



**NORTHERN LION
GOLD CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

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

NORTHERN LION GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars – unaudited)

	September 30, 2017	December 31, 2016
	\$	\$
ASSETS		
Current assets		
Cash	322,848	519,188
Marketable securities (Note 4)	60,997	41,478
Receivables (Note 5)	5,649	6,127
Prepays	4,966	2,033
Total current assets	394,460	568,826
Non-current assets		
Exploration and evaluation assets (Note 6)	300,066	-
Equipment (Note 7)	1,418	1,829
Total non-current assets	301,484	1,829
Total assets	695,944	570,655
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	9,705	100,345
Due to related parties (Note 8)	-	99,020
Advances	10,500	-
Total liabilities	20,205	199,365
Shareholders' equity		
Share capital (Note 9)	29,519,716	28,611,150
Obligation to issue shares (Note 9)	-	353,638
Share subscriptions receivable (Note 9)	-	(82,500)
Reserves (Note 9)	191,906	204,561
Deficit	(29,035,883)	(28,715,559)
Total shareholders' equity	675,739	371,290
Total liabilities and shareholders' equity	695,944	570,655

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 29, 2017

On behalf of the Board of Directors:

"John Lando"
Director

"Lyle Brown"
Director

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

NORTHERN LION GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars – unaudited)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
OPERATING EXPENSES				
Consulting	500	-	500	-
Depreciation (Note 7)	137	197	411	589
Filing and regulatory fees	2,041	8,639	11,826	18,852
Foreign exchange loss (gain)	554	(1,372)	(928)	1,270
Management fees (Note 8)	3,000	4,805	54,917	40,151
Office and general	3,575	3,876	9,088	14,807
Professional fees	4,082	2,489	43,381	26,944
Rent	-	5,000	-	20,000
Loss before other items	(13,889)	(23,634)	(119,195)	(122,613)
OTHER ITEMS				
Unrealized gain (loss) on marketable securities (Note 4)	(4,880)	12,200	19,519	39,038
Loss on settlement of accounts payable (Note 9)	-	-	(233,303)	-
	(4,880)	12,200	(213,784)	39,038
Loss and comprehensive loss for the period	(18,769)	(11,434)	(332,979)	(83,575)
Basic and diluted loss per common share (Note 10)	(0.00)	(0.01)	(0.04)	(0.06)
Weighted average number of common shares outstanding	8,662,600	1,481,184	8,216,291	1,481,184

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

NORTHERN LION GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars – unaudited)

	For the nine months ended September 30,	
	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(332,979)	(83,575)
Items not affecting cash:		
Depreciation	411	589
Unrealized gain on marketable securities	(19,519)	(39,038)
Loss on settlement of debts	233,303	-
Changes in non-cash working capital items:		
Receivables	478	4,029
Prepays	(2,933)	7,275
Accounts payable and accrued liabilities	(51,640)	34,626
Due to related parties	(12,395)	23,625
	<u>(185,274)</u>	<u>(52,469)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditure	<u>(104,066)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances	10,500	-
Proceeds from share subscription receivable	82,500	-
Share issue costs	-	(4,783)
	<u>93,000</u>	<u>(4,783)</u>
Change in cash during the period	(196,340)	(57,252)
Cash, beginning of period	<u>519,188</u>	<u>186,431</u>
Cash, end of period	322,848	129,179
Non-cash transactions		
Shares for debt settlement	358,928	-
Shares issued for acquisition of exploration and evaluation assets	196,000	-
Reclassification of expired stock options	12,655	-

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

NORTHERN LION GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars – unaudited)

	Number of Shares Outstanding	Share Capital \$	Share Subscriptions Receivable \$	Obligation to Issue Shares \$	Reserves \$	Deficit \$	Shareholders' Equity \$
Balance at December 31, 2015	1,481,184	28,144,778	-	-	483,285	(28,577,460)	50,603
Expiry of stock options	-	-	-	-	(278,724)	278,724	-
Loss for the period	-	-	-	-	-	(83,575)	(83,575)
Balance at September 30, 2016	1,481,184	28,144,778	-	-	204,561	(28,382,311)	(32,972)
Obligation to issue shares	-	-	-	353,638	-	-	353,638
Shares issued for cash	5,000,000	500,000	(82,500)	-	-	-	417,500
Share issue costs	-	(33,628)	-	-	-	-	(33,628)
Loss for the period	-	-	-	-	-	(333,248)	(333,248)
Balance at December 31, 2016	6,481,184	28,611,150	(82,500)	353,638	204,561	(28,715,559)	371,290
Shares for debt settled	1,781,416	712,566	-	(353,638)	-	-	358,928
Shares issued for cash	-	-	82,500	-	-	-	82,500
Shares issued for acquisition of exploration and evaluation assets	400,000	196,000	-	-	-	-	196,000
Stock options expired	-	-	-	-	(12,655)	12,655	-
Loss for the period	-	-	-	-	-	(332,979)	(332,979)
Balance at September 30, 2017	8,662,600	29,519,716	-	-	191,906	(29,035,883)	675,739

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

NORTHERN LION GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars – unaudited)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lion Gold Corp. (the “Company”) was incorporated on November 19, 1980 under the Laws of British Columbia and is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “V.NL” and on the Frankfurt Stock Exchange under the symbol “N3E”. The Company’s head office address Unit 101B, 8575 Government Street, Burnaby, BC V3N 4V1. The registered and records office address is Suite 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3.

The Company is a mineral exploration company focused on acquiring, exploring and developing mineral properties in Canada.

At the date of the condensed interim consolidated financial statements, the Company has not identified a known body of commercial grade mineral on its property. The ability of the Company to realize the costs it has incurred to date on its property is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2016.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended December 31, 2016.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary. The financial statements of the subsidiary are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

All inter-company balances and transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiary of the Company as of September 30, 2017 is as follows:

Name of subsidiary	Principal Activity	Incorporation	Interest
Katla Exploration Ltd.	Mineral exploration	Republic of Cyprus	100%

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

Significant accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgments (continued)

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Recoverability of exploration and evaluation assets: Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Critical accounting judgments

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Going concern of operations: The financial statements have been prepared 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 assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used (Note 1).
- *Determination of provisions for income taxes and the recognition of deferred income taxes:* In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. NEW OR REVISED ACCOUNTING STANDARDS NOT YET ADOPTED

Changes in accounting standards

The Company has adopted the following accounting standards effective January 1, 2017 which has no significant impact on the condensed interim consolidated financial statements.

- Amendments to IAS 12, Income Taxes

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3. NEW OR REVISED ACCOUNTING STANDARDS NOT YET ADOPTED (continued)

New accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the nine months ended September 30, 2017 and have not been applied in preparing these condensed interim consolidated financial statements:

IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company’s consolidated financial statements.

IFRS 15 – Clarifications to IFRS 15 “Revenue from Contracts with Customers” issued. The amendments do not change the underlying principles of the standard, but simply clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect that the adoption of this standard will have any effect on the Company’s consolidated financial statements.

IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

4. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	September 30, 2017		December 31, 2016	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
New World Resource Corp. 487,976 common shares (December 31, 2016 487,976 common shares)	60,997	263,507	41,478	263,507

The Company recorded an unrealized gain on its marketable securities of \$19,519 (September 30, 2016 - \$39,038) due to an increase in fair market value during the period.

5. RECEIVABLES

The Company’s receivables arise from two main sources: goods and services tax and harmonized sales tax (“GST”) receivable due from the Canadian taxation authorities and value added tax (“VAT”) due from the Cypriot taxation authorities.

	September 30, 2017	December 31, 2016
	\$	\$
VAT receivable	1,516	1,896
GST receivable	4,133	4,231
	5,649	6,127

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6. EXPLORATION AND EVALUATION ASSETS

In March 2017, the Company entered into an option agreement to acquire an undivided 100 % interest in certain mineral claims located in Kamloops, B.C. (the “Riverside Property”). Expenditures for the fiscal period related to exploration and evaluation assets are as follows:

	<u>Riverside Property</u>
	\$
Balance as at December 31, 2016	-
Property acquisition costs	216,000
<i>Exploration expenditures:</i>	
Assays	345
Geological	83,245
Travel	476
Balance as at September 30, 2017	<u>300,066</u>

In order to exercise the option, the Company must:

- Pay \$70,000 cash to the optionor as follows: \$20,000 upon execution (paid); and an additional \$50,000 on or before March 9, 2018;
- Issue 400,000 common shares (issued) at a value of \$196,000 of the Company to the optionor;
- Incur exploration expenditures of \$75,000 (incurred) on the Riverside Property within six months following exchange acceptance, which expenditures constitute a binding obligation on the part of the Company.

In connection with this agreement, the Company engaged a private company controlled by the optionor and incurred the required exploration expenditures.

7. EQUIPMENT

	<u>Computer equipment</u>
Cost	\$
Balance, December 31, 2015, December 31, 2016 and September 30, 2017	<u>36,897</u>
Accumulated depreciation	
Balance, December 31, 2015	34,283
Depreciation for the period	785
Balance, December 31, 2016	35,068
Depreciation for the period	411
Balance, September 30, 2017	<u>35,479</u>
Carrying amounts	
As at December 31, 2016	1,829
As at September 30, 2017	<u>1,418</u>

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8. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

Summary of key management personnel compensation (includes officers and directors of the Company):

	For the nine months ended September 30,	
	2017	2016
	\$	\$
Management fees	54,917	40,151

Amounts owing to related parties (including key management personnel) included in accounts payable and accrued liabilities total \$nil (December 31, 2016 - \$99,020).

9. SHARE CAPITAL AND RESERVES

Common Shares

The authorized share capital of the Company consists of 100,000,000 common shares without par value.

During the nine months ended September 30, 2017:

- the Company entered into certain shares-for-debt agreements. Pursuant to the agreements, the Company issued 897,321 common shares to settle \$125,625 of debt relating to unpaid director and consulting fees and expenses and other payables. The Company issued the shares at a value of \$358,928, resulting in a loss on settlement of accounts payable of \$233,303.
- the Company issued 400,000 common shares with a fair value of totaling \$196,000 to the optionor of the Riverside property (Note 6).

During the year ended December 31, 2016:

- the Company consolidated the issued share capital on the basis of two (2) old common shares for one (1) new common share. Outstanding stock options and warrants were adjusted by the consolidation ratio. All common shares and per common share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.
- the Company entered into certain shares-for-debt agreements, whereby the Company was to issue 884,095 common shares to settle \$109,243 of debt relating to unpaid director and consulting fees and expenses and other payable. As at December 31, 2016, the Company had not issued the shares and recorded an obligation to issue shares. Subsequent to the year end, the Company issued the shares at a value of \$353,638, resulting in a loss on settlement of accounts payable of \$244,396.
- the Company completed a non-brokered private placement of 5,000,000 units of the Company at a price of \$0.10 per unit, for gross proceeds of \$500,000. Each unit consists of one common share and one transferable warrant to purchase an additional common share at a price of \$0.20 expiring in 5 years. As of December 31, 2016, proceeds of \$82,500 have not been received. Subsequent to the year end, the Company received the balance of subscriptions receivable.

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9. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock Option

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants. The exercise price of each option shall not be less than the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years, and unless otherwise specified, shall vest and become exercisable in full upon grant. All options are to be settled by physical delivery of shares.

During the nine months ended September 30, 2017, 7,813 (September 30, 2016 – 37,031) incentive stock options expired unexercised, and accordingly \$12,655 (September 30, 2016 – \$278,724) was reversed from reserves to deficit.

A summary of stock options activities are as follows:

	<u>Number of stock options</u>	<u>Weighted average exercise price</u>
		\$
Outstanding at December 31, 2015	44,844	8.50
Expired	<u>(37,031)</u>	9.76
Outstanding at December 31, 2016	7,813	2.56
Expired	<u>(7,813)</u>	2.56
Outstanding at September 30, 2017	<u>-</u>	-

Warrants

A summary of warrant activity is as follows:

	<u>Number of warrants</u>	<u>Weighted average exercise price</u>
		\$
Outstanding at December 31, 2015	48,438	1.60
Issued	5,000,000	0.20
Expired	<u>(48,438)</u>	1.60
Outstanding at December 31, 2016 and September 30, 2017	<u>5,000,000</u>	0.20

As at September 30, 2017, the following warrants were outstanding:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
5,000,000	\$0.20	December 30, 2021

10. LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended September 30, 2017 was based on the loss attributable to common shareholders of \$332,979 (September 30, 2016 – \$83,575) and a weighted average number of common shares outstanding of 8,216,291 (September 30, 2016 – 1,481,184).

Diluted loss per share did not include the effect of 5,000,000 (September 30, 2016 – Nil) warrants as they are anti-dilutive.

11. MANAGEMENT OF CAPITAL

The Company's capital structure consists of items in equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments.

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair values of cash and marketable securities are based on level 1 inputs of the fair value hierarchy.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings and related party loans to satisfy its capital requirements and will continue to depend heavily upon equity capital and possible loans to finance its activities. The Company manages liquidity risk through its capital management as outlined in Note 11 above. Accounts payable and accrued liabilities are due within one year.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, marketable securities, and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

The majority of the Company's cash is held with major Canadian based financial institutions. Receivables mainly consist of refundable GST from the Government of Canada and VAT from the Cypriot tax authorities.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Currency Risk

The Company operates in Canada and the Republic of Cyprus and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The Company's cash, receivables, accounts payable and accrued liabilities and exploration and evaluation assets are held in several currencies and therefore are subject to fluctuations against the Canadian dollar. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's marketable securities are classified as held for trading and trade on the stock market. The Company closely monitors its marketable securities stock market movements and commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's marketable securities amounting to \$60,997 are subject to fair value fluctuations. As at September 30, 2017, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the nine months ended September 30, 2017 would have been approximately \$6,100 higher/lower. Similarly, as at September 30, 2017, reported equity would have been approximately \$6,100 lower/higher as a result of a 10% decrease/increase in the fair value of the Company's marketable securities.

Financial Assets

The estimated fair value of financial assets is equal to their carrying values due to the short-term nature of these instruments. The Company's financial assets were held in the following currencies:

Stated in Canadian Dollars				
As at September 30, 2017				
Carrying Value	Canadian Dollar	US Dollar	European Euro	Total
Cash	273,385	11,262	38,201	322,848
Receivables	4,133	-	1,516	5,649
Marketable securities	60,997	-	-	60,997

Stated in Canadian Dollars				
As at December 31, 2016				
Carrying Value	Canadian Dollar	US Dollar	European Euro	Total
Cash	461,344	12,160	45,684	519,188
Receivables	4,231	-	1,896	6,127
Marketable securities	41,478	-	-	41,478

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial Liabilities

The estimated fair value of financial liabilities is equal to their carrying values due to the short-term nature of these instruments. The Company's financial liabilities were held in the following currencies:

Stated in Canadian Dollars			
As at September 30, 2017			
Carrying Value	Canadian Dollar	European Euro	Total
Accounts payable	6,706	2,999	9,705
Advances	10,500	-	10,500

Stated in Canadian Dollars			
As at December 31, 2016			
Carrying Value	Canadian Dollar	European Euro	Total
Accounts payable	100,008	337	100,345
Due to related parties	99,020	-	99,020

13. SEGMENTED INFORMATION

The Company operates in one business segment, the exploration of mineral properties. Geographic information is as follows:

	Canada	Republic of Cyprus	Total
September 30, 2017	\$	\$	\$
Equipment	1,418	-	1,418
Exploration and evaluation asset	300,066	-	300,066
Other assets	354,743	39,717	394,460
Total assets	656,227	39,717	695,944

	Canada	Republic of Cyprus	Total
December 31, 2016	\$	\$	\$
Equipment	1,829	-	1,829
Other assets	521,246	47,580	568,826
Total assets	523,075	47,580	570,655