WHITE GOLD CORP

(Formerly G4G Capital Corp.)

FINANCIAL STATEMENTS
For the Years Ended
December 31, 2016 and 2015

(Stated in Canadian Dollars)

ACHAN

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INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
White Gold Corp. (formerly G4G Capital Corp.)

We have audited the accompanying financial statements of White Gold Corp. (formerly G4G Capital Corp.) (the "Company"), which comprise the statements of financial position as at December 31, 2016 and December 31, 2015, and the statements of operations and comprehensive loss, statements of cash flows and statements of changes in equity for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and December 31, 2015, and its financial performance and its cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants

Burnaby, British Columbia
May 1, 2017

White Gold Corp. (Formerly G4G Capital Corp.)
Statements of Financial Position
As at December 31, 2016 and 2015

(Stated in Canadian Dollars)

	2016 December 31	2015 December 31
Assets		
Current assets		
Cash & Cash equivalents	**$ 16,703,410**	$ 384,636
Amounts receivables	**112,916**	2,699
	16,816,326	387,335
Property bonds [Note 5]	**20,122**	20,048
Exploration and evaluation assets [Note 5]	**12,667,800**	20,000
	12,687,922	40,048
	$ 29,504,248	$ 427,383
Liabilities		
Current liabilities		
Accounts payable	**284,230**	34,204
Accrued liabilities	**38,430**	26,895
Due to related parties [Note 6]	**1,409,570**	44,449
	$ 1,732,230	105,548
Shareholders' equity		
Share capital [Note 7]	**35,492,169**	9,681,267
Contributed surplus	**3,653,148**	1,716,079
Accumulated Deficit	**(11,373,299)**	(11,075,511)
	27,772,018	321,835
Total Liability and Equity	**$ 29,504,248**	$ 427,383

Nature of operations [Note 1]
Contingency [Note 12]

Approved on behalf of the Board:

(Signed) *"Maruf Raza"* — Maruf Raza, Director

(Signed) "David D'Onofrio" — David D'Onofrio, Director

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

White Gold Corp. (Formerly G4G Capital Corp.)
Statements of Operations and Comprehensive Loss
For the years ended December 31, 2016 and 2015

(Stated in Canadian Dollars)

	December 31, 2016	December 31, 2015
Expenses		
Interest and bank charges	$ 156	$ 712
Consulting fees	-	7,000
Loan interest	-	40,842
Office expenses	23,522	4,223
Travel expenses	26,999	-
Professional fees	105,063	76,343
Stock based compensation	70,971	-
Transfer agent, regulatory	95,598	29,994
(Loss) before undernoted items	(322,309)	(159,144)
Gain (loss) on settlement of debt	17,524	12,686
Interest income	6,997	628
Loss and comprehensive loss for the year	$ (297,788)	$ (145,800)
Basic and diluted earnings (loss) per share	$ (0.01)	$ (0.01)
Weighted average shares outstanding	27,610,918	12,919,515

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

White Gold Corp. (Formerly G4G Capital Corp.)
Statements of Shareholders' Equity
For the years ended December 31, 2016 and 2015

(Stated in Canadian Dollars)

	Number of shares	Amount $	Contributed Surplus $	Deficit $	Total Equity $
Balance at January 1, 2016	23,725,968	9,681,267	1,716,079	(11,075,511)	321,835
Private placements	30,000,000	21,000,000	-	-	21,000,000
Option (White Gold Properties)	7,000,000	7,550,000	-	-	7,550,000
Warrants	-	(1,407,890)	1,407,890	-	-
Fair value of agent warrants	-	-	458,208	-	458,208
Share issuance costs	-	(1,331,208)	-	-	(1,331,208)
Stock based compensation	-	-	70,971	-	70,971
Net loss for the year	-	-	-	(297,788)	(297,788)
Balance at December 31, 2016	60,725,968	35,492,169	3,653,148	(11,373,299)	27,772,018
Balance at January 1, 2015	3,236,826	8,676,809	1,716,079	(10,929,711)	(536,823)
Private placement	9,500,000	475,000	-	-	475,000
Share issuance costs	-	(20,000)	-	-	(20,000)
Debt settlement via equity issuance	3,989,160	199,458	-	-	199,458
Debt settlement via equity issuance	6,600,000	330,000	-	-	330,000
Option Agreement	400,000	20,000	-	-	20,000
Net loss for the year	-	-	-	(145,800)	(145,800)
Balance at December 31, 2015	23,725,986	9,681,267	1,716,079	(11,075,511)	321,835

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

White Gold Corp. (Formerly G4G Capital Corp.)
Statements of Cash Flows
For the years ended December 31, 2016 and 2015

(Stated in Canadian Dollars)

Operating activities	**December 31, 2016**	December 31, 2015
Net loss for the year	**(297,788)**	(145,800)
Items not involving cash		
Stock based compensation	**70,971**	-
Gain on settlement of debts	**(17,524)**	(12,686)
Loan interest accruals	**-**	40,537
	(244,341)	(117,949)
Change in non-cash components of working capital		
Amounts receivables	**(110,217)**	(2,056)
Prepaid expenses	**-**	377
Accounts payable and accrued liabilities	**1,688,655**	26,258
Cash used in operating activities	**1,334,097**	(93,370)
Financing activities		
Short term loan	**(44,449)**	16,110
Net proceeds from private placement	**20,127,000**	455,000
Cash provided by financing activities	**20,082,551**	471,110
Investing activities		
Property bonds	**(74)**	(133)
Exploration and evaluation assets	**(5,097,800)**	
Cash used in investing activities	**(5,097,874)**	(133)
Increase (decrease) in cash and cash equivalents	**16,318,774**	377,607
Cash and cash equivalents-beginning of the year	**384,636**	7,029
Cash and cash equivalents-end of the year	**16,703,410**	384,636
Interest paid	-	-
Income tax paid	-	-

1. Nature of operations

The Company was incorporated on March 26, 1987 under the provisions of the Company Act of British Columbia and was transitioned to the Business Corporations Act (BC) on September 30, 2005. The Company's head office is located at 82 Richmond Street East, Toronto, Ontario, Canada. The Company changed its name to "G4G Capital Corp." on January 23, 2015 and the common shares were traded on the TSX Venture Exchange under its symbol "GGC". The Company is classified as a 'Junior Natural Resource-Mining' company.

The Company then changed its name "White Gold Corp." on December 19, 2016 and the common shares commenced trading on the TSX Venture Exchange under its new symbol "WGO" on December 23, 2016. In connection with its rebranding, the Company registered to continue its corporate existence in the Province of Ontario. The Company continues to be classified as a 'Junior Natural Resource-Mining' company.

The Company is in the business of acquiring and exploring mineral properties in the Yukon, Canada and other locations. There has been no determination whether properties held contain ore reserves, which are economically recoverable. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain the necessary financing to complete development, and future profitable production or proceeds from disposition.

At December 31, 2016, the Company had not yet achieved profitable operations, had an accumulated deficit of $11,373,299 since inception and expects to incur further losses in the development of its business. However, the Company had working capital surplus of $15,084,096 as at December 31, 2016. The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, its ability to obtain the necessary financing to develop the properties and to meet its ongoing levels of corporate overhead, keep its properties in good standing and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Basis of Presentation

Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the reported amount of the Company's assets, liabilities, expenses, and related disclosures. Assumptions and estimates are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's financial statements are prepared.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgements in order to ensure that financial statements are presented fairly and in accordance with IFRS.

Critical accounting estimates are those that have a significant risk of causing material adjustments and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and assumptions.

Use of Judgements

The preparation of financial statements in accordance with IFRS requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assumption regarding economic recoverability and probability of future economic benefits of exploration and evaluation expenditures.

3. Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance, to be cash equivalents.

Financial Instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, fair value through profit or loss (“FVTPL”), available-for-sale, or other financial liabilities. Financial assets and liabilities FVTPL are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as held-to-maturity, loans and receivables, or other financial liabilities are included in the initial carrying value of such instruments and amortized using the effective interest method. Transaction costs classified as FVTPL are expensed when incurred, while those classified as available for sale are included in the initial carrying value.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Exploration and Evaluation of Assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value.

A mineral property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

Site Rehabilitation Obligations

Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site rehabilitation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded, the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. The liability is accreted to its present value at each reporting period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

At present, the Company has determined that given the early stage of exploration on its mineral properties, it has no reclamation costs and therefore no provision for site rehabilitation has been made.

Impairment of Long-Lived Assets

Property and equipment and mineral properties are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less direct costs to sell and the asset value in use (being the present value of the expected future cash flows of the asset). An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

Foreign Currency Translation

The Company's functional and presentation currency is the Canadian dollar. The accounts recorded in foreign currencies have been translated into Canadian dollars on the following basis:

(a) monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;

(b) non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and

(c) revenue and expenses at the exchange rates prevailing on the date of the transaction.

Gains and losses on translation are included in income or expense in the period in which they occur.

Share-based Payments

The Company uses a fair value-based method of accounting for stock options to employees, including directors, officers and consultants. The fair value is determined using the Black-Scholes Option Pricing Model on the date of grant, with assumptions for risk-free interest rate, volatility, expected forfeiture and life of the options or warrants. The cost is measured at the date of grant and each tranche is recognized on a graded-vesting basis over the applicable vesting period as an increase in share-based payments expense and the reserves account. On the exercise of the stock options, the proceeds received by the Company, together with the respective amount from reserves, are credited to share capital.

Flow-through shares

Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability') and included in accounts payables and accrued liabilities. All eligible expenditures are capitalized. A deferred tax expense is recognized when the eligible expenditures are incurred. Renouncement is retrospective and the view is that the obligation is fulfilled when eligible expenditures are incurred.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Income (Loss) per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

As the Company has recorded a loss in each of the periods presented, basic and diluted loss per share are the same since the exercise of warrants or options is anti-dilutive.

4. Accounting standards issued but not yet effective

IFRS 9 – Financial Instruments: classification and measurement

The IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instrument: Recognition and Measurements, on November 12, 2009. The new standard provides guidance on the classification and measurement of financial asset and financial liabilities. In November 2013, the IASB amended IFRS 9, IAS 39 and IFRS 7, Financial Instruments: Disclosures, to include the new hedge accounting requirements. The new amendments come into effect January 1, 2018. The company is assessing the impact of the adoption of these standards.

IFRS 16 - Leases – In January 2016 the International Accounting Standards Board issued IFRS 16, Leases, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with its predecessor, IAS 17 the new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from contract with customers has also been applied.

(Stated in Canadian Dollars)

5. Exploration and evaluation assets

	White Gold Properties	ARM Properties	Total
Mineral Property cost			
Balance as at December 31, 2015	$ -	$ 20,000	$ 20,000
Acquisition Cost	11,395,720	-	11,395,720
Exploration expenditures	1,252,080	-	1,252,080
Impairment	-	-	-
Balance as at December 31, 2016	$ 12,647,800	$ 20,000	$ 12,667,800

Details of exploration expenditures are as below:

Airborne survey	$ 22,665
Geological mapping	28,828
GT Probing	70,655
Helicopter & transportation	300,512
Soil sample collection	525,420
Project management	104,000
Total exploration expenditures incurred in 2016:	$ 1,252,080

White Gold Properties (Yukon)

The Company entered into an option agreement with Mr. Shawn Ryan (“Ryan”) and Wildwood Explorations Inc. (“Wildwood”) dated October 27, 2016. The option agreement granted the Company the option to acquire 100% of 21 quartz claim properties located in the White Gold District of the Yukon Territory (“Properties”) by:

(a) the issuance of an aggregate of 7,000,000 common shares of the Company to Ryan, as follows:

- Within two business days of singing the agreement - 1,000,000 common shares of the Company; and
- On or prior to the date which is 18 months following the signing of the agreement - 6,000,000 common shares of the Company;

(b) making aggregate cash payments by the Company to Wildwood, as follows:

- On the signing of the agreement - C$500,000;
- On the first anniversary of the date of signing the agreement - C$500,000;
- On the second anniversary of the date of signing the agreement - C$500,000;
- On the third anniversary of the date of signing the agreement - C$1,000,000; and
- On the fourth anniversary of the date of signing the agreement - C$1,000,000.

(c) on the date of signing the agreement, the Company shall have reimbursed Ryan and Wildwood in accordance with their respective interests in the Properties for staking expenses incurred in the White Gold District of the Yukon Territory from May 15, 2016 to the date of signing the agreement in the aggregate amount of up to C$40,000.

On December 13, 2016 White Gold Corp. completed the exercise of its option and acquired the claims across the 21 properties. Specifically, on October 28, 2016 the Company issued 1,000,000 shares (at fair value of $0.71 per share) and paid cash of $500,000 and on December 13, 2016 the Company issued 6,000,000 shares (at fair value of $1.14 per share) and paid cash of $3,000,000 and the company reimbursed $40,000 for staking costs, completing the option payment requirements.

An additional legal expenditure of $10,560 has also been capitalized as acquisition costs directly related to acquisition of these properties. As of December 31, 2016, the Company has incurred exploration expenditures on the Properties of $1,252,080.

The Company also incurred additional staking costs of $270,160 on additional claims around the White Gold District.

Net Smelter Royalty

The White Gold properties are subject to a 2% net smelter royalty ("NSR") which will also be payable on each quartz claim staked by the Company (or any subsidiary or affiliate) in a specified area of influence during the five year period following October 27, 2016, of which 1% will be payable to the vendor which is a director and officer of the Company and 1% is payable to a related party (the "Related Party Royalty"). See Note 6.

ARM Properties (Yukon)

On February 2, 2015, the Company entered into a definitive earn-in option and joint agreement ("Option") with Ryan Gold Corp ("Ryan"). The agreement provides that the Company can earn a 60% right, title and interest in and to the ARM claims, consisting of 544 contiguous mining claims located in the Whitehorse Mining District east of Kluane Lake's Talbot Arm, Yukon ("Property").

In order for the Company to earn in the Option, the Company must:

(i) issue an aggregate of 400,000 Post-Consolidation Shares to Ryan upon receipt of TSX Venture Exchange ("TSXV") approval of the Option. This step was completed on July 8, 2015, shares valued at a fair value of $20,000 (issued);

(ii) make total cash payments of $375,000 to Ryan as set forth below:

- CDN$50,000 on the second anniversary of the date of approval by TSXV (the "Effective Date", being July 10, 2015);
- CDN$75,000 on the third anniversary of the Effective Date;
- CDN$100,000 on the fourth anniversary of the Effective Date; and
- CDN$150,000 on the fifth anniversary of the Effective Date; and

iii) incur total expenditures on the Property in the aggregate amount of CDN$600,000 over a five year period, of which CDN$50,000 must be incurred within the first year from the Effective Date.

Oban Mining Corporation ("Oban") acquired Ryan Gold on August 25, 2015. On Feb 1, 2016, IDM Mining Ltd. ("IDM") acquired 100% of Oban's Yukon properties (including the ARM Property formerly held by Ryan Gold). On March 28, 2017 Strikepoint Gold Inc. ("Strikepoint") purchased the Arm Property along with a portfolio of other Yukon properties from IDM. Accordingly, the option agreement going forward will be between the Company and Strikepoint. The Company has not made the required payments or expenditures as of December 31, 2016, however it is currently negotiating an amendment to the agreement the Option payments and expenditure requirements with the Strikepoint.

Property bonds

Property bonds are cash deposits pledged to the Province of B.C. The bonds mature and roll over every year until the Company is released from its property bonds.

6. Related party transactions

During the year ended December 31, 2016, 2,370,000 options to purchase common shares of the Company were granted to directors, officers, employees and consultants at an exercise price of $0.40 per share, expiring on September 27, 2021.

Ground Truth Exploration Inc., Dawson City, YT, designed and managed all exploration work for a total of $1,522,240 in 2016; it is owned by the spouse of a Director of the Company. As at December 31, 2016, $1,409,570(2015 - $NIL) was owed to Ground Truth Exploration Inc.

On October 28, 2016 the Company issued 1,000,000 shares and paid cash of $500,000 and on December 13, 2016 the Company issued 6,000,000 shares and paid cash of $3,000,000 and the company reimbursed $40,000 for staking costs to a director and officer of the company in relation to the acquisition of the White Gold District properties.

The White Gold properties are subject to a 2% net smelter royalty (“NSR”) which will also be payable on each quartz claim staked by the Company (or any subsidiary or affiliate) in a specified area of influence during the five year period following October 27, 2016, of which 1% will be payable to the Vendor which is a director and officer of the Company and 1% is payable to a related party (the “Related Party Royalty”). The Related Party Royalty constituted a “related party transaction” within the meaning of MI 61-101 and Policy 5.9. MI 61-101 required a formal valuation and minority shareholder approval for a related party transaction in certain circumstances. The related party transaction, and disinterested shareholder approval was obtained on Dec. 19, 2016.

As at December 31, 2016, $Nil (2015 - $44,449) was owed to a company which a director of the Company is an Officer.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

7. Share Capital

Authorized share capital

At December 31, 2016, the authorized share capital consisted of an unlimited number of common shares without par value.

Common Shares Issued

[a] Commitment to issue common shares to three former directors

The Company is committed to issuing a total of 5,000 common shares to three former directors upon any Alberni and Nanaimo Mining District’s mineral property previously owned by the Company being placed into commercial production. This would reimburse these former directors for transferring 5,000 shares owned by them to a third party to satisfy a debt obligation of the Company.

[b] On January 23, 2015, the Company completed the consolidation of its common share capital on a ten (10) old for one (1) new basis and had 3,236,825 common shares outstanding at this time. All historical share amounts have been accordingly restated.

[c] On July 8, 2015, the company closed a placement of 9.5 million shares at a price of five cents per share for gross proceeds of $475,000.

[d] On July 8, 2015, the company issued 400,000 shares to Ryan Gold Corp., the optionor of the ARM claims.

[e] On July 8, 2015, the Company issued 3,989,160 shares at a price of five cents per share to a director and officer of the company in settlement of debts in the amount of $199,458.

[f] On July 22, 2015, the Company issued 6,600,000 shares at a price of five cents per share in settlement of debts in the amount of $330,000.

[g] On October 28, 2016, the company closed a private placement of 15,000,000 (8,500,000 flow-through and 6,500,000 non-flow through) units at $0.20 per unit with gross proceeds of $3,000,000. Each unit consists of one common share and one warrant (exercise price of $0.27 per warrant) exercisable for a period of three years. Share issuance cost of $40,500 was incurred in relation to this private placement.

[h] On October 28, 2016, the company issued 1,000,000 shares valued at $0.71 per share to a Director of the company as settlement for White Gold Properties (Yukon). See Note 5.

[i] On December 13, 2016, the company closed a private placement of 15,000,000 shares at $1.20 per share for gross proceeds of $18,000,000. 605,000 agent warrants were also issued with an exercise price of $1.20 per share for a period of two years with fair value of $458,208. Cash fee of $751,000 and legal fees of $81,500 were paid in relation to the private placement. Total share issuance cost of $1,290,708 was thus incurred with respect to the private placement.

[j] On December 13, 2016 6,000,000 shares valued at $1.14 per share to a Director of the company as settlement for White Gold Properties (Yukon).See Note 5.

(Stated in Canadian Dollars)

Warrants

	Number of Warrants	Exercise price	Expiry Date
Balance at December 31, 2015	-		
Private Placement October 27, 2016	15,000,000	$ 0.27	October 27, 2019
Agent Warrants December 13, 2016	605,000	$ 1.20	December 13, 2018
Balance at December 31, 2016	15,605,000	$ 0.31	

The fair value of the private placement warrants was estimated on the date of measurement. Under Black-Scholes, the warrants were valued at $1,407,890. As the warrants were issued as part of the unit offering, the fair value was prorated between shares and warrants, using relative fair values. The Black Scholes assumptions for the warrants are as follows at the measurement date:

	October 28, 2016
Number of Warrants	15,000,000
Exercise price ($)	0.27
Market price ($)	0.92
Expected Volatility (%)*	138
Risk-free interest rate (%)	0.75
Expected life (years)	3.00
Dividend yield (%)	-
Fair value of warrants	$1,407,890

* Based on historical Volatility.

(Stated in Canadian Dollars)

Agent Warrants

The fair value of the Agent Warrants was estimated on the date of measurement. Under Black-Scholes, the options were valued at $ 458,208 using the following assumptions at the measurement date:

	December 13, 2016
Number of Warrants	605,000
Exercise price ($)	1.20
Market price ($)	1.14
Expected Volatility (%)*	138
Risk-free interest rate (%)	0.75
Expected life (years)	2.00
Dividend yield (%)	-
Fair value of warrants	$458,208

* Based on historical Volatility.

Stock Options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees at exercise prices determined by the Board. On September 27, 2016, the company issued a total of 2,370,000 options to purchase common shares of the Company and granted them to directors, officers, employees and consultants at an exercise price of $0.40 per share, expiring on September 27, 2021. 25% of these options vest one year after the date of grant and 25% of the grant on each of the following one year anniversaries.

Total share-based compensation of $70,971 was accrued for using graded vesting method and was charged to the statement of operations and comprehensive loss for the year ended December 31, 2016. The accrual was measured using the fair value of options calculated as below:

(Stated in Canadian Dollars)

The following table summarizes the continuity of the Company's stock options at December 31, 2016:

Outstanding				Exercisable	
Exercise price $	Number of Shares	Weighted average remaining contractual years	Weighted average exercise price	Number of shares	Weighted average exercise price
$ 0.40	2,370,000	4.74	$ 0.40	-	$ -

The fair value of these options was estimated on the date of measurement. Under Black-Scholes, the options were valued at $832,380 using the following assumptions at the measurement date:

	September 27, 2016
Number of Options	2,370,000
Exercise price ($)	0.40
Market price ($)	0.40
Expected Volatility (%)*	138
Risk-free interest rate (%)	0.53
Expected life (years)	5.00
Dividend yield (%)	-
Fair value of options	$832,380

* Based on historical Volatility.

9. Segmented information

The Company conducts all of its operations in Canada in one industry segment being the acquisition, exploration and development of resource properties.

10. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2016.

11. Financial instruments

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, marketable securities, property bonds held in form of GICs, due to related parties, note payable and accounts payable and accrued liabilities.

Cash and cash equivalents, marketable securities, property bonds in form of GICs are designated as fair value through profit or loss and therefore carried at fair value, with the unrealized gain or loss recorded in the statement of operation. Due to related parties, note payable, accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The fair values of the Company's cash and cash equivalent, property bonds held in form of GICs, loan payable, accounts payables and accrued liabilities and due to related parties approximate their carrying values due to the short-term maturity of these instruments.

Fair Value Measurement

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

At December 31, 2016, the levels in the fair value hierarchy into which the Company's financial instruments measured and recognized in the balance sheet at fair value are categorized are as follows:

	Level 1
Cash	$ 98,690
Cash equivalents	$ 16,604,720
Property bonds in GICs	$ 20,122

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and commodity price risk.

(a) Credit risk

The Company's cash and cash equivalents are held in a Canadian financial institution. The Company does not have any asset-backed commercial paper in its cash and cash equivalents.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash and cash equivalents is limited because they are generally held to maturity.

(d) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of its related commodity. The Company has not hedged any of its future related commodity sales. The Company closely monitors the price of its related commodity and its related cost of production to determine the appropriate course of action to be taken by the Company.

12. Contingency

As of December 31, 2016, there was a claim filed against the Company together with others people seeking $207,500 compensation for defamation damages (23% ($47,725) of which is attributed to the Company). The claim is ongoing and the Company believes that the claim will be dismissed due to the fact the Company or any others people associated with the Company have not made or have been party to any such claim. Any settlement, if any, will be reflected as a charge to deficit in the year incurred. No provision for possible loss has been included in these financial statements.

(Stated in Canadian Dollars)

13. Income Taxes

Reconciliation to statutory rates – The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates of 26% (2015: 26%):

		2016		2015
Expected income tax benefit computed at statutory rates	$	**64,731**	$	37,908
Expiry of non-capital losses		**-**		(72,826)
Increase in share issuance cost		184,704		-
Deductible and non-deductible items		29,565		4,918
Renouncement of flow-through tax benefits		(440,000)		-
Current and prior tax attributes not recognized		(161,000)		30,000
	$	**-**	$	-

Deferred tax assets - The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at December 31, 2016 and 2015 are presented below:

		2016		2015
Deferred tax assets				
Non-capital loss and capital loss carry forwards	$	1,307,000	$	1,209,000
Resource pools		156,000		596,000
Share issuance costs		185,000		4,000
Investment tax credits and others		15,000		15,000
Unrecognized deferred tax assets		(1,663,000)		(1,824,000)
Net deferred tax asset	$	-	$	-

At December 31, 2016, the Company has non capital losses carried forward for Canadian income tax purposes totalling approximately $5,000,000, which will expire through to 2036 and may be applied against future taxable income. The Company also has approximately $7,400,000 of exploration and development costs which are available for deduction against future income for tax purposes.

At December 31, 2016, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

14. Subsequent Events

On March 21, 2017 White Gold Corp., the Company closed a brokered private placement issuing 5,555,500 flow-through shares of the Company at $1.80 per share and 30,553 agent warrants for aggregate gross proceeds of approximately $10.0 million.

The gross proceeds of the offering will be used by the Company to incur Canadian exploration expenses on its properties in the White Gold District of the Yukon Territory prior to December 31, 2018.