



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

September 30, 2019

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Independence Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>September 30</u> <u>2019</u>	<u>December 31</u> <u>2018</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 987,727	\$ 1,913,861
Receivables (Note 7)	51,030	15,514
Investments (Note 3)	160,829	384,987
	<u>1,199,586</u>	<u>2,314,362</u>
Long term deposit	55,182	70,683
Land use deposits (Note 4)	72,000	72,000
Property and equipment (Note 2, 5)	954,118	61,232
Mineral properties (Note 6)	10,479,094	10,444,094
	<u>\$ 12,759,980</u>	<u>\$ 12,962,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7, 8)	\$ 136,029	\$ 189,483
Current portion of lease liabilities (Note 2)	122,137	-
	<u>258,166</u>	<u>189,483</u>
Lease liabilities (Note 2)	812,900	-
	<u>1,071,066</u>	<u>189,483</u>
Shareholders' equity		
Share capital (Note 9)	35,510,295	35,495,295
Reserves	454,813	323,845
Deficit	(24,276,194)	(23,046,252)
	<u>11,688,914</u>	<u>12,772,888</u>
	<u>\$ 12,759,980</u>	<u>\$ 12,962,371</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 26, 2019.

"Randy Turner"

Randy C. Turner, Director

"John McDonald"

John McDonald, Director

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Expenses				
Exploration expenditures (Note 6)	\$ 252,822	\$ 34,247	\$ 572,064	\$ 50,310
Property investigation	-	37,971	1,284	86,710
Depreciation	42,773	6,629	128,320	19,887
Insurance	-	-	14,185	3,662
Interest	16,430	-	50,797	-
Legal, audit and accounting	264	382	4,929	21,040
Management and director fees (Note 7)	65,063	67,800	200,288	203,400
Office and miscellaneous	9,732	16,425	37,648	48,759
Regulatory and transfer agent fees	872	776	11,750	13,963
Rent	-	34,984	-	68,426
Share-based compensation (Note 8)	-	-	130,968	-
Shareholder communications	3,019	12,512	14,916	34,613
Travel	-	160	7,187	12,852
Wages and benefits	23,210	32,031	60,704	95,523
	<u>(414,185)</u>	<u>(243,917)</u>	<u>(1,235,040)</u>	<u>(659,145)</u>
Interest income	1,601	6,737	17,932	27,250
Rent Recovery	12,475	-	39,925	-
Unrealized loss on investments	(6,000)	(13,402)	(16,559)	(53,660)
Realized loss on investments	-	-	(36,200)	-
Gain on sale of properties	-	55,000	-	55,000
Write-down of mineral properties (Note 5)	-	(1,185,616)	-	(1,185,616)
	<u>8,076</u>	<u>(1,137,281)</u>	<u>5,098</u>	<u>(1,157,026)</u>
Loss and comprehensive loss for the period	\$ <u>(406,109)</u>	\$ <u>(1,381,198)</u>	<u>(1,229,942)</u>	\$ <u>(1,816,171)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.02)</u>	\$ <u>(0.03)</u>	\$ <u>(0.03)</u>
Weighted average number of common shares outstanding	56,290,392	56,090,392	56,157,791	56,090,392

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash flows from operating activities		
Loss for the period	\$ (1,229,942)	\$ (1,816,171)
Items not affecting cash:		
Depreciation	128,320	19,887
Write-down of mineral properties	-	1,185,616
Gain on sale of mineral properties	-	(55,000)
Share-based compensation	130,968	-
Interest on short-term investments	-	8,647
Unrealized loss on investments	16,559	53,660
Realized loss on marketable securities	36,200	-
Right-of-use asset	(1,021,207)	-
Lease Liability	1,021,207	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(35,516)	50,688
Decrease in accounts payable and accrued liabilities	(53,454)	(137,565)
Net cash used in operating activities	<u>(1,006,865)</u>	<u>(690,238)</u>
Cash flows from investing activities		
Acquisition of mineral properties	(20,000)	-
Proceeds on sale of investments	171,400	-
Decrease in long-term deposit	15,501	-
Decrease in short-term investments	-	1,097,166
Net cash provided by investing activities	<u>166,901</u>	<u>1,097,166</u>
Cash flows from financing activities		
Lease liability payment	(86,170)	-
Net cash used in financing activities	<u>(86,170)</u>	<u>-</u>
Change in cash and cash equivalents during the period	(926,134)	406,928
Cash and cash equivalents, beginning of the period	1,913,861	1,559,526
Cash and cash equivalents, end of the period	<u>\$ 987,727</u>	<u>\$ 1,966,454</u>

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENCE GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDER'S EQUITY (Unaudited)**

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2017	55,490,392	\$ 35,495,295	\$ 407,016	\$ (20,894,134)	\$ 15,008,177
Reserves transferred on cancelled/expired options	-	-	(2,688)	2,688	-
Loss for the period	-	-	-	(1,816,171)	(1,816,171)
Balance, September 30, 2018	56,090,392	\$ 35,495,295	\$ 404,328	\$ (22,707,617)	\$ 13,192,006
Reserves transferred on cancelled/expired options	-	-	(80,483)	80,483	-
Loss for the period	-	-	-	(419,118)	(419,118)
Balance, December 31, 2018	56,090,392	\$ 35,495,295	\$ 323,845	\$ (23,046,252)	\$ 12,772,888
Share-based compensation (Note 8d)	-	-	130,968	-	130,968
Shares issued for mineral properties (Note 6)	200,000	15,000	-	-	15,000
Loss for the period	-	-	-	(1,229,942)	(1,229,942)
Balance, September 30, 2019	<u>56,290,392</u>	<u>\$ 35,510,295</u>	<u>\$ 454,813</u>	<u>\$ (24,276,194)</u>	<u>\$ 11,688,914</u>

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Independence Gold Corp. ("Independence" or the "Company") was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 and 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 properties contain economically recoverable mineral reserves.

The Company's head office and principal address is 1020 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Management believes that the Company has sufficient working capital to maintain its operations for the upcoming fiscal year.

These 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. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2018.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2018 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

New Accounting Standards and Interpretations Adopted in the Current Period

The Company has adopted IFRS 16 *Leases* ("IFRS 16") from January 1, 2019.

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months, which election is made by underlying class of assets to which the right of use asset relates, or leases where the underlying asset is of low value, which election is made on an asset by asset basis. Lessor accounting remains similar to previous accounting policies.

Preciously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4, *Determining Whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Transition

The Company adopted IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated.

As a lessee, the Company previously classified leases as operating or financial leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most leases—i.e. these leases are on-balance sheet. However, the Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company leases various assets including equipment, offices and properties that had previously been classified as operating leases under IAS 17. On transition lease liabilities for these leases were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as of January 1, 2019.

The average incremental borrowing rate at January 1, 2019 was 7%. The Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognize right-of-use assets and liabilities or leases with less than 12 months of lease term.
- Applied a single discount rate to a portfolio of leases with reasonable similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used in hindsight when determining the lease term if the contract contains options to extend or terminate the lease

The Company did not have any leases classified as finance leases under IAS 17 on the adoption date.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

The Company presents right-of-use assets in property and equipment in the statement of financial position, the same line item as it presents underlying assets of the same nature that it owns. The Company presents lease liabilities as a separate line item on the statement of financial position.

The impact on transition is summarized below:

	December 31, 2018	IFRS 16 Adjustments	January 1, 2019
Property and equipment	\$ 61,232	\$ 1,021,207	\$ 1,082,439
Current portion of lease liability	-	115,910	115,910
Lease liabilities	-	-	1,021,207

	January 1, 2019
Operating lease commitments at December 31, 2018	\$ -
Arrangements reassessed as leases	1,295,360
Effect of discounting using the incremental borrowing rate at January 1, 2019	(274,153)
Lease liabilities recognized as IFRS 16 adjustment at January 1, 2019	\$ 1,021,207

	September 30, 2019
Current portion of lease liability	\$ 122,137
Lease liabilities	812,900
	\$ 935,037

Significant accounting policies

The following is the new accounting policy for leases under IFRS 16:

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at accost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payment made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

The Company has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Impact on financial statements

As a result of applying IFRS 16, the Company recognized right-of-use assets of \$1.0 million and lease liabilities of \$1.3 million as at January 1, 2019.

During the nine month period ended September 30, 2019, the Company recognized \$108,433 of depreciation charges and \$50,797 of interest costs.

3. INVESTMENTS

	September 30, 2019	December 31, 2018
Rojo Resources Ltd.	\$ 950	\$ 2,000
Metallic Minerals Corp.	40,000	42,009
ATAC Resources	11,700	15,600
Canterra Minerals Corporation	69,379	69,378
White Gold Corp	38,800	256,000
Total	\$ 160,829	\$ 384,987

As at September 30, 2019, the Company holds 5,000 (December 31, 2018 – 5,000) common shares of Rojo Resources Ltd., a public company listed on the TSX Venture Exchange. These shares were received pursuant to mineral property option agreements with the Company.

As at September 30, 2019, the Company holds 200,000 common shares (December 31, 2018 – 200,000) and nil warrants (December 31, 2018 – 200,000) of Metallic Minerals Corporation.

The common shares and warrants when received, had a fair value of \$64,000 and \$3,971, respectively. The warrants received expired on September 27, 2019.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

3. INVESTMENTS (continued)

As at September 30, 2019, the Company holds 60,000 common shares (December 31, 2018 – 60,000) of ATAC Resources Ltd., pursuant to a property sale agreement for the Stinger property. The common shares received had a fair value of \$30,600.

As at September 30, 2019, the Company holds 40,000 common shares (December 31, 2018 – 160,000) of White Gold Corp., pursuant to property sale agreements for the Henderson, Flow and Birdman properties. For the nine months ended September 30, 2019, the Company sold 120,000 shares of White Gold Corp. for total proceeds of \$171,400 and recognized a loss of \$36,200.

As at September 30, 2019, the Company holds 3,468,933 common shares (December 31, 2018 - 3,468,933) of Canterra Minerals Corporation, pursuant to a debt settlement agreement and had a fair value of \$86,723.

4. LAND USE DEPOSITS

The Company has provided deposits as security for land use and potential future reclamation work relating to its mineral properties. As at September 30, 2019 a total of \$72,000 (December 31, 2018 - \$72,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

5. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Right of Use Asset	Total
COST			
Balance, December 31, 2017	\$ 134,149	\$ -	134,149
Additions/(dispositions)	-	-	-
Balance, December 31, 2018	134,149	-	134,149
Additions/(dispositions)	-	1,021,207	1,021,207
Balance, September 30, 2019	\$ 134,149	\$ 1,021,207	1,155,356
ACCUMULATED DEPRECIATION			
Balance, December 31, 2017	\$ 46,402	\$ -	46,402
Additions/(dispositions)	26,515	-	26,515
Balance, December 31, 2018	72,917	-	72,917
Additions/(dispositions)	19,887	108,433	128,320
Balance, September 30, 2019	\$ 92,804	\$ 108,433	201,237
CARRYING AMOUNTS			
Balance, December 31, 2017	\$ 87,747	\$ -	87,747
Balance, December 31, 2018	\$ 61,232	\$ -	61,232
Balance, September 30, 2019	\$ 41,345	\$ 912,773	954,118

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties, except as described below are properly registered and in good standing.

The Company holds interest in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	September 30 2019	December 31 2018
BRITISH COLUMBIA		
<u>3Ts PROJECT</u>		
Taken Property	\$ 345,693	\$ 345,693
<i>A 100% interest in certain claims. The property is subject to a sliding scale net smelter returns royalty ("NSR") ranging from 2.0% to 4.0%. The Company may reduce the NSR to 1.0% by paying \$2,000,000 per percent.</i>		
Tam Property	1,750,979	1,750,979
<i>A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.</i>		
Tsacha Property	2,121,788	2,121,788
<i>A 100% interest in certain claims subject to a 2.0% NSR.</i>		
Tommy Lake Property	17,518	17,518
<i>A 100% interest.</i>		
<u>OTHER BC PROPERTIES</u>		
Merit Property	17,500	-
<i>The Company may earn up to 60% interest by making a \$10,000 cash payment (paid), issuing 650,000 common shares (100,000 common shares issued) and expending \$750,000 in work commitments.</i>		
Nicoamen Property	17,500	-
<i>The Company may earn up to 60% interest by making a \$10,000 cash payment (paid), issuing 650,000 common shares (100,000 common shares issued) and expending \$750,000 in work commitments.</i>		
YUKON		
<u>BOULEVARD PROJECT</u>		
Boulevard Property	4,683,537	4,683,537
<i>A 100% interest, subject to a 2.0% NSR. Upon completion of a 43-101 report with specific resource estimates, the Company will be obligated to issue a further 1,000,000 common shares.</i>		
YCS Property	425,237	425,237
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$1,000,000.</i>		
Solitude Property	865,566	865,566
<i>A 100% interest.</i>		
Tiger Property	233,776	233,776
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$2,000,000.</i>		
	\$ 10,479,094	\$ 10,444,094

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)**6. MINERAL PROPERTIES (continued)**

During the nine months ended September 30, 2019, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	\$ 107,714	\$ 48,934	\$ -	\$ 257	\$ 8,593	\$ 5,741	\$ -	\$ 171,239
Merit	86,803	61,712	-	3,257	18,976	12,542	-	183,290
Nicoamen	97,382	37,234	-	30,340	8,713	12,546	-	186,215
YUKON								
Boulevard Project	1,231	-	-	-	-	-	-	1,231
Henderson	-	-	-	-	-	-	-	-
Moosehorn	-	-	-	-	-	-	-	-
Flow	-	-	-	1,504	-	-	-	1,504
Stinger	-	-	-	-	-	-	-	-
Others	8,942	25,777	-	-	-	772	(6,906)	28,585
	\$ 302,072	\$ 173,657	\$ -	\$ 35,358	\$ 36,282	\$ 31,601	\$ (6,906)	\$ 572,064

During the nine months ended September 30, 2018, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	\$ 19,298	\$ -	\$ -	\$ 132	\$ 9,222	\$ -	\$ -	\$ 28,652
YUKON								
Boulevard Project	24,851	-	2,067	-	29,825	17,960	-	74,433
Henderson	5,125	1,527	-	24	5,934	-	(40,000)	(27,390)
Moosehorn	3,533	1,528	-	-	1,434	-	(39,888)	(33,393)
Flow	1,862	-	-	-	756	-	-	2,618
Stinger	2,694	-	-	-	2,624	-	-	5,318
Others	14	-	-	-	58	-	-	72
	\$ 57,107	\$ 3,055	\$ 2,067	\$ 156	\$ 49,853	\$ 17,960	\$ (79,888)	\$ 50,310

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Independence Gold Corp. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Golden Pavilion Resources Ltd.	British Columbia, Canada	100%	Holding company
Silver Quest Resources (US) Ltd.	Nevada, USA	100%	Inactive

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management for services rendered are as follows:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Management fees	\$ 165,788	\$ 169,650
Directors fees	34,500	33,750
Geological consulting fees	17,788	36,578
Share-based compensation*	124,875	-
Property investigation	1,284	25,522
Total	<u>\$ 344,235</u>	<u>\$ 265,500</u>

* Share-based compensation consists of options granted to key management. The value shown above is calculated using the Black-Scholes option pricing model and does not represent actual amounts received.

Included in receivables at September 30, 2019 is \$32,671 (December 31, 2018 - \$9,683) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at September 30, 2019 is \$12,300 (December 31, 2018 - \$9,750) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors. During the nine months ended, September 30, 2019, the Company received or accrued \$ 20,925 (September 30, 2018 - \$21,300) for rent and \$13,599 (September 30, 2018 - \$21,597) for accounting, investor relations, geology and other.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at September 30, 2019, the Company had the following outstanding accounts payable and accrued liabilities:

Directors	\$	12,300
Susan Neale ¹		93,611
Trade Payables		<u>30,119</u>
	\$	<u>136,030</u>

¹ Former CFO

9. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

As at September 30, 2019, the Company has 56,290,392 common shares issued and outstanding.

The Company issued 200,000 shares during the nine months period ended September 30, 2019 pursuant to the Merit and Nicoamen property agreements.

During the year ended, December 31, 2018 the Company did not issue any common shares.

c) Stock options

The Company has an incentive stock option 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 10 years and vesting periods are determined by the Board of Directors.

On February 4, 2019, the Company granted 2,150,000 stock options to directors and employees.

As at September 30, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
200,000	\$ 0.15	June 2, 2020
405,000	\$ 0.20	May 18, 2021
1,700,000	\$ 0.25	March 1, 2022
200,000	\$ 0.20	November 2, 2022
<u>2,150,000</u>	\$ 0.15	February 4, 2024
4,655,000		

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 (Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (continued)

Stock option transactions are summarized as follows:

	September 30, 2019		December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	2,505,000	\$ 0.23	3,370,000	\$ 0.22
Granted	2,150,000	\$ 0.15	-	-
Expired/cancelled	-	-	(865,000)	\$ 0.21
Balance, end of period	4,655,000	\$ 0.19	2,505,000	\$ 0.23
Options exercisable, end of period	4,655,000	\$ 0.19	2,505,000	\$ 0.23

d) Share-based compensation

The Company issued 2,150,000 stock options during the nine months period ended September 30, 2019, with a fair market value of \$130,968, or \$0.06 per option. All options vest immediately upon grant.

The Company did not issue any stock options during the nine months ended September 30, 2018.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the noted year:

Risk-free interest rate	1.24%
Expected life of options	5 years
Annualized volatility	100.49%
Weighted average FV	\$ 0.06
Expected dividend rate	0%

e) Warrants

As at September 30, 2019 and 2018 the Company had no outstanding share purchase warrants.