ARIZONA MINING INC.

Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three and Six Months Ended June 30, 2017

Notice to Reader

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditor.

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 82,716,410	$ 19,236,855
Amounts receivable	91,440	65,936
Prepaids and other	548,850	413,480
	83,356,700	19,716,271
Property, plant and equipment (note 4)	1,854,615	989,210
Other assets	261,762	224,587
Restricted cash (note 7)	3,310,833	3,310,833
Exploration and evaluation assets (note 6)	122,733,789	100,954,348
	$ 211,517,699	$ 125,195,249
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,351,232	$ 3,508,571
	3,351,232	3,508,571
Reclamation and remediation provision (note 7)	4,869,419	4,994,118
Deferred rental contribution (note 10)	131,242	185,386
	8,351,893	8,688,075
Equity		
Equity attributable to shareholders of the Company:		
Common shares (note 8)	252,347,798	167,896,865
Reserves	16,323,421	11,424,315
Deficit	(65,505,413)	(62,814,006)
	203,165,806	116,507,174
	$ 211,517,699	$ 125,195,249

Nature of operations (note 1)

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Income (Loss)
(Unaudited – U.S. 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:				
Stock based compensation (note 8b)	$ 725,699	$ 222,840	$ 1,167,847	$ 441,738
Salaries and benefits	297,932	233,376	853,894	492,329
Investor relations	88,831	25,324	194,911	121,388
Office and administrative	53,235	50,546	98,379	99,729
Filing and regulatory	36,004	19,027	82,692	41,001
Professional services	28,133	49,542	93,121	100,929
Directors' fees	13,002	12,401	24,717	23,415
Travel	7,500	28,544	30,727	38,350
Depreciation	-	1,343	-	2,275
Loss from operations	(1,250,336)	(642,943)	(2,546,288)	(1,361,154)
Foreign exchange loss	(100,618)	(250,939)	(260,662)	(195,497)
Interest and finance charges	(2,003)	(187,824)	(4,746)	(363,330)
Gain on disposition of property, plant and equipment	-	4,805	-	2,227
Interest and other income	99,325	9,257	120,289	9,257
Net loss	(1,253,632)	(1,067,644)	(2,691,407)	(1,908,497)
Other comprehensive income (loss): Items that may be reclassified to profit or loss:				
Foreign currency translation gain (loss)	3,771,322	(554,778)	4,065,553	(618,132)
Comprehensive income (loss)	$ 2,517,690	$ (1,622,422)	$ 1,374,146	$ (2,526,629)
Net loss attributable to:				
Shareholders of the Company	$ (1,253,632)	$ (1,067,783)	$ (2,691,407)	$ (1,907,283)
Non-controlling interest	-	139	-	(1,214)
	$ (1,253,632)	$ (1,067,644)	$ (2,691,407)	$ (1,908,497)
Comprehensive income (loss) attributable to:				
Shareholders of the Company	$ 2,517,690	$ (1,622,561)	$ 1,374,146	$ (2,525,415)
Non-controlling interest	-	139	-	(1,214)
	$ 2,517,690	$ (1,622,422)	$ 1,374,146	$ (2,526,629)
Basic and diluted net loss per share attributable to shareholders of the Company	$ (0.005)	$ (0.005)	$ (0.010)	$ (0.010)
Weighted average number of shares outstanding	274,392,528	204,345,308	262,055,534	184,115,687

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – U.S. dollars)

	Share Capital		Reserves				
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit	Total equity
Balance, January 1, 2017	249,561,630	$ 167,896,865	$ (1,555,691)	$ 12,980,006	$ 11,424,315	$ (62,814,006)	$ 116,507,174
Stock based compensation expense (note 8b)	-	-	-	1,167,847	1,167,847	-	1,167,847
Stock based compensation applied to exploration and evaluation assets (note 8b)	-	-	-	252,365	252,365	-	252,365
Shares issued on private placement (note 8a)	45,000,000	81,090,026	-	-	-	-	81,090,026
Share issue costs	-	(273,449)	-	-	-	-	(273,449)
Shares issued on exercise of warrants	7,020,399	3,015,771	-	-	-	-	3,015,771
Fair value of warrants exercised	-	559,599	-	(559,599)	(559,599)	-	-
Shares issued on exercise of stock options	105,000	31,926	-	-	-	-	31,926
Fair value of stock options exercised	-	27,060	-	(27,060)	(27,060)	-	-
Comprehensive income (loss) for the period	-	-	4,065,553	-	4,065,553	(2,691,407)	1,379,603
Balance, June 30, 2017	301,687,029	$ 252,347,798	$ 2,509,862	$ 13,813,559	$ 16,323,421	$ (65,505,413)	$ 203,165,806

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – U.S. dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit	Non-controlling interest (note 5)	Total equity
Balance, January 1, 2016	161,951,958	$ 87,233,567	$ (380,584)	$ 8,388,420	$ 8,007,836	$ (28,827,658)	$ 6,054,634	$ 72,468,379
Stock based compensation expense (note 8b)	-	-	-	441,738	441,738	-	-	441,738
Stock based compensation applied to exploration and evaluation assets (note 8b)	-	-	-	156,238	156,238	-	-	156,238
Acquisition of non-controlling interest (note 5)	40,000,000	33,840,422	-	2,900,346	2,900,346	(30,858,190)	(6,289,558)	(406,980)
Units issued on private placements (note 8a)	17,204,672	5,601,334	-	1,142,517	1,142,517	-	-	6,743,851
Shares issued in underwritten private placement (note 8a)	14,000,000	14,185,846	-	-	-	-	-	14,185,846
Fair value of warrants issued	-	-	-	134,055	134,055	-	-	134,055
Share issue costs	-	(775,939)	-	-	-	-	-	(775,939)
Required contributions for project costs	-	-	-	-	-	-	236,138	236,138
Comprehensive loss for the period	-	-	(618,132)	-	(618,132)	(1,907,283)	(1,214)	(2,526,629)
Balance, June 30, 2016	233,156,630	$ 140,085,230	$ (998,716)	$ 13,163,314	$ 12,164,598	$ (61,593,131)	$ -	$ 90,656,697

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.
Condensed Consolidated Interim Statements of Cash Flows
(U.S. 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
Cash provided by (used in):				
Operating activities:				
Net loss for the period	$ (1,253,632)	$ (1,067,644)	$ (2,691,407)	$ (1,908,497)
Items not affecting cash:				
Unrealized foreign exchange loss	89,514	234,419	247,930	253,706
Stock based compensation	725,699	222,840	1,167,847	441,738
Interest and finance charges	1,070	186,186	2,884	360,434
Amortization of deferred rental contribution	(29,224)	(30,501)	(58,913)	(59,122)
Gain on disposition of property, plant and equipment	-	(4,805)	-	(2,227)
Depreciation	-	1,343	-	2,275
Net changes in non-cash working capital:				
Amounts receivable	10,318	12,143	(25,504)	(1,751)
Prepaids and other	(34,297)	(56,939)	(68,777)	(66,114)
Accounts payable and accrued liabilities	292,263	1,028	202,262	23,738
	(198,289)	(501,930)	(1,223,678)	(955,820)
Financing activities:				
Proceeds from private placements	81,090,026	19,037,046	81,090,026	20,929,697
Share issue costs	(273,449)	(763,184)	(273,449)	(775,939)
Exercise of share purchase warrants and options	3,015,771	-	3,047,697	-
Repayment of advances from related party	-	(3,147,186)	-	(3,147,186)
Interest and finance fees paid	-	(229,458)	-	(257,903)
Advances from related party (note 9)	-	-	-	2,798,377
	83,832,348	14,897,218	83,864,274	19,547,046
Investing activities:				
Purchase of property, plant and equipment	(853,123)	(378,261)	(956,738)	(483,253)
Other assets	(29,387)	-	(29,387)	-
Proceeds from sale of NSR	-	7,886,435	-	7,886,435
Acquisition of non-controlling interest (note 5)	-	(31,753)	-	(31,753)
Additions to exploration and evaluation assets	(9,383,433)	(6,249,535)	(21,725,929)	(7,220,156)
Reclamation and remediation provisions settled (note 7)	(111,492)	(139,906)	(252,552)	(239,532)
Restricted cash contributions (note 7)	-	-	-	(2,310,833)
	(10,377,435)	1,086,980	(22,964,606)	(2,399,092)
Effect of exchange rate changes on cash and cash equivalents	3,670,381	(366,454)	3,803,565	(427,642)
Increase (decrease) in cash and cash equivalents	76,927,005	15,115,814	63,479,555	15,764,492
Cash and cash equivalents, beginning of period	5,789,405	1,067,628	19,236,855	418,950
Cash and cash equivalents, end of period	$ 82,716,410	$ 16,183,442	82,716,410	16,183,442

Supplemental cash flow information (note 12)

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of Operations

Arizona Mining Inc. (the "Company" or "Arizona Mining") is incorporated in British Columbia, Canada. The Company holds a 100% ownership interest in the Hermosa Project in Arizona, United States through its wholly owned subsidiary Arizona Minerals Inc. ("AMI"), a Nevada corporation. The Company's corporate office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1 and its shares are listed on the Toronto Stock Exchange and trade under the symbol "AZ".

The Company is engaged in the acquisition, exploration and development of mineral property interests. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations. The amounts shown as exploration and evaluation assets represent acquisition and exploration costs and do not necessarily represent present or future values. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34"). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company's audited consolidated financial statements as at and for the year ended December 31, 2016. Under the authority delegated to them by the Board of Directors, the Audit Committee authorized these financial statements for issue on August 11, 2017.

3. Changes in Accounting Policies

New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded. The Company has not early adopted these new standards and is currently assessing the impact, if any, that these amendments will have on the Company's Financial Statements.

IFRS 9, *Financial Instruments* is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2018. IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost; fair value through profit and loss; and fair value through other comprehensive income. IFRS 9 introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in IAS 39. IFRS 9 amends the rules on hedge accounting to align the accounting treatment with the risk management practices of the business. Lastly, IFRS 9 amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments.

On January 13, 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") in accordance with which, all leases will be recorded on the statement of financial position of lessees, except those that meet the limited exception criteria. As a result, for the Company's office rental leases, rent expense will be removed and replaced by the recording of depreciation and finance expenses. IFRS 16 is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2019.

4. Property, Plant and Equipment

		Site fixed assets & equipment		Vehicles		Computer hardware & software		Office furniture & leaseholds		Total
Cost										
As at December 31, 2016	$	840,574	$	280,488	$	40,268	$	40,201	$	1,201,531
Additions		721,634		155,274		56,351		23,480		956,739
Disposals		-		-		-		(1,508)		(1,508)
Foreign currency translation		-		-		145		127		272
As at June 30, 2017	$	1,562,208	$	435,762	$	96,765	$	62,300	$	2,157,035
Accumulated amortization										
As at December 31, 2016	$	62,204	$	99,615	$	21,362	$	29,140	$	212,321
Disposals		-		-		-		(1,508)		(1,508)
Amortization		54,587		23,437		10,558		3,024		91,606
As at June 30, 2017	$	116,791	$	123,052	$	31,921	$	30,656	$	302,420
Net book value										
As at December 31, 2016	$	778,370	$	180,873	$	18,906	$	11,061	$	989,210
As at June 30, 2017	$	1,445,417	$	312,710	$	64,844	$	31,644	$	1,854,615

For the six months ended June 30, 2017, amortization of $91,334 (December 31, 2016 – $ 84,507) was capitalized to exploration and evaluation assets.

5. Acquisition of Non-Controlling Interest

On May 4, 2016 the Company closed the acquisition of 5348 Investments, thereby acquiring the 20% of the common shares and approximately 10% of the preference shares of AMI that it did not own, from a private British Columbia company controlled by Richard W. Warke, a Director of the Company and the Company's Executive Chairman. As a result of the acquisition of 5348 Investments by the Company, the Shareholders' Agreement governing the affairs of AMI was terminated effective May 4, 2016.

The Company issued 40 million common shares and 5 million common share purchase warrants as consideration for the acquisition. Each common share purchase warrant is convertible into one common share of the Company at a price of C$0.50 until May 4, 2019. The transaction has been measured at the fair value of the common shares and common share purchase warrants issued.

Set out below is a summary of the acquisition:

Consideration		**Fair value**
40,000,000 common shares	$	33,840,422
5,000,000 common share purchase warrants (note 9e)		2,900,346
Transaction and other costs		406,980
		37,147,748

Non-controlling interest on date of acquisition	6,289,558
Charged to deficit	$ 30,858,190

The transaction has been accounted for as an equity transaction whereby the fair value of the consideration in excess of the book value of the non-controlling interest on the date of acquisition has been charged to deficit. The tax value of the transaction was elected at C$2.9 million.

6. Exploration and Evaluation Assets

Exploration and evaluation assets relate to the acquisition costs and exploration and evaluation expenditures on the Company's interest in the Hermosa Project, in Arizona, United States.

On January 26, 2016, the Company closed the acquisition of certain patented mining claims adjacent to the Company's Hermosa Taylor Deposit. In exchange for the patented claims and $1,000,000 of cash held in trust related to security for the reclamation obligations, the Company assumed the environmental liabilities relating to past activities on the site, which were estimated at $5,277,480 (Note 7). The balance of $4,277,480 was recognized as the cost of the acquired mineral property interest.

On April 25, 2016, the Company closed the sale of a 1% net smelter return ("NSR") royalty to Osisko Gold Royalties Ltd. ("Osisko") on all sulfide ores of lead and zinc (and any copper, silver or gold recovered from the concentrate from such ores) mined from the Hermosa Project for cash consideration of C$10.0 million ($7,886,435), which amount has been applied to reduce the carrying amount of exploration and evaluation assets.

The following is a summary of changes in exploration and evaluation assets:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Balance, start of period	$ 113,450,384	$ 79,578,203	$ 100,954,348	$ 73,558,572
Additions:				
Mineral and other property acquisitions	525,007	167,424	826,371	4,637,774
Drilling	3,943,394	4,416,040	10,781,233	4,761,107
Property access, restoration and maintenance	973,320	673,360	2,052,935	842,209
Drilling and other supplies	148,090	305,368	346,653	356,521
Assay and analysis	400,527	355,123	1,357,432	362,295
Salaries, benefits and stock based compensation	980,809	574,526	1,867,918	884,322
Geologic consulting and support	401,911	273,028	936,007	285,636
Engineering and metallurgy	(80,488)	28,029	874,258	100,359
Environmental baseline studies & permitting	733,680	174,405	1,029,657	270,524
Reclamation and remediation (note 7)	111,492	-	208,200	-
Tailings storage facility	719,045	-	719,045	-
Other	426,618	(51,618)	779,732	434,569
	9,283,405	6,915,685	21,779,441	12,935,316
Sale of NSR	-	(7,886,435)	-	(7,886,435)
	9,283,405	(970,750)	21,779,441	5,048,881
Balance, end of period	$ 122,733,789	$ 78,607,453	$ 122,733,789	$ 78,607,453

7. Reclamation and Remediation Provision

		Six Months Ended June 30, 2017		Year Ended December 31, 2016
Balance, start of period	$	4,994,118	$	-
Initial recognition arising on acquisition (note 6)		-		5,277,480
Additions		208,200		589,875
Accretion		2,884		(3,158)
Reclamation and remediation provisions settled		(208,200)		(870,079)
Change in estimate		(127,583)		-
Balance, end of period	$	4,869,419	$	4,994,118

The reclamation and remediation provision primarily represents the estimated costs required to provide restoration and rehabilitation for past activities on the patented mining claims acquired (“Acquired Claims”) by the Company in 2016. The total uninflated and undiscounted estimated cash flows required to settle these obligations on initial recognition were $5,311,194, which have been inflated at an average rate of 2.03% per annum and discounted at an average rate of 2.36% (December 31, 2016 – 1.96%) per annum being an estimate of the risk-free, pre-tax cost of borrowing over the respective periods. These obligations are expected to be funded from cash held in escrow of $2,455,452 and working capital. The Company also provides for restoration and rehabilitation for its ongoing activities on the project although these amounts have not been either inflated or discounted as the timing of the cash flows is not currently determinable.

The Company has posted two bonds totaling $1,968,940 as security for its reclamation and remediation obligations and has posted $855,381 with the bond surety company as collateral for the bonds, which together with cash held in escrow of $2,455,452 is included in restricted cash.

8. Share Capital

a) Private placements

May 16, 2017 private placement

On May 16, 2017 the Company closed a private placement of 45 million common shares in the Company at a price of C$2.45 per common share with South32 Limited for gross proceeds of C$110.3 million (US$81.1 million).

March 2, 2016 private placement

On March 2, 2016, the Company closed 6,069,100 units of a private placement at a price of C$0.42 per unit for gross proceeds of C$2,549,022 (US$1,892,651). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share until September 2, 2017.

The Company determined that the fair value of the warrants issued on March 2, 2016 was $204,071. The fair value was determined by separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1.5 years; annualized volatility of 70%; a risk free interest rate of 1%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the Company’s shares.

On April 28, 2016, the Company closed the balance of the March 2, 2016 private placement issuing 647,000 units to certain of the Company’s directors and officers at a price of C$0.42 per unit for gross proceeds of C$271,740 ($216,629). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share until October 28, 2017.

The Company determined that the fair value of the 323,500 warrants issued on April 28, 2016 was $47,204. The fair value was determined by separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1.5 years; annualized volatility of 82%; a risk free interest rate of 1%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the Company's shares.

April 25 and April 28, 2016 Osisko private placements

On April 25, 2016, the Company closed a financing for a total of C$15,593,600, comprised of the sale of an NSR for C$10,000,000 ($7,886,435) (note 6) and certain private placements. Osisko subscribed for 8,928,572 units at a price of C$0.56 per unit for gross proceeds of C$5,000,000 ($3,943,218) and other parties subscribed for 1,060,000 units for a further C$593,600 ($468,139). On April 28, 2016, the Company closed the balance of the private placement for a further 500,000 units at a price of C$0.56 per unit for C$280,000 ($223,214) with a director of the Company. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.75 per common share until between October 25, 2017 and October 28, 2017.

The Company determined that the fair value of the warrants issued on April 25 and April 28, 2016 was $891,241. The fair value was determined by separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1.5 years; annualized volatility of 82%; a risk free interest rate of 1%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the Company's shares.

June 9, 2016 underwritten private placement

On June 9, 2016, the Company closed a C$18,060,000 ($14,185,846) underwritten private placement of 14,000,000 common shares at a price of C$1.29 per common share. The Underwriters received a cash fee equal to 5.0% of the aggregate gross proceeds raised in the placement.

b) Stock options

For the three and six months ended June 30, 2017, the Company recognized a stock-based compensation charge against income of $725,699 and $1,167,847, respectively (June 30, 2016 – $222,840 and $441,738). A further $252,365 (June 30, 2016 – $156,238) was capitalized to exploration and evaluation assets for the six months. The following table shows the change in the Company's stock options during the six months ended June 30, 2017 and 2016:

	2017		2016	
	Number of Options	Weighted Average Exercise Price (in C$)	Number of Options	Weighted Average Exercise Price (in C$)
Balance, start of period	11,304,000	$0.41	11,074,000	$0.39
Granted	4,505,000	$2.58	165,000	$1.37
Exercised	(105,000)	$0.41	(35,000)	$0.29
Forfeited	(68,334)	$1.67	-	-
Balance, end of period	15,635,666	$1.03	11,204,000	$0.40

The assumptions used in the Black-Scholes option-pricing model for the options granted during the six months ended June 30, 2017 and 2016 are:

Weighted average:	2017	2016
Expected term (years)	5	-
Volatility [(1)]	65%	-
Expected dividend yield	-	-
Risk-free interest rate	1.10%	-

[(1)] The expected volatility is based on the historical volatility of the Company's shares.

The following table provides information on outstanding and exercisable stock options at June 30, 2017:

		Options Outstanding		Options Exercisable	
Grant Date	Exercise Price (in C$)	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
March 24, 2014	$0.59	19,000	1.73	19,000	1.73
August 18, 2014	$0.51	100,000	2.13	100,000	2.13
May 25, 2015	$0.40	9,281,666	2.90	6,359,998	2.90
May 27, 2015	$0.43	125,000	2.91	125,000	2.91
October 29, 2015	$0.29	1,400,000	3.33	466,667	3.33
January 26, 2016	$0.30	35,000	3.58	11,667	3.58
June 24, 2016	$1.66	80,000	3.99	26,667	3.99
August 17, 2016	$1.80	100,000	4.13	-	-
March 2, 2017	$2.76	2,995,000	4.67	150,000	4.67
May 17, 2017	$2.19	750,000	4.88	-	-
June 2, 2017	$2.12	500,000	4.94	250,000	4.94
June 23, 2017	$2.35	100,000	4.98	-	-
June 29, 2017	$2.69	150,000	5.00	-	-
		15,635,666	3.48	7,508,999	3.03

c) Warrants

The following summarizes the warrants outstanding at June 30, 2017:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2016	Issued	Exercised	June 30, 2017
June 12, 2015	$0.60	June 12, 2017	6,008,499	-	(6,008,499)	-
November 10, 2015	$0.45	November 10, 2020	2,000,000	-	(1,000,000)	1,000,000
December 18, 2015	$0.45	December 18, 2020	5,902,566	-	-	5,902,566
January 13, 2016	$0.30	January 13, 2021	1,000,000	-	-	1,000,000
March 2, 2016	$0.60	September 2, 2017	3,034,550	-	(11,900)	3,022,650
April 25, 2016	$0.75	October 25, 2017	4,894,286	-	-	4,894,286
April 28, 2016	$0.60	October 28, 2017	323,500	-	-	323,500
April 28, 2016	$0.75	October 28, 2017	250,000	-	-	250,000
May 4, 2016	$0.50	May 4, 2019	5,000,000	-	-	5,000,000
			28,413,401	-	(7,020,399)	21,393,002

The weighted average exercise price of the warrants outstanding at June 30, 2017 is C$0.55 (December 31, 2016 – C$0.52).

9. Related Party Transactions

In addition to the related party transactions or balances disclosed elsewhere in these condensed consolidated interim financial statements, the Company had the following related party transactions.

The Company shares office space, equipment, personnel and various administrative services with other companies (NewCastle Gold Ltd., Armor Minerals Inc. and Titan Mining Corporation) related by virtue of certain directors and management in common. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost.

The Company was charged for the following with respect to these arrangements:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Salaries and benefits	$ 274,851	$ 194,473	$ 785,244	$ 429,667
Office and administrative	87,288	93,541	221,395	200,263
Other assets	29,387	-	29,387	-
	$ 391,526	$ 288,014	$ 1,036,026	$ 629,930

In addition, for the three and six months ended June 30, 2017, the Company charged out $nil and $1,993, respectively, with respect to these arrangements (June 30, 2016 – $4,529 and $4,550). At June 30, 2017, amounts receivable includes $5,837 (December 31, 2016 – $3,677) and prepaids and other includes $37,258 (December 31, 2016 – $62,838) with respect to these arrangements.

Other assets of $261,762 (December 31, 2016 – $224,587) relate to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

On January 13, 2016, the Company borrowed C$4.0 million (US$2,798,377) from a company controlled by the Company's Executive Chairman in connection with the acquisition of certain patented mining claims (note 6). The loan was unsecured, repayable on the earlier of: one year from the date of advance; the date of any change of control of the Company; or the date the Company completed a financing of C$10,000,000 or more by way of sale of securities from treasury or through the issuance of debt or other form of financing. The loan bore interest at 16% per annum, compounded monthly and was subject to a cash fee of 1% with an additional 1% fee payable after three months if the loan remained outstanding. In addition, 1,000,000 warrants were issued to the lender. Each warrant entitles the lender to purchase one common share at a price of C$0.30 per common share until January 13, 2021. The Company repaid C$2.0 million ($1,561,646) of the loan plus accrued interest of C$143,474 ($112,028) on June 20, 2016 following the $15.6 million financing that closed on April 25, 2016 (note 8a). The lender waived its right to early repayment on the balance of the loan of C$2.0 million, which was subsequently repaid later in 2016.

On April 26, 2016 the Company repaid three loans totalling C$2.0 million plus accrued interest of C$108,682 ($86,160). The loans were received at various times in 2015 from a company controlled by the Company's Executive Chairman. The loans were unsecured, bore interest at 8% per annum and were repayable on the earlier of (i) one year from the date of advance, (ii) a change of control of the Company, or (iii) the completion of a financing of C$4.0 million or more by way of sale of securities from treasury of the Company or through the issuance of debt or other form of financing.

10. Commitments

Deferred rental contribution represents the unamortized balance of an amount received from a company previously related through certain common directors and management with respect to the provisions of agreements governing certain shared operating leases. The amount is being amortized to office and administrative expense over the remaining term of the leases. The following is a summary of changes in deferred rental contribution:

	June 30, 2017	December 31, 2016
Balance, start of period	$ 185,386	$ 293,446
Amortization of deferred rental contribution	(58,913)	(118,699)
Effect of foreign currency exchange differences	4,769	10,639
Balance, end of period	$ 131,242	$ 185,386

In addition to the commitments disclosed elsewhere in these condensed consolidated interim financial statements, at June 30, 2017, the Company is committed to payments for office premises through 2022 in the total amount of approximately $901,000. Payments by fiscal year are:

2017	$ 109,700
2018	220,300
2019	187,900
2020	187,900
2021 and thereafter	195,200

11. Segment Information

The Company operates in one industry segment, being mineral exploration and development. Geographic information is as follows:

	United States	Canada	Total
Long-term assets as at:			
June 30, 2017	$ 127,899,237	$ 261,762	$ 128,160,999
December 31, 2016	$ 105,254,391	$ 224,587	$ 105,478,978

12. Supplemental Cash Flow Information

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Cash and cash equivalents, end of year comprise:				
Cash and balances with banks	$ 4,217,904	$ 2,319,900	$ 4,217,904	$ 2,319,900
Short-term investments	78,498,506	13,863,542	78,498,506	13,863,542
	$ 82,716,410	$ 16,183,442	$ 82,716,410	$ 16,183,442
Non-cash investing and financing activities:				
Change in accounts payable and accrued liabilities reflected in investing activities	$ (426,874)	$ 984,746	$ (359,601)	$ 1,619,305
Mineral property acquisition costs in exchange for assumed reclamation and remediation provision	$ -	$ -	$ -	$ (5,277,480)
Restricted cash contributions in exchange for assumed reclamation and remediation provision	$ -	$ -	$	$ 1,000,000
Acquisition of NCI in exchange for common shares and warrants, including non-cash transaction costs and other	$ -	$ (37,115,995)	$ -	$ (37,115,995)