



STRIKEPOINT GOLD INC.

Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2017

(Unaudited)

These unaudited condensed consolidated interim financial statements of Strikepoint Gold Inc. for the six months ended June 30, 2017 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

STRIKEPOINT GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT

(Unaudited)

(Expressed in Canadian dollars)

	June 30, 2017	December 31, 2016
ASSETS		(Audited)
Current		
Cash and equivalents	\$ 6,594,254	\$ 935,655
Investments (Note 3)	405,974	-
Receivables	91,956	27,538
Prepaid expenses and deposits	88,190	3,054
	7,180,374	966,247
Equipment (Note 4)	3,476	4,406
	\$ 7,183,850	\$ 970,653
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 83,680	\$ 38,987
Shareholders' equity		
Share capital (Note 10)	30,836,680	19,660,942
Warrants (Note 10)	468,465	-
Reserves (Note 10)	6,626,845	5,575,865
Deficit	(30,831,820)	(24,305,141)
	7,100,170	931,666
	\$ 7,183,850	\$ 970,653

Nature of operations and going concern (Note 1)**On behalf of the Board:**

"Shawn KhunKhun" Director
Shawn KhunKhun

"Ian Harris" Director
Ian Harris

See accompanying notes to these condensed consolidated interim financial statements

STRIKEPOINT GOLD INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
EXPENSES				
Administration fees	\$ -	\$ 4,500	\$ -	\$ 9,000
Amortization (Note 4)	465	465	930	820
Consulting	41,909	-	62,330	-
Exploration costs (Notes 5, 6, 7 & 8)	965,607	35,765	1,243,944	54,440
Management fees (Note 11)	52,500	30,000	90,000	60,000
Office	9,655	4,974	20,789	8,267
Professional fees	38,160	16,674	76,168	21,174
Property acquisition payments (Note 5)	-	-	4,192,500	-
Property option payments (Note 6)	-	-	-	26,500
Rent	9,000	9,000	18,000	18,000
Shareholder communications	59,275	17,296	92,081	32,296
Share-based payments (Note 10)	1,051,215	321,608	1,098,505	321,608
Transfer agent and filing fees	25,229	4,377	53,249	19,254
Travel and related costs	2,314	-	5,672	3,238
Loss from operations	(2,255,329)	(444,659)	(6,954,168)	(574,597)
OTHER ITEMS				
Gain on sale of Black Raven property (Note 7)	653,703	-	653,703	-
Fair value adjustment on investments (Note 3)	(232,729)	-	(232,729)	-
Interest income	5,666	932	6,515	932
	426,640	932	427,489	932
Loss and comprehensive loss for the period	\$ (1,828,689)	\$ (443,727)	\$ (6,526,679)	\$ (573,665)
Loss per common share (basic and diluted)	\$ (0.03)	\$ (0.02)	\$ (0.16)	\$ (0.03)
Weighted average number of common shares outstanding (basic and diluted)	55,129,963	21,658,617	41,054,173	17,982,628

See accompanying notes to these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(Unaudited)
(Expressed in Canadian dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (6,526,679)	\$ (573,665)
Items not affecting cash:		
Acquisition payment by issuance of common shares	4,042,500	-
Amortization	930	820
Fair value adjustment on investments	232,729	-
Gain on sale of Black Raven property	(638,703)	-
Option payments by issuance of common shares	-	1,500
Share-based payments	1,098,505	321,608
Change in non-cash working capital items:		
Decrease (increase) in receivables	(64,418)	24,949
Increase in prepaid expenses and deposits	(85,136)	(5,000)
Increase (decrease) in accounts payable and accrued liabilities	<u>44,693</u>	<u>(4,678)</u>
Net cash used in operating activities	<u>(1,895,579)</u>	<u>(234,466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net of issuance costs	7,504,178	1,014,150
Proceeds from exercise of stock options	<u>50,000</u>	<u>186,200</u>
Net cash provided by financing activities	<u>7,554,178</u>	<u>1,200,350</u>
Increase in cash and equivalents during the period	5,658,599	965,884
Cash and equivalents, beginning of period	<u>935,655</u>	<u>146,441</u>
Cash and equivalents, end of period	<u>\$ 6,594,254</u>	<u>\$ 1,112,325</u>
Cash and equivalents consists of:		
Cash	\$ 1,594,254	\$ 112,235
Guaranteed Investment Certificates (less than 90 days)	<u>5,000,000</u>	<u>-</u>
	<u>\$ 6,594,254</u>	<u>\$ 112,235</u>

Supplemental cash flow information (Note 15)

See accompanying notes to these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital		Warrants	Reserves	Deficit	Total
	Number	Amount				
Balance at December 31, 2015	14,302,683	\$ 18,175,564	\$ -	\$ 5,232,501	\$ (23,228,849)	\$ 179,216
Shares issued for mineral property option payments	10,000	1,500	-	-	-	1,500
Shares issued for private placement, net	10,200,000	1,014,150	-	-	1,014,150	10,200,000
Stock options exercised	980,000	368,802	(182,602)	-	186,200	980,000
Share-based payments	-	-	321,608	-	321,608	-
Comprehensive loss for the period	-	-	-	(573,665)	(573,665)	-
Balance at June 30, 2016	25,492,683	\$ 19,560,016	\$ 5,371,507	\$ (23,802,514)	\$ 1,129,009	25,492,683
Balance at December 31, 2016	25,752,683	\$ 19,660,942	\$ -	\$ 5,575,865	\$ (24,305,141)	\$ 931,666
Shares issued for mineral property acquisition	10,500,000	4,042,500	-	-	-	4,042,500
Shares issued for private placements, net	23,461,154	7,035,713	468,465	-	-	7,504,178
Stock options exercised	250,000	97,525	-	(47,525)	-	50,000
Share-based payments	-	-	-	1,098,505	-	1,098,505
Comprehensive loss for the period	-	-	-	-	(6,526,679)	(6,526,679)
Balance at June 30, 2017	59,963,837	\$ 30,836,680	\$ 468,465	\$ 6,626,845	\$ (30,831,820)	\$ 7,100,170

See accompanying notes to these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the “Company”) is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange under the symbol “SKP”. The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company’s head office and principle address is 507-837 West Hastings Street, Vancouver, BC, V6C 3N6. The registered and records office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration projects. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or to realize future profitable production or proceeds from the disposition of a property. As at June 30, 2017, the Company has an accumulated deficit of \$30,831,820 and has working capital of \$7,096,694.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were authorized for issue on August 29, 2017 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned inactive subsidiary, Braveheart Gold Inc. All intercompany accounts and transactions have been eliminated on consolidation.

Basis of preparation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee. They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Flow-through shares

The Company renounces qualifying Canadian exploration expenditures to certain share subscribers who subscribe for flow-through shares in accordance with the Income Tax Act (Canada). Under these provisions, the Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures.

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("deferred premium on flow through shares"). As the qualifying expenditures are incurred, a deferred tax liability is recognized and the deferred premium will be reversed provided that the Company has renounced, or there is reasonable expectation that the Company will renounce, the tax benefits associated with the related expenditures. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

New Accounting Standards not yet adopted

The following standards, amendments and interpretations are effective for years beginning on or after January 1, 2017. The Company is currently assessing the impacts of the following standards, amendments and interpretations:

- IFRS 9 Financial Instruments - is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments.
- IFRS 15 Revenue from Contracts with Customers - IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers.
- IFRS 16 Leases - IFRS 16 replaces IAS 17 to become the new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor.

3. INVESTMENTS

On April 24, 2017, the Company received 1,250,000 common shares of Canadian Orebodies Inc. ("CORE"), a Canadian public company, as part of the sale of the Company's Black Raven property (Note 7), with a fair value on the date of grant of \$612,500. As at June 30, 2017, the fair value of the CORE common shares is \$400,000, which results in an unrealized loss of \$212,500. The investments are classified as available-for-sale.

On April 24, 2017, the Company also received 250,000 common share purchase warrants of CORE. Each warrant entitles the Company to acquire one common share at \$0.63 for a one-year period. The fair value on the date of grant was \$26,203, based on the Black-Scholes option pricing model. As at June 30, 2017, the fair value of the CORE warrants was \$5,974, which resulted in an unrealized loss of \$20,229. The investments are classified as available-for-sale.

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

4. EQUIPMENT

	Furniture & equipment
Cost	
Balance, December 31, 2015, 2016 and June 30, 2017	\$ 79,984
Accumulated amortization	
Balance, December 31, 2015	\$ 73,828
Amortization	<u>1,750</u>
Balance, December 31, 2016	75,578
Amortization	<u>930</u>
Balance, June 30, 2017	\$ 76,508
Carrying amounts	
As at December 31, 2016	\$ 4,406
As at June 30, 2017	\$ 3,476

5. YUKON PROPERTIES

During the six months ended June 30, 2017, the Company signed a definitive agreement with IDM Mining Ltd. ("IDM"), a Canadian public company, to purchase a 100% interest in a portfolio of 14,031 claims defining 22 properties over 282,000 hectares located in the Yukon, Canada. The terms of the agreement are as follows:

- pay \$150,000 in cash (paid);
- issue 10,500,000 common shares of the Company with a value of \$4,042,500 (issued); and
- incur \$1,500,000 in exploration expenditures by December 31, 2017 (incurred \$1,224,094 at June 30, 2017).

IDM has been granted an equity participation right, allowing it to maintain its pro-rata interest. IDM has a right of first refusal for two years on the sale of any of the Yukon properties.

This transaction closed during March 2017 upon obtaining regulatory approvals, third party consents and upon the Company obtaining shareholder approval (as the transaction resulted in the creation of a new control block being held by IDM).

	Six months ended June 30, 2017
Exploration Costs	
Claim renewals	\$ 190,470
Drilling costs	612,577
Field costs	383,833
Geological consulting	28,214
Reports	28,850
Total	\$ 1,243,944

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

6. LOBSTICK OPTION AGREEMENT

On November 26, 2013, the Company entered into an option agreement with an unrelated individual (the "Optionor") whereby the Optionor granted the Company the option to acquire a 100% undivided right, title and interest in the optioned property (the "Lobstick Property") located in the Lobstick area near Lake of the Woods, Ontario.

In order to exercise the option, the Company must pay and issue to the Optionor:

- \$5,000 plus 5,000 common shares of the Company on or before December 15, 2013 of which \$5,000 was paid on December 11, 2013 with the issue date for the common shares extended to January 21, 2014 (issued);
- \$5,000 plus 5,000 common shares of the Company upon confirmation of plan and permit acceptance by the Ontario Ministry of Northern Development and Mines, paid and issued, respectively, on June 10, 2014;
- Payment of \$15,000 (paid) and the issuance of 10,000 common shares (issued at a value of \$2,000) of the Company, on or before December 15, 2014;
- Payment of \$15,000 (paid) and the issuance of 10,000 common shares (issued at a value of \$2,000) of the Company, on or before December 15, 2015;
- Payment of \$15,000 (paid) and the issuance of 10,000 common shares (issued at a value of \$3,700) of the Company, on or before December 15, 2016; and
- Payment of \$15,000 and the issuance of 10,000 common shares of the Company, on or before December 15, 2017.

In addition, the Company must fulfill all work commitments relating the Lobstick Property comprised of \$12,000 per year by April 8 of each year. The Company may accelerate the cash payments, share issuances and work commitments at its discretion. The Company will be the operator of the Lobstick Property during the term of the option agreement.

During the six months ended June 30, 2017, the Company incurred \$19,850 (2016 - \$18,675 – assaying, \$35,765 – geological consulting) of geological consulting expenditures on the Lobstick Property.

Following the exercise of the option, the Company must pay and issue to the Optionor:

- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property;
- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property;
- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property; and

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

6. LOBSTICK OPTION AGREEMENT (cont'd)

- A 3% net smelter return royalty with respect to the Lobstick Property upon commencement of commercial production, for which the Company may repurchase two-thirds of the 3% net smelter return royalty from the Optionor for \$1,000,000 for each one-third repurchased.

7. BLACK RAVEN OPTION AGREEMENT

On February 19, 2015, the Company entered into an Assignment and Assumption Agreement (the "Assignment Agreement") with Entourage Metals Ltd. ("Entourage"), a Canadian public company, whereby Entourage has assigned to the Company all of its rights under an existing option agreement dated February 28, 2011, as amended on February 26, 2013 and as further amended on February 28, 2014 (the "Option Agreement"), to acquire a 100% interest in and to the Black Raven Property, located in NW Ontario from seven individuals (the "vendors") (the original optionors). As consideration for the Assignment Agreement, the Company issued, on closing, 100,000 common shares valued at \$20,000 to Entourage.

During the year ended December 31, 2016, the Company earned its 100% interest in the Black Raven property by paying \$25,000 and issuing 10,000 common shares to the vendors.

During April, 2017, the Company sold its 100% interest in the Black Raven property to Canadian Orebodies Inc., a Canadian public company, for proceeds comprised of a cash payment of \$15,000 (received), the issuance by Canadian Orebodies Inc. of 1.25 million common shares (received) and the issuance of 250,000 common share purchase warrants (received). Each warrant entitles the holder to acquire one common share at a price of \$0.63 for a one-year period.

8. ANGELINA OPTION AGREEMENT

On March 20, 2014, the Company entered into an option agreement with JOVG Global Mineral Enterprises ("JOVG") on the Company's 100% owned Angelina property, located in Rice Lake Belt, Manitoba. Pursuant to the terms of the option agreement, JOVG, a private company based in Winnipeg, Manitoba, had the option to earn a 50% undivided interest in the Angelina property by conducting a minimum of \$150,000 in exploration work on the property before February 15, 2015 (incurred); a further \$150,000 by February 15, 2016 and a further \$250,000 by each of February 15, 2017 and 2018. During the year ended December 31, 2015, JOVG returned the property to the Company. During the six months ended June 30, 2017 and during the year ended December 31, 2016, the Company incurred \$Nil of exploration expenditures on the Angelina Property.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2017	December 31, 2016
Accounts payable	\$ 83,680	\$ 18,987
Accrued liabilities	-	20,000
Total	\$ 83,680	\$ 38,987

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at June 30, 2017, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

b) Issued share capital

On February 26, 2016, the Company issued 10,000 common shares pursuant to the Black Raven option agreement described in Note 5, for which the market value on the date of issuance was \$0.12 per share.

On April 27, 2016, the Company completed a non-brokered private placement, raising gross proceeds of \$1,020,000 through the issuance of 10,200,000 common shares at a price of \$0.10 per share. Share issuance costs totaled \$5,850. No finders' fees were paid in conjunction with this private placement.

On June 14, 2016, the Company issued 980,000 common shares for proceeds totaling \$186,200 in conjunction with the exercise of stock options.

On December 1, 2016, the Company issued 10,000 common shares pursuant to the Lobstick option agreement described in Note 4, for which the market value on the date of issuance was \$0.37 per share.

On December 8, 2016, the Company issued 50,000 common shares for proceeds totaling \$10,000 in conjunction with the exercise of stock options.

On December 8, 2016, the Company issued 200,000 common shares for proceeds totaling \$40,000 in conjunction with the exercise of stock options.

On March 23, 2017, the Company issued 6,779,664 flow-through shares at \$0.295 per share for gross proceeds of \$2,000,001. There was no flow-through share premium with respect to this placement. A Finder's fee, totalling \$140,000 and 474,576 finder's warrants, was paid in conjunction with this private placement. The finder's warrants are exercisable at \$0.295 per share for a period of two years. The warrants were valued at \$157,814 using the Black-Scholes option pricing model.

On April 3, 2017, the Company issued 3,524,490 units at \$0.295 per unit for gross proceeds totalling \$1,039,725. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.50 per share for a two-year period. Finders' fees totalling \$65,873 and 223,334 finders' warrants were paid in conjunction with this private placement. The warrants were valued at \$53,833 using the Black-Scholes option pricing model.

On May 2, 2017, the Company issued 13,157,000 flow-through units at \$0.38 per unit for gross proceeds totalling \$4,999,660. Each flow-through unit consists of one flow-through common share and one-half non-flow-through share purchase warrant, with each whole warrant being exercisable at a price of \$0.50 per share for a two year period. There was no flow-through share premium with respect to this placement. Finders' fees totalling \$280,763 and 738,850 finders' warrants were paid in conjunction with this private placement. The warrants were valued at \$256,818 using the Black-Scholes option pricing model.

On April 24, 2017, the Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options, for proceeds of \$50,000. On exercise, \$47,525 was reclassified to share capital from reserves.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

10. SHARE CAPITAL AND RESERVES (cont'd)

c) Stock options

The Company has an incentive stock options plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

Details of stock options outstanding and exercisable as at June 30, 2017 are as follows:

Number of Shares	Exercise Price	Expiry Date
1,200,000	\$0.15	April 26, 2021
500,000	\$0.30	October 25, 2021
125,000	\$0.39	January 17, 2022
<u>3,855,000</u>	\$0.43	May 9, 2022
<hr/>		
5,680,000		

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2015	1,240,000	\$ 0.59
Forfeited	(1,240,000)	0.59
Granted	3,230,000	0.20
Exercised	<u>(1,230,000)</u>	0.19
Balance, December 31, 2016	2,000,000	0.20
Forfeited	(50,000)	0.35
Granted	3,980,000	0.42
Exercised	<u>(250,000)</u>	0.20
Balance, June 30, 2017	5,680,000	\$ 0.36
Balance, exercisable, June 30, 2017	5,680,000	\$ 0.36

d) Share-based payments

In April 2016, the Company granted stock options to a director to acquire up to 1,200,000 common shares with a grant date fair value of \$0.12 per option resulting in share-based payments expense of \$139,006, using the Black-Scholes option pricing model.

In May 2016, the Company granted stock options to consultants to acquire up to 980,000 common shares with a grant date fair value of \$0.19 per option resulting in share-based payments expense of \$182,602, using the Black-Scholes option pricing model.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

10. SHARE CAPITAL AND RESERVES (cont'd)

d) Share-based payments

In September 2016, the Company granted stock options to two consultants to acquire up to 500,000 common shares with a grant date fair value of \$0.20 resulting in stock-based payments expense of \$95,051 using the Black-Scholes option pricing model.

In October 2016, the Company granted stock options to a consultant to acquire up to 500,000 common shares with a grant date fair value of \$0.28 resulting in stock-based payments expense of \$142,576 using the Black-Scholes option pricing model.

In November 2016, the Company granted stock options to a consultant to acquire up to 50,000 common shares with a grant date fair value of \$0.28 resulting in stock-based payments expense of \$14,257 using the Black-Scholes option pricing model.

In January 2017, the Company granted stock options to a consultant to acquire up to 125,000 common shares with a grant date fair value of \$0.39 resulting in stock-based payments expense of \$47,290 using the Black-Scholes option pricing model.

In May, 2017, the Company granted 3,855,000 stock options to directors, officers and consultants to acquire up to 3,855,000 common shares with a grant date fair value of \$0.43 resulting in stock-based payments expense of \$1,051,215 using the Black-Scholes option pricing model.

The Company applies the fair value method using the Black-Scholes option pricing model to account for stock options granted to directors, officers and consultants. The following assumptions were used to calculate the weighted average fair value of the stock options granted during the period:

	2017	2016
Risk-free interest rate	0.72%	0.73%
Expected life of options	5 years	5 years
Annualized volatility	81%	98%
Dividend rate	0%	0%
Forfeiture rate	0%	0%

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

10. SHARE CAPITAL AND RESERVES (cont'd)

e) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2015 and 2016	-	\$ -
Issued	<u>11,539,750</u>	0.48
Balance, June 30, 2017	11,539,750	\$ 0.48

Details of warrants outstanding and exercisable as at June 30, 2017 are as follows:

Number of Shares	Exercise Price	Expiry Date
474,576	\$0.295	March 22, 2019
223,334	\$0.295	April 2, 2019
3,524,490	\$0.50	April 2, 2019
738,850	\$0.38	May 1, 2019
<u>6,578,500</u>	\$0.50	May 1, 2019
11,539,750		

The Company applies the fair value method using the Black-Scholes option pricing model to account for warrants granted as finder's fees. The following assumptions were used to calculate the weighted average fair value of the finder's warrants granted during the period:

	2017	2016
Risk-free interest rate	0.68%	-
Expected life of options	2 years	-
Annualized volatility	77%	-
Dividend rate	0%	-
Forfeiture rate	0%	-

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

11. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2017, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$90,000 (2016 - \$60,000) to the CEO of the Company.
- b) Paid or accrued professional fees of \$28,000 (2016 - \$12,500) to a company controlled by the Corporate Secretary of the Company.
- c) Recorded share-based payment expense of \$663,880 (2016 - \$139,006) in conjunction with the granting of stock options to directors and officers of the Company.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	June 30, 2017	June 30, 2016
Short-term benefits	\$ 118,000	\$ 60,000
Share-based payments	663,880	139,006

12. FINANCIAL INSTRUMENTS AND RISK FACTORS*Fair value*

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash and equivalents, receivables, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash and equivalents is measured based on Level 1 inputs of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at June 30, 2017 and December 31, 2016:

	As at June 30, 2017		
	Level 1	Level 2	Level 3
Cash and equivalents	\$ 6,594,254	\$ -	\$ -

	As at December 31, 2016		
	Level 1	Level 2	Level 3
Cash and equivalents	\$ 935,655	\$ -	\$ -

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

12. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd)

Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has cash balances but no interest-bearing debt. The bank account is held with a major Canadian bank. As all of the Company's cash is held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk have been assessed as high.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation interests, acquire additional exploration and evaluation interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

JUNE 30, 2017

13. CAPITAL MANAGEMENT (cont'd)

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

14. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of mineral properties in Canada.

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the six months ended June 30, 2017 and 2016, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	2017	2016
Fair value of shares issued for mineral property acquisition	\$ 4,042,500	\$ -
Fair value of finder's warrants	\$ 468,465	\$ -
Reclassification of reserves on the exercise of stock options	\$ 47,525	\$ -
