

Shoshoni Gold Ltd.

**Condensed Interim Financial Statements
(Unaudited – prepared by management)**

**For the three months ended
August 31, 2017**

(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 interim financial statements, they must be accomplished by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

Shoshoni Gold Ltd.**Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

As at	August 31, 2017	February 29, 2017
Assets		
Current		
Cash	\$ 1	\$ 460
GST recoverable	8,138	7,765
	8,139	8,225
Exploration and evaluation assets (note 6)	1	1
Reclamation bond (note 7)	16,825	16,825
	\$ 24,965	\$ 25,051
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (note 10)	\$ 290,521	\$ 243,569
Subscriptions received in advance	8,000	8,000
Asset retirement obligation (note 8)	16,825	16,825
Advances from Directors (note 10)	37,812	37,812
Loans payable (note 11)	47,045	47,045
	400,203	353,251
Shareholders' Equity		
Share capital (note 9)	16,929,566	16,929,566
Contributed surplus	2,393,875	2,393,875
Deficit	(19,698,679)	(19,651,641)
	(375,238)	(328,200)
	\$ 24,965	\$ 25,051

Nature of Operations and Going Concern (note 1)
Commitment (note 8)
Significant event (note 12)

Approved on Behalf of the Board of Directors on October 30, 2017.

See Accompanying Notes

Shoshoni Gold Ltd.**Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

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	Three month ended August 31, 2017	Three months ended August 31, 2016	Six months ended August 31, 2017	Six months ended August 31, 2016
Expenses				
Consulting	15,000	36,000	30,000	51,000
Legal and accounting	4,500	7,680	4,500	9,930
Office and miscellaneous	2,530	9,221	5,838	10,820
Regulatory and transfer agent fees	750	4,075	6,700	12,150
Loss Comprehensive loss for the period	\$ 22,780	\$ (56,976)	(47,038)	(83,900)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding	9,006,105	7,303,946	9,006,105	5,266,214

See Accompanying Notes

Shoshoni Gold Ltd.**Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total
Balance February 28, 2016	3,206,105	\$ 16,653,435	\$ 2,388,506	\$ (16,967,354)	\$ 2,074,587
Shares issued for cash, net	5,800,000	278,423	4,277	-	282,700
Loss for the period	-	-	-	(83,900)	(83,900)
Balance August 31, 2016	9,006,105	\$ 16,931,858	\$ 2,392,783	\$ (17,274,299)	\$ 2,050,342
Balance February 28, 2017	9,006,105	\$ 16,929,566	\$ 2,393,875	\$ (19,651,641)	\$ (328,200)
Loss for the period	-	-	-	(47,038)	(47,038)
Balance August 31, 2017	9,006,105	\$ 16,929,566	\$ 2,393,875	\$ (19,698,679)	\$ (375,238)

See Accompanying Notes

Shoshoni Gold Ltd.**Condensed Interim Statements of Cash Flows**
(Expressed in Canadian dollars)
(Unaudited – prepared by management)

For the three months ended	August 31, 2017	August 31, 2016
Cash provided by (used for)		
Operating activities		
Loss for the year	\$ (47,038)	\$ (83,000)
Add items not affecting cash:		
Interest accruals	5,756	3,046
Changes in non-cash working capital		
GST recoverable	(373)	(1,485)
Accounts payable and accrued liabilities	41,224	(177,606)
	(31)	(259,945)
Financing activities		
Shares issued for cash, net	-	282,700
		282,700
Change in cash	(459)	22,755
Cash, beginning of period	460	5
Cash, end of period	\$ 1	\$ 22,760
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See Accompanying Notes

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

1. Nature of Operations and Going Concern

Shoshoni Gold Ltd. (the "Company") was incorporated April 23, 1985, under the Company Act of British Columbia, and extra-provincially registered in the Northwest Territories. The Company's principal activity is the exploration of resource properties. The Company's corporate office and principal place of business is 701 - 595 Howe Street, Vancouver, British Columbia, Canada. During the year ended February 28, 2017, the Company completed a 10 for 1 share consolidation. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation during the period.

The financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of amounts shown as resource properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or disposition thereof. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The existence of these matters give rise to material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Basis of Presentation**a) Statement of Compliance**

These unaudited condensed interim financial statements have been prepared in accordance with International Accounts Standards 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were authorized for issue by the Board of Directors on October 30, 2017.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as FVTPL which are stated at their fair value.

In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

2. Basis of Presentation (continued)

c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant areas requiring the use of management estimates include impairment of exploration and evaluation properties; reclamation and environmental obligations; determining the provision for deferred income taxes and contingencies reported in the notes to the financial statements.

Areas of significant judgment include the classification of financial instruments, the classification of exploration and evaluation expenditures and the assessment of going concern, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

3. Significant Accounting PoliciesAccounting Policies to be Adopted

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2017 unless otherwise stated. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is tentatively effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

IFRS 15 Revenue recognition: The IASB issued IFRS 15, Revenue from Contracts with Customers in May 2014. The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 16 Leases: IFRS 16 replaces IAS 17 and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

4. Risk Management and Financial Instruments

Fair value of financial instruments

The fair values of cash, accounts payable and accrued liabilities, subscriptions received in advance, loans payable, and advances from Directors approximate their carrying values as the financial assets and liabilities have a short-term to maturity.

Fair Value Hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 –quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 –inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

August 31, 2017	Level 1	Level 2	Level 3
Assets:			
Cash	\$ 1	\$ -	\$ -

February 28, 2017	Level 1	Level 2	Level 3
Assets:			
Cash	\$ 460	\$ -	\$ -

Financial Instrument Risks

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk by holding cash. This risk is minimized by holding the investments in large Canadian financial institutions or with Canadian governments. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments. The Company's maximum exposure to credit risk is the carrying value of cash.

August 31, 2017

4. Risk Management and Financial Instruments (continued)

Financial Instrument Risks (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. At August 31, 2017, the Company has a working capital deficiency of \$392,064.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest rate risk

The Company has cash balances. The interest earned on cash approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

ii) Currency risk

Currency risk is the risk that assets and liabilities held in currencies other than the functional currency will fluctuate, resulting in a foreign exchange gain or loss. The Company's operations are currently all within Canada, and accordingly the Company does not have significant currency risk.

iii) 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 ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of gold and copper. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

5. Capital Management

The Company includes equity, comprising of issued common shares and share purchase warrants, contributed surplus and deficit, in the definition of capital.

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.

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

5. Capital Management (continued)

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will attempt to raise additional funds as needed, while the Company has been successful in the past there is no assurance it will be able to raise funds in this manner in the future. 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 period ended August 31, 2017. The Company is not subject to externally imposed capital requirements.

6. Exploration and Evaluation Assets

February 28, 2017 and August 31, 2017

	Opening	Additions		Write-down	Total
		Cash	Shares		
Acquisition Costs					
Kirkland Creek	\$ 474,830	\$ 25,000	\$ -	\$ (499,829)	\$ 1
Deferred Exploration					
Kirkland Creek	1,796,890	-	-	(1,796,890)	-
	\$ 2,271,720	\$ 25,000	\$ -	\$ (2,296,719)	\$ 1

Kirkland Creek Property Claims

The Company has negotiated the purchase of the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property originally was comprised of 144 claims totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor will retain a 3% net smelter royalty ("NSR") on any mineral production from the property. Effective November 2010 an advance royalty of \$25,000 is payable annually, the Company has paid \$175,000 cumulatively to February 29, 2016. The Company has the right to purchase up to 2% of the 3% NSR for \$1,000,000 per percentage point. On May 7, 2007, the Company announced that it had expanded the property by staking an additional 36 claims (1,830 acres) adjoining the original 144-claim block. The Company has allowed some of the claims it considers to be of lesser importance to lapse. The Kirkland Creek property now consists of 40 contiguous claims.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company has been forced to write down this property by \$2,296,719 to a nominal amount of \$1 as a result of not meeting the criteria for expenditures on the property. Under IFRS 6 where substantial expenditures are neither budgeted nor planned there is an indicator of impairment, and where fair value cannot be determined the property is written down to a nominal amount.

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

7. Reclamation Bond

The bond posted during fiscal 2008 by the Company in anticipation of the drilling on the Sunrise Natural Gas Lands is held in trust for the Company until such time as any required reclamation has been completed. The funds do not bear interest, and fair value is not readily determinable.

8. Asset Retirement Obligation

	Sunrise	Kirkland	Total
Balance February 28, 2017 and August 31, 2017	\$ 16,825	\$ -	\$ 16,825

9. Share Capital**a) Authorized**

Unlimited common shares without par value.

b) Share issuances

On June 6, 2016 the Company completed the first tranche of a private placement and issued 4,220,000 units for total gross proceeds of \$211,000. Each unit consists of one common share and one transferable share purchase warrant, each warrant is exercisable into one additional common share at a price of \$0.05 for a period of 36 months from the date of issue. As part of this placement, the Company paid a finders' fee of \$2,600 in cash.

On June 28, 2016 the Company completed the second tranche of the placement and issued 1,580,000 units for total gross proceeds of \$79,000. Each unit consists of one common share and one transferable share purchase warrant, each warrant is exercisable into one additional common share at a price of \$0.05 for a period of 36 months from the date of issue. As part of this placement, the Company paid a finders' fee of \$5,900 in cash. In addition, the Company issued 118,000 agent warrants with the same terms as the financing. The Company has estimated the fair value of the agent warrants to be \$5,369 based on the Black-Scholes option pricing model. The assumptions used for included a risk-free interest rate of 1.65%, an expected life of 3 years and an annualized volatility rate of 194%.

c) Options outstanding

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, officers, and employees to acquire common shares. The essential elements of the 2015 Stock Option Plan ("Plan") provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of ten (10) years. The exercise price of options granted under the Plan will not be less than the fair market value price of the shares on the date of grant of the options (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date). Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors.

There were no options issued or outstanding during the period ended August 31, 2017 and year ended February 28, 2017.

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

9. Share Capital (continued)**d) Warrants outstanding**

The changes in warrants during the six months ended August 31, 2017 are as follows:

	Number of warrants	Weighted average exercise price
Balance, February 29, 2016	-	-
Warrants issued	5,918,000	\$ 0.05
Balance, February 28, 2017 and August 31, 2017	5,918,000	\$ 0.05

Details of warrants outstanding at August 31, 2017 are as follows:

Number of Shares	Exercise price	Expiry Date
4,220,000	\$ 0.05	June 6, 2019
1,580,000	\$ 0.05	June 28, 2019
118,000	\$ 0.05	June 28, 2019
5,918,000		

10. Related Party Transactions

The following amounts were paid or accrued to directors or companies controlled by directors of the Company for services provided for the period ended August 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Accounting and legal fees	\$ 4,500	\$ 4,500

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to directors and former directors of the Company as at August 31, 2017 of \$67,689 (February 28, 2017 - \$67,689) were included in accounts payable and accrued liabilities. Amounts due to related parties do not bear interest, are unsecured and are classified as current due to their nature and expected time of repayment.

Advances received from directors as at August 31, 2017 of \$37,812 (February 28, 2017 - \$37,812) includes an amount of \$4,065 (2017 - \$4,065) which bears interest at 10% per annum and was repayable in full on December 16, 2014, \$102 of interest (2016 - \$102) has been accrued as at year end. Other loans from Directors bear no interest and have no fixed repayment dates.

Shoshoni Gold Ltd.**Notes to the Financial Statements
(Expressed in Canadian dollars)
(Unaudited – prepared by management)**

August 31, 2017

11. Loans Payable

Loans payable as at August 31, 2017 includes various loans totaling \$47,045 (February 28, 2017 - \$47,045), bear interest ranging from Nil to 20% compounded monthly and are repayable on demand. As at August 31, 2017, included in the amount, the Company had accrued interest of \$16,864 (2017 - \$11,108) on these loans.

12. Significant event

On August 4, 2017, the Company announced a non-brokered private placement in the aggregate amount up to \$250,000 consisting of up to 5,000,000 units (the "Units") at a price of \$0.05 per Unit (the "Offering"). Each Unit will consist of one common share and one one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share at an exercise price of \$0.05 for a period of 3 year following the closing of the Offering.