838,265	$ 39,820,531

(i) On May 30, 2016, the Company closed a non-brokered private placement of 6,361,504 flow-through units at a price of $0.08 per unit for gross proceeds of $508,920 and 9,816,000 common share units at a price of $0.06 per unit for gross proceeds of $588,960. Each flow-through unit consists of one flow-through common share and one share purchase warrant. Each common share unit consists of one non flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.10 per share during the 12 months from the closing date.

In connection with the placement, finders' fees of $76,852 were incurred and 768,516 finders' warrants were issued which entitles the holder to purchase one common share at an exercise price $0.10 for a period of 12 months from the closing date.

The fair value of the 16,177,504 warrants and 768,516 finder warrants have been estimated using the Black-Scholes option pricing model to be $413,075 and $57,946, respectively. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 152% which is based on historical volatility; estimated risk-free interest rate - 0.60%; and an expected average life of 1 year.

(ii) On June 26, 2017, the Company closed the first tranche of a private placement of 7,536,501 flow-through units at a price of $0.41 per unit for gross proceeds of $3,089,965 and 16,400,000 common share units at a price of $0.25 per unit for gross proceeds of $4,100,000. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each common share unit consisted of one non flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.40 per share during the 5 years from the closing date. In connection with the placement, finders' fees of $109,238 were incurred. All securities issued pursuant to the closings today are subject to a four-month hold period, expiring on October 27, 2017.

The fair value of the 23,936,501 warrants was estimated using the Black-Scholes option pricing model to be $3,395,964. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 151% which is based on historical volatility; estimated risk-free interest rate - 1.12%; and an expected average life of 5 years.

(Expressed in Canadian dollars)

9. Stock options

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2015	5,930,000	0.13
Expired	(310,000)	0.12
Balance, June 30, 2016	5,620,000	0.13
Balance, December 31, 2016	12,410,000	0.20
Expired	(1,017,500)	0.32
Granted (i), (ii)	3,775,000	0.31
Balance, June 30, 2017	15,167,500	0.22

(i) On March 2, 2017, the Company granted 475,000 incentive stock options to certain new employees and consultants with each option exercisable into one common share of the Company at an exercise price of $0.40 per share for a period of five years. The options vest 1/4 immediately and 1/4 on each anniversary of the date of grant. The grant date fair value of $184,918 or $0.3893 per option was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 152% which is based on historical volatility, risk-free rate of return of 1.17% and an expected maturity of 5 years.

(ii) On May 23, 2017, the Company granted 3,300,000 incentive stock options to certain officers and consultants with each option exercisable into one common share of the Company at an exercise price of $0.30 per share for a period of five years. The options vest 1/4 immediately and 1/4 on each anniversary of the date of grant. The grant date fair value of $840,840 or $0.2548 per option was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 152% which is based on historical volatility, risk-free rate of return of 0.97% and an expected maturity of 5 years.

The following table reflects the actual stock options issued and outstanding as of June 30, 2017:

Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
0.12	1.5	1,620,000	1,620,000
0.12	2.3	500,000	333,334
0.10	3.4	3,000,000	1,500,000
0.24	4.0	800,000	200,000
0.24	4.2	400,000	100,000
0.25	4.4	5,072,500	1,315,000
0.40	4.7	475,000	118,750
0.30	4.9	3,300,000	825,000
0.22	3.9	15,167,500	6,012,084

Subsequent to June 30, 2017, the Company vested the remaining unvested portion (625,000) of the options of a retiring director.

(Expressed in Canadian dollars)

10. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2015	-	-
Issued (notes 8(b)(i))	16,946,020	0.10
Balance, June 30, 2016	16,946,020	0.10
Balance, December 31, 2016	61,924,075	0.22
Issued (i), (notes 8(b)(ii))	24,289,941	0.40
Expired	(3,591)	0.10
Exercised	(17,739,357)	0.11
Balance, June 30, 2017	68,471,068	0.31

(i) 353,440 issued on exercise of warrants

The following table reflects the actual warrants issued and outstanding as of June 30, 2017:

Number of Warrants Outstanding	Grant Date Fair Value($)	Weighted average exercise Price ($)	Expiry Date
80,500	20,198	0.13	July 2017
2,212,500	138,099	0.13	July 2019
39,795,334	2,638,319	0.28	November 2019
2,446,233	731,913	0.15(1)	November 2019
23,936,501	3,395,964	0.40	June 2022
68,471,068	6,924,493	0.31	

(1) Exercisable into one common share unit which consists of one common share and one common share warrant. Each common share warrant entitles the holder to purchase one additional common share at an exercise price of $0.28 per share until November 2019.

11. General and administrative

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Professional fees	**$ 117,324**	$ 49,390	**$ 172,503**	$ 58,313
Salaries and benefits	**148,090**	35,409	**185,027**	71,245
Management and consulting	**136,005**	42,068	**234,934**	74,900
Office and general	**135,657**	45,644	**190,972**	58,743
Travel and promotion	**105,218**	25,017	**288,662**	25,144
Share-based payments	**381,461**	12,112	**519,775**	24,224
Business development	**15,519**	5,460	**30,145**	12,460
Amortization	**5,539**	455	**9,839**	910
	$ 1,044,813	$ 215,555	**$ 1,631,857**	$ 325,939

(Expressed in Canadian dollars)

12. Related party transactions

The Company has no ultimate parent.

Key management personnel compensation comprised:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Short-term benefits	**$ 85,750**	$ 22,500	**$ 135,750**	$ 45,000
Share-based payments	**332,949**	9,669	**423,138**	19,339
	$ 418,699	$ 32,169	**$ 558,888**	$ 64,339

Under an agreement between the Company and 9134-4382 Quebec Inc. ("9134-4382"), (which is owned by the former President and CEO), during the three and six months ended June 30, 2017, 9134-4382 invoiced or the Company accrued a total of $32,000 and $57,000 (three and six months ended June 30, 2016 - $22,500 and $45,000) for exploration and CEO services provided to the Company. At June 30, 2017, there is an amount of $0 (December 31, 2016 - $19,715) due to 9134-4382 by the Company.

Under an agreement between the Company and 2364158 Ontario Inc. ("2364158"), (which is owned by the COO), during the three and six months ended June 30, 2017, 2364158 invoiced or the Company accrued a total of $30,000 and $55,000 (three and six months ended June 30, 2016 - $0) for COO services provided to the Company. At June 30, 2017, there is an amount of $0 (December 31, 2016 - $0) due to 2364158 by the Company.

Under an agreement between the Company and Tejas Capital Corporation ("Tejas"), (which is owned by the President and CEO), during the three and six months ended June 30, 2017, Tejas invoiced or the Company accrued a total of $23,750 (three and six months ended June 30, 2016 - $0) for President and CEO services provided to the Company. At June 30, 2017, there is an amount of $40,292 (December 31, 2016 - $0) due to 2364158 by the Company.

During the three and six months ended June 30, 2017, the Company paid or accrued rent of $3,405 and $13,620 (three and six months ended June 30, 2016 - $5,715 and $10,620) to a director of the Company. At June 30, 2017, there is an amount of $480 (December 31, 2016 - $1,980) due to this director.

The above noted transactions 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.

As of June 30, 2017, directors and officers collectively control 10,629,035 common shares of the company or approximately 6% of the total common shares outstanding. To the knowledge of the directors and executive officers of the Company, the remaining common shares of the Company are widely held.

13. 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 interim financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

14. 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 shareholders of $3,317,138 and $6,848,775 (three and six months ended June 30, 2016 - $490,584 and $609,004) and the weighted average number of common shares outstanding of 144,165,470 and 138,780,373 (three and six months ended ended June 30, 2016 - 75,022,635 and 72,267,126). Diluted loss per share did not include the effect of the stock options and warrants as they are anti-dilutive.

15. Commitments

As at June 30, 2017, the Company had the obligation to incur $3,043,305 (December 31, 2016 - $0) in exploration expenditures related to flow-through share issuances.

16. Contingencies

(i) The Company had a tax issue with respect to flow-through spending in 2010 and 2011 which was the subject of an agreement with Canadian Taxation Authorities. The agreement quantified underspent flow-through obligations and gave the Company the right but not the obligation, not to exceed $400,000, to pay taxes on behalf of the flow-through investors which could otherwise be reassessed to flow-through investors. The Company's payment on behalf of investors is not CRA's normal policy and reflects mitigating circumstances. A payment of $400,000 to the CRA per the settlement agreement was made during the year ended December 31, 2016.

The Company has continued to accrue $42,000 as a current liability and has a potential settlement amount with Revenu Quebec further to note 16(ii) below.

(ii) The Company received a draft re-assessment from Revenu Quebec further to their audit which was mainly focused on Quebec Exploration Tax Credits for the tax years 2011 through 2014. The Company has provided its reply refuting the re-assessment but at this time it is unknown as to the final re-assessment.

Management has reviewed the estimated range of potential reassessments and has accrued an additional $460,000 as a potential contingent liability bringing the contingent amount to $502,000.

17. Subsequent events

(i) Subsequent to June 30, 2017, the Company closed the final tranche of its private placement of 7,097,649 flow-through units at a price of $0.41 per unit for gross proceeds of $2,910,036. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.40 per share during the 5 years from the closing date. All securities are subject to a four-month hold period expiring on November 15, 2017. In connection with the placement, finders' fees of $76,764 were incurred.

(ii) Subsequent to June 30, 2017, 1,800,000 incentive stock options were granted to new directors of the Company with each option exercisable into one common share of the Company at an exercise price of $0.30 per share for a period of five years. The options vest 1/4 immediately and 1/4 on each anniversary of the date of grant.