



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

June 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>June 30</u> <u>2019</u>	<u>December 31</u> <u>2018</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,365,646	\$ 1,913,861
Receivables (Note 7)	56,302	15,514
Investments (Note 3)	<u>166,829</u>	<u>384,987</u>
	<u>1,588,777</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)	996,892	61,232
Mineral properties (Note 6)	<u>10,479,094</u>	<u>10,444,094</u>
	<u>\$ 13,191,945</u>	<u>\$ 12,962,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 132,659	\$ 189,483
Current portion of lease liabilities (Note 2)	<u>120,025</u>	<u>-</u>
	252,684	189,483
Lease Liabilities (Note 2)	<u>844,238</u>	<u>-</u>
	1,096,922	189,483
Shareholders' equity		
Share capital (Note 8)	35,510,295	35,495,295
Reserves	454,813	323,845
Deficit	<u>(23,870,085)</u>	<u>(23,046,252)</u>
	<u>12,095,023</u>	<u>12,772,888</u>
	<u>\$ 13,191,945</u>	<u>\$ 12,962,371</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 29, 2019.

"Randy C. Turner"

Randy C. Turner, Director

"John A. McDonald"

John A. McDonald, Director

INDEPENDENCE GOLD CORP.

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

(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Expenses				
Exploration expenditures (Note 6)	\$ 226,838	\$ 35,465	\$ 319,242	\$ 16,063
Property Investigation	-	41,334	1,284	48,739
Depreciation	42,774	6,629	85,547	13,258
Insurance	-	-	14,185	3,662
Interest	16,935	-	34,367	-
Legal, audit and accounting	4,430	20,568	4,665	20,657
Management and director fees (Note 7)	67,425	67,800	135,225	135,600
Office and miscellaneous	11,812	11,781	27,916	32,334
Regulatory and transfer agent fees	3,179	1,774	10,878	13,187
Rent	-	31,660	-	33,442
Share-based compensation (Note 8)	-	-	130,968	-
Shareholder communications	8,464	3,765	11,897	22,101
Travel	3,799	8,006	7,187	12,693
Wages and benefits	16,546	37,663	37,494	63,492
	<u>(402,202)</u>	<u>(266,445)</u>	<u>(820,855)</u>	<u>(415,228)</u>
Interest income	6,753	9,967	16,331	20,513
Rent Recovery	13,725	-	27,450	-
Unrealized loss on investments	(3,201)	(18,666)	(10,559)	(40,259)
Realized loss on investments	-	-	(36,200)	-
	<u>17,277</u>	<u>(8,699)</u>	<u>(2,978)</u>	<u>(19,746)</u>
Loss and comprehensive loss for the period	\$ <u>(384,925)</u>	\$ <u>(275,144)</u>	\$ <u>(823,833)</u>	<u>(434,974)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>	<u>(0.01)</u>
Weighted average number of common shares outstanding	56,094,788	56,090,392	56,192,049	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)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows used in operating activities		
Loss for the period	\$ (823,833)	\$ (434,974)
Items not affecting cash:		
Depreciation	85,547	13,258
Share-based compensation	130,968	-
Interest on short-term investments	-	(7,107)
Unrealized loss on investments	10,559	40,259
Realized loss on investments	36,200	-
Right-of-use asset	(1,021,207)	-
Lease liability	1,021,207	-
Changes in non-cash working capital items:		
Decrease in prepaid expenses	-	-
(Increase) decrease in receivables	(40,788)	65,069
Decrease in accounts payable and accrued liabilities	(56,825)	(161,926)
Net cash used in operating activities	<u>(658,172)</u>	<u>(485,421)</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	-	97,165
Net cash from investing activities	<u>166,901</u>	<u>97,165</u>
Cash flow used in financing activities		
Lease liability payment	(56,944)	-
Net cash used in financing activities	<u>(56,944)</u>	<u>-</u>
Change in cash and cash equivalents during the period	(548,215)	(388,256)
Cash and cash equivalents, beginning of the period	1,913,861	1,559,526
Cash and cash equivalents, end of the period	<u>\$ 1,365,646</u>	<u>\$ 1,171,270</u>

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

INDEPENDENCE GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' 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	56,090,392	\$ 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	-	-	-	(434,974)	(434,974)
Balance, June 30, 2018	56,090,392	\$ 35,495,295	\$ 404,328	\$ (21,326,420)	\$ 14,573,203
Reserves transferred on cancelled/expired options	-	-	(80,483)	80,483	-
Loss for the period	-	-	-	(1,800,315)	(1,800,315)
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	-	-	-	(823,833)	(823,833)
Balance, June 30, 2019	<u>56,290,392</u>	<u>\$ 35,510,295</u>	<u>\$ 454,813</u>	<u>\$ (23,870,085)</u>	<u>\$ 12,095,023</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 SIX MONTHS ENDED JUNE 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 SIX MONTHS ENDED JUNE 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 SIX MONTHS ENDED JUNE 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

	June 30, 2019
Current portion of lease liability	\$ 120,025
Lease liabilities	844,238
	\$ 964,263

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 SIX MONTHS ENDED JUNE 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 six month period ended June 30, 2019, the Company recognized \$72,288 of depreciation charges and \$34,367 of interest costs.

3. INVESTMENTS

	June 30, 2019	December 31, 2018
Rojo Resources Ltd.	\$ 950	\$ 2,000
Metallic Minerals Corp.	29,001	42,009
ATAC Resources	15,900	15,600
Canterra Minerals Corporation	69,378	69,378
White Gold Corp	51,600	256,000
Total	\$ 166,829	\$ 384,987

As at June 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.

As at June 30, 2019, the Company holds 200,000 common shares (December 31, 2018 – 200,000) and 200,000 warrants (December 31, 2018 – 200,000) of Metallic Minerals Corporation. The common shares and warrants were recorded at fair value using the Black-Scholes option pricing model. The Company revalues the common shares and warrants at each reporting period. Any changes in the fair value of the common shares and warrants is recorded in profit or loss.

INDEPENDENCE GOLD CORP.

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

3. INVESTMENTS (continued)

The common shares and warrants when received, had a fair value of \$64,000 and \$3,971, respectively. The fair value of the warrants was based on the Black-Scholes valuation model using the following inputs:

Risk-free interest rate	1.96%
Expected life of warrants	0.24 years
Expected annualized volatility	51%
Expected dividend rate	0%

As at June 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 June 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 six months ended June 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 June 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 June 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.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019 (Expressed in Canadian Dollars)**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, June 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)	13,259	72,288	85,547
Balance, June 30, 2019	\$ 86,176	\$ 72,288	115,690
CARRYING AMOUNTS			
Balance, December 31, 2017	\$ 87,747	\$ -	87,747
Balance, December 31, 2018	\$ 61,232	\$ -	61,232
Balance, June 30, 2019	\$ 47,973	\$ 948,919	996,892

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 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:

	June 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 SIX MONTHS ENDED JUNE 30, 2019 (Expressed in Canadian Dollars)**6. MINERAL PROPERTIES (continued)**

During the six months ended June 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	\$ 92,599	\$ 52,764	\$ -	\$ 277	\$ 1,448	\$ 36	\$ -	\$ 147,124
Merit	58,003	7,210	-	3,512	-	3,561	-	72,286
Nicoamen	57,063	8,147	-	32,715	-	3,564	-	101,488
YUKON								
Boulevard Project	929	-	-	-	-	-	-	929
Henderson	-	-	-	-	-	-	-	-
Moosehorn	-	-	-	-	-	-	-	-
Flow	-	-	-	1,621	-	-	-	1,621
Stinger	-	-	-	-	-	-	-	-
Others*	-	-	-	-	-	-	(7,446)	(4,206)
	\$ 211,834	\$ 68,121	\$ -	\$ 38,125	\$ 1,448	\$ 7,161	\$ (7,446)	\$ 319,242

During the six months ended June 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	\$ 15,058	\$ -	\$ -	\$ 132	\$ 6,296	\$ -	\$ -	\$ 21,486
YUKON								
Boulevard Project	16,275	-	3,454	-	27,791	-	-	47,521
Henderson	5,125	1,527	-	24	5,934	-	(40,000)	(27,390)
Moosehorn	3,514	1,528	-	-	1,356	-	(39,888)	(33,489)
Flow	1,862	-	-	-	756	-	-	2,617
Stinger	2,694	-	-	-	2,624	-	-	5,318
Others*	-	-	-	-	-	-	-	-
	\$ 44,528	\$ 3,055	\$ 3,454	\$ 156	\$ 44,757	\$ -	\$ (79,888)	\$ 16,063

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 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:

	Six months ended June 30, 2019	Six months ended June 30, 2018
Management fees	\$ 120,375 ¹	\$ 113,100
Directors fees	22,500	22,500
Geological consulting fees	5,844	28,002
Share-based compensation*	124,875 ²	-
Property investigation	1,056	13,398
Total	\$ 274,650	\$ 177,000

1. The \$135,225 shown on the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited) is comprised of \$120,375 Management Fees, \$22,500 Directors Fees, less \$7,650 allocated to exploration projects to account for Management time

2. 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 accounts receivables at June 30, 2019 is \$27,024 (December 31, 2018 - \$9,683) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at June 30, 2019 is \$16,063 (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 six months ended, June 30, 2019, the Company received or accrued \$13,950 (June 30, 2018 - \$14,325) for rent and \$14,912 (June 30, 2018 - \$22,553) for accounting, investor relations, geology and other.

INDEPENDENCE GOLD CORP.

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

8. 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

The Company issued 200,000 shares during the six months period ended June 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 June 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
2,150,000	\$ 0.15	February 4, 2024
4,655,000		

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

8. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

Stock option transactions are summarized as follows:

	June 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	-	-
Exercised	-	-	-	-
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 six months period ended June 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 six months ended June 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 June 30, 2019 and 2018 the Company had no outstanding share purchase warrants.