



**WELLGREEN PLATINUM LTD.**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**– For the three and nine months ended September 30, 2017 –  
(Unaudited)**

*(Expressed in Canadian Dollars)*

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**WELLGREEN PLATINUM LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars) (Unaudited)

	Note	September 30, 2017	December 31, 2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$ 12,003,285	\$ 733,852
Short term investments	4	-	10,023,000
Prepaid expenses		448,280	210,014
Amounts receivable	5(a)	232,113	197,992
Loans receivable	5(b)	-	134,274
		<u>12,683,678</u>	<u>11,299,132</u>
Assets classified as held for sale	6	-	1,384,388
		<u>12,683,678</u>	<u>12,683,520</u>
<b>Non-Current Assets</b>			
Long term receivable	6	100,000	-
Equipment, net	7	344,756	389,228
Exploration and evaluation assets	8	50,854,877	45,340,185
		<u>51,299,633</u>	<u>45,729,413</u>
<b>TOTAL ASSETS</b>		<b>\$ 63,983,311</b>	<b>\$ 58,412,933</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and other liabilities	9	\$ 2,278,227	\$ 1,780,845
Flow-through share premium liability	9	120,361	-
Liabilities directly associated with assets classified as held for sale	6	-	1,215,247
		<u>2,398,588</u>	<u>2,996,092</u>
<b>Non-Current Liabilities</b>			
Reclamation provision		463,000	457,000
		<u>2,861,588</u>	<u>3,453,092</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		131,858,463	123,234,179
Reserves		14,226,189	13,830,682
Deficit		(84,962,929)	(82,105,020)
		<u>61,121,723</u>	<u>54,959,841</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 63,983,311</b>	<b>\$ 58,412,933</b>

*Commitments and Contingencies (Note 15)**The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**WELLGREEN PLATINUM LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars, except share amounts) (Unaudited)

		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
	Note	2017	2016	2017	2016
<b>OPERATING EXPENSES</b>					
Consulting and professional fees		\$ 131,462	\$ 299,291	\$ 807,304	\$ 789,844
Depreciation	7	1,704	5,671	7,002	17,875
Foreign exchange loss		1,386	114,225	1,298	147,569
Insurance		16,832	11,803	51,216	35,430
Office and regulatory		193,807	314,912	701,927	531,271
Property maintenance		-	6,552	2,839	32,418
Relations and business development		102,035	99,565	247,048	226,408
Salaries, wages and severance	12	477,118	1,714,881	1,307,785	2,878,222
Share-based compensation	11	135,673	211,000	375,047	232,225
Loss before non-operating items		(1,060,017)	(2,777,900)	(3,501,466)	(4,891,262)
<b>OTHER INCOME (EXPENSE)</b>					
Accretion expense		-	(4,035)	-	(12,106)
Interest income		25,349	73,240	67,365	96,700
Flow-through share premium	15	624,000	-	624,000	-
Loss on sale of Ontario mineral property interests		-	-	(47,808)	-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		<b>\$ (410,668)</b>	<b>\$ (2,708,695)</b>	<b>\$ (2,857,909)</b>	<b>\$ (4,806,668)</b>
<b>NET LOSS PER COMMON SHARE, BASIC AND DILUTED</b>					
		<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>					
		<b>223,541,238</b>	<b>202,207,660</b>	<b>209,746,641</b>	<b>169,234,148</b>

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

**WELLGREEN PLATINUM LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars) (Unaudited)

	Note	Nine Months Ended September 30,	
		2017	2016
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		\$ (2,857,909)	\$ (4,806,668)
Add (deduct) items not affecting cash			
Accrued interest income		(25)	(1,109)
Accretion expense		-	12,106
Depreciation		7,002	17,875
Flow-through share premium		(624,000)	-
Loan forgiveness		-	44,257
Loss on disposal of non-core Ontario assets	6	47,808	-
Share-based compensation		375,047	232,225
Unrealized foreign exchange loss		3,197	115,788
		(3,048,880)	(4,385,526)
Changes in non-cash working capital balances	14	(727,085)	49,130
<b>Cash used in operating activities</b>		<b>(3,775,965)</b>	<b>(4,336,396)</b>
<b>INVESTING ACTIVITIES</b>			
Decrease (increase) in short term investments	4	10,023,000	(10,000,000)
Equipment additions		(74,824)	-
Exploration and evaluation expenditures		(4,452,527)	(7,687,546)
Increase in reclamation deposit		-	(3,243)
Proceeds from disposal of non-core Ontario assets	5(a), 6	50,000	-
Repayment of management loans	5(b)	134,299	268,710
<b>Cash provided from (used in) investing activities</b>		<b>5,679,948</b>	<b>(17,422,079)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share issuance, net of issue costs		9,368,645	15,597,283
<b>Cash provided from financing activities</b>		<b>9,368,645</b>	<b>15,597,283</b>
Effect of foreign exchange on cash and cash equivalents		(3,195)	(7,813)
Increase (decrease) in cash and cash equivalents, net		11,269,433	(6,169,005)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD		733,852	9,862,391
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>		<b>\$ 12,003,285</b>	<b>\$ 3,693,386</b>

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

**WELLGREEN PLATINUM LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars, except share amounts) (Unaudited)

	Number of Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
<b>As at January 1, 2016</b>	<b>125,428,061</b>	<b>\$ 107,589,150</b>	<b>\$ 13,622,499</b>	<b>\$ (67,729,636)</b>	<b>\$ 53,482,013</b>
Private Placement - March 24, 2016	14,000,000	2,800,000	-	-	2,800,000
Private Placement - April 8, 2016	1,500,000	300,000	-	-	300,000
Private Placement - April 27, 2016	42,107,464	8,421,493	-	-	8,421,493
Private Placement - May 3, 2016	12,892,536	2,578,507	-	-	2,578,507
Private Placement - July 7, 2016	6,796,742	2,039,023	-	-	2,039,023
Share issuance costs		(541,740)	-	-	(541,740)
Share-based compensation		-	222,265	-	222,265
Net loss for the nine months ended September 30, 2016		-	-	(4,806,668)	(4,806,668)
<b>As at September 30, 2016</b>	<b>202,724,803</b>	<b>\$ 123,186,433</b>	<b>\$ 13,844,764</b>	<b>\$ (72,536,304)</b>	<b>\$ 64,494,893</b>
<b>As at January 1, 2017</b>	<b>202,773,548</b>	<b>\$ 123,234,179</b>	<b>\$ 13,830,682</b>	<b>\$ (82,105,020)</b>	<b>\$ 54,959,841</b>
Private Placement – August 4, 2017- Flow-Through Shares	8,675,535	3,000,000	-	-	3,000,000
Private Placement – August 4, 2017- Common Shares	12,740,855	3,312,622	-	-	3,312,622
Private Placement – August 8, 2017- Common Shares	12,379,201	3,218,592	-	-	3,218,592
Share issuance costs		(162,569)	-	-	(162,569)
Premium on flow-through shares		(744,361)	-	-	(744,361)
Share-based compensation		-	395,507	-	395,507
Net loss for the nine months ended September 30, 2017		-	-	(2,857,909)	(2,857,909)
<b>As at September 30, 2017</b>	<b>236,569,139</b>	<b>\$ 131,858,463</b>	<b>\$ 14,226,189</b>	<b>\$ (84,962,929)</b>	<b>\$ 61,121,723</b>

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

## **WELLGREEN PLATINUM LTD.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

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## **1. NATURE OF OPERATIONS**

Wellgreen Platinum Ltd. (“Wellgreen Platinum” or the “Company”) is a public company incorporated in British Columbia, and listed on the Toronto Stock Exchange trading under the symbol **WG**, and on the OTCQX under the symbol **WGPLF**. The Company’s registered and head office is at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company’s principal business activity is the exploration, evaluation and development of nickel and platinum group metals (“PGM”) mineral properties in North America. The Company is focused on exploring and developing its Wellgreen nickel-copper-PGM project, located in the Yukon Territory, Canada (“Wellgreen Project”).

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The Company's continuing operations are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to continue the exploration and development of its mineral property interests and to obtain and maintain the permits necessary to mine and process, and on future profitable production from, or proceeds from the disposition of, its mineral property interests.

The Company has a history of losses with no operating revenue, an accumulated deficit at September 30, 2017 of \$85.0 million (December 31, 2016 – \$82.1 million), and working capital at September 30, 2017 of \$10.3 million (December 31, 2016 – \$9.5 million, excluding assets classified as held for sale and the associated liabilities). The Company will need to seek additional financing to meet its exploration and development objectives.

The Company believes that its liquid assets at September 30, 2017, are sufficient to meet its known obligations and to maintain its mineral property interests in good standing for at least the next twelve months. However, there can be no assurance that the Company will continue to be able to obtain additional financing or will achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will need to curtail its activities until additional funds can be raised.

## **2. BASIS OF PREPARATION**

### **(a) Statement of Compliance**

These unaudited condensed consolidated interim financial statements (“Interim Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued and effective for the three and nine months ended September 30, 2017, as issued by the International Accounting Standards Board (“IASB”) and IFRS Interpretations Committee, applicable to the preparation of unaudited interim consolidated financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting (“IAS 34”). These Interim Financial Statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2016 and 2015, which were prepared in accordance with IFRS and are publicly available at [www.sedar.com](http://www.sedar.com).

These Interim Financial Statements were reviewed and approved by the Audit Committee on November 2, 2017.

### **(b) Measurement Basis**

These Interim Financial Statements are prepared under the historical cost convention, except for assets held for sale, which are measured at fair value less costs of disposal. All amounts are presented in the Company’s functional currency, which is the Canadian dollar.

## **WELLGREEN PLATINUM LTD.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the significant judgements, estimates and assumptions used in the preparation of these Interim Financial Statements are those applied in Note 3 of the Company's audited annual consolidated financial statements for the years ended December 31, 2016 and 2015, and have been consistently applied throughout all periods presented as if these policies had always been in effect. There was no change in the use of estimates and judgements during the current period from those described in Note 4 of the Company's annual audited consolidated financial statements as at and for the years ended December 31, 2016 and 2015.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from such estimates.

#### **(a) New accounting standards adopted effective January 1, 2017**

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2017:

- *Amendments to IAS 7 – Statement of Cash Flows*

Amendments to IAS 7 - Statement of Cash Flows ("IAS 7") requires an entity to present a statement of cash flows as an integral part of its primary financial statements. Cash flows are classified and presented into operating activities (using either the "direct" or "indirect" method), investing activities and financing activities, with the latter two categories generally presented on a gross basis. The amendments require additional disclosures with respect to changes in liabilities arising from financing activities. They are effective for annual periods beginning on or after January 1, 2017. The adoption of these amendments did not have a significant impact on the Interim Financial Statements.

#### **(b) Future changes in accounting standards, which are not yet effective at September 30, 2017**

There have been no recent IFRS accounting pronouncements with respect to new standards, interpretations and amendments during the three and nine months ended September 30, 2017, as compared to the recent accounting pronouncements described under Note 3 in the Company's annual audited consolidated financial statements for the years ended December 31, 2016 and 2015, that are of potential significance to the Company.

#### **(c) Comparative figures**

Certain balances in the comparative period have been reclassified from the unaudited September 30, 2016 condensed consolidated interim financial statements previously presented to conform to the presentation of these Interim Financial Statements in accordance with IFRS.

### **4. CASH AND CASH EQUIVALENTS, SHORT TERM INVESTMENTS**

At September 30, 2017, cash and cash equivalents included \$48,722 denominated in US dollars (December 31, 2016 – \$41,104).

Short term investments of the Company are Guaranteed Investment Certificates (GICs), with original maturities greater than 90 days but less than one year, held with Canadian financial institutions. Upon maturity, short term investments in GICs are reclassified to cash and cash equivalents.

## WELLGREEN PLATINUM LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

## 5. AMOUNTS RECEIVABLE, LOANS RECEIVABLE

### (a) Amounts Receivable

Amounts receivable includes goods and services tax receivable of \$182,113 as at September 30, 2017 (December 31, 2016 - \$136,488), and the current portion of consideration receivable of \$50,000 related to the sale of the non-core Ontario mineral property interests (Note 6). The remaining consideration receivable of \$100,000 is classified as long-term receivable. The total receivable balance of \$150,000 is classified as level 2 in the fair value hierarchy.

### (b) Loans Receivable

	<b>Amount</b>
Balance, December 31, 2016	\$ 134,274
Less: Principal and interest paid	(134,299)
Interest earned	25
<b>At September 30, 2017</b>	<b>\$ -</b>

As at September 30, 2017, the principal and interest balance of the loans receivable, due upon demand and bearing interest at 1%, was \$nil (December 31, 2016 – \$134,274).

During the nine months ended September 30, 2017, former employees repaid the balance of outstanding loan principal and interest amounting to \$134,299. Accordingly, the Company discharged and released a total of 212,500 shares and 212,500 warrants, which were held as security, to these former employees.

## 6. DISPOSAL OF THE ONTARIO PROPERTIES

In December 2016, the Company's Board of Directors authorized the disposal of the Company's non-core Ontario mineral property interests ("Ontario Properties"), of which the most significant was the Shakespeare Property. Effective February 8, 2017, the Company sold (the "Sale") Ursa Major Minerals Inc. ("URSA"), the wholly-owned subsidiary that holds the Ontario Properties and the associated liabilities, including the mine reclamation provision for the Shakespeare Property, to a private company (the "Purchaser"). The existing royalty agreements of the Ontario Properties were assumed by the Purchaser as part of the Sale. The details of the Ontario Properties are described in Note 8 of the Company's annual audited consolidated financial statements as at and for the years ended December 31, 2016 and 2015. The Ontario Properties assets and associated liabilities were classified as held for sale as at December 31, 2016.

Pursuant to the Sale, the Company will receive total cash and/or share consideration equivalent to \$200,000 from the Purchaser over the next three years. In addition, the Company retains a 1.0% NSR royalty interest in the Shakespeare Property, and a 0.5% NSR royalty interest in the other properties. The Company received the first tranche of \$50,000 upon close of the transaction in February 2017, and the next tranche of \$50,000 is due on or before December 31, 2017. The remaining \$100,000 is due in equal instalments of \$50,000 on December 31, 2018 and December 31, 2019, respectively, and is receivable in cash or, at the election of the Buyer, share consideration if the Buyer is a publicly listed company when the payments are due. The carrying value of the cash and share consideration receivable totalling \$150,000 as at September 30, 2017, approximates its fair value, and the impact of present valuing the long-term portion was determined to not be significant (see Note 5(a)).

Based on the cash and share consideration totalling \$200,000, net of transaction advisory fees, a loss of \$47,808 was recognized in the statement of loss and comprehensive loss on the Sale in February 2017.

**WELLGREEN PLATINUM LTD.****Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

The carrying value of net assets sold are as follows:

Assets sold	
Exploration and evaluation assets	\$ 688,727
Reclamation deposit	674,184
Cash and other current assets	22,560
	<u>1,385,471</u>
Liabilities transferred	
Royalty liability	\$ 451,656
Reclamation provision	688,727
Trade accounts payable and accrued liabilities	23,163
	<u>1,163,546</u>
<b>Net</b>	<b>\$ 221,925</b>

**7. EQUIPMENT**

	Computer equipment & software	Exploration equipment	Shelter	Leasehold improvements	<b>Total</b>
<b>Cost</b>					
At December 31, 2016	\$ 133,335	154,594	565,000	40,595	893,524
Additions for the period	49,034	-	25,790	-	74,824
<b>At September 30, 2017</b>	<b>182,369</b>	<b>154,594</b>	<b>590,790</b>	<b>40,595</b>	<b>968,348</b>
<b>Accumulated depreciation</b>					
At December 31, 2016	(78,977)	(148,906)	(266,407)	(10,006)	(504,296)
Depreciation for the period	(66,487)	(853)	(47,368)	(4,588)	(119,296)
<b>At September 30, 2017</b>	<b>\$ (145,464)</b>	<b>\$ (149,759)</b>	<b>\$ (313,775)</b>	<b>\$ (14,594)</b>	<b>\$ (623,592)</b>
<b>Carrying value</b>					
At December 31, 2016	\$ 54,358	\$ 5,688	\$ 298,593	\$ 30,589	\$ 389,228
<b>At September 30, 2017</b>	<b>\$ 36,905</b>	<b>\$ 4,835</b>	<b>\$ 277,015</b>	<b>\$ 26,001</b>	<b>\$ 344,756</b>

In 2016, the Company recognized a write-down of \$64,383 related to exploration equipment at the Ontario Properties upon the properties' classification as held for sale (see Note 6).

**WELLGREEN PLATINUM LTD.****Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

**8. EXPLORATION AND EVALUATION ASSETS**

	<u>Yukon</u>	<u>Ontario</u>	
	Wellgreen	Shakespeare & Other	<b>Total</b>
<b>Acquisition costs</b>			
Balance, December 31, 2016 and September 30, 2017	8,065,633	-	8,065,633
<b>Exploration and evaluation expenditures</b>			
Balance, December 31, 2016	37,274,552	-	37,274,552
Camp and site services	1,343,059	-	1,343,059
Geology, resource, and land	673,959	-	673,959
Drilling	1,433,628	-	1,433,628
Engineering	1,068,072	-	1,068,072
Environmental and permitting	867,974	-	867,974
First Nations and community	128,000	-	128,000
Expenditures for the period	5,514,692	-	5,514,692
Balance, September 30, 2017	42,789,244	-	42,789,244
<b>At September 30, 2017</b>	<b>\$ 50,854,877</b>	<b>\$ -</b>	<b>\$ 50,854,877</b>

	<u>Yukon</u>	<u>Ontario</u>	
	Wellgreen	Shakespeare & Other	<b>Total</b>
<b>Acquisition costs</b>			
Balance, December 31, 2015	\$ 8,065,633	\$ 7,456,989	\$ 15,522,622
Ontario properties impairment	-	(6,768,262)	(6,768,262)
Balance, December 31, 2016	8,065,633	688,727	8,754,360
<b>Exploration and evaluation expenditures</b>			
Balance, December 31, 2015	32,071,777	1,689,037	33,760,814
Camp and site services	1,477,789	-	1,477,789
Geology, resource, and land	435,439	25,240	460,679
Drilling	1,173,794	-	1,173,794
Engineering	1,092,271	-	1,092,271
Environmental and permitting	963,493	-	963,493
First Nations and community	59,989	-	59,989
Expenditures for the year	5,202,775	25,240	5,228,015
Ontario properties impairment	-	(1,714,277)	(1,714,277)
Balance, December 31, 2016	37,274,552	-	37,274,552
Assets classified as held for sale	-	(688,727)	(688,727)
<b>At December 31, 2016</b>	<b>\$ 45,340,185</b>	<b>\$ -</b>	<b>\$ 45,340,185</b>

## WELLGREEN PLATINUM LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

#### Ontario Properties

As described under Note 6, the Ontario Properties' assets and directly associated liabilities were classified as held for sale as at December 31, 2016. Prior to classification as held for sale, the Company recognized an impairment loss of \$8,482,539 in 2016 related to the Ontario Properties' exploration and evaluation assets.

## 9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	September 30, 2017	December 31, 2016
Trade payable and accrued liabilities	\$ 1,795,929	\$ 647,681
Other liabilities	482,298	1,133,164
	<b>\$ 2,278,227</b>	<b>\$ 1,780,845</b>

Trade payable and accrued liabilities consist of amounts outstanding for trade and other purchases related to exploration and operating activities, and are normally due on 30 to 90 day terms.

Other liabilities consist primarily of employee and director related accrued liabilities, including contractual severance accruals which, as at September 30, 2017, amounted to \$nil (December 31, 2016 - \$715,857).

The unamortized balance of the flow-through liability balance of \$120,361 at September 30, 2017 (December 31, 2016 - \$nil) consists of the flow-through liability of \$744,361 initially recorded in connection with the August 2017 flow-through private placement of \$3.0 million (see Note 10) less amortization of \$624,000 recorded during the third quarter. As per Company policy, the \$624,000 figure was recorded as income in the condensed consolidated interim statements of loss and comprehensive loss and represents the pro-rata amount spent on qualifying eligible expenditures at September 30, 2017. See Note 15(b) for additional information.

## 10. SHARE CAPITAL

On August 8, 2017, the Company closed a non-brokered private placement by issuing a total of 33,795,591 units for aggregate gross proceeds of \$9.5 million ("Private Placement"). The issuance included 25,120,056 units ("Units") priced at \$0.26 per Unit, and 8,675,535 "flow-through" units ("FT Units") priced at \$0.3458 per FT Unit. Each Unit and FT Unit is comprised of one common share and one "flow-through" common share, respectively, and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant is exercisable for one common share for a period of five years following closing of the Private Placement at a price of \$0.35.

The Company's major shareholders Electrum Strategic Opportunities Fund L.P. and Resource Capital Fund VI L.P. acquired 6,742,271 Units and 8,675,535 FT Units, respectively, under the Private Placement.

The net proceeds of \$9.4 million from the Private Placement will be applied towards the continuing development of the Wellgreen Project and for general corporate purposes.

All Units and FT Units issued under the Private Placement are subject to a statutory four-month hold period.

**WELLGREEN PLATINUM LTD.****Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2017 and 2016  
(Expressed in Canadian Dollars, unless otherwise indicated) (Unaudited)

**11. SHARE-BASED COMPENSATION AND WARRANTS***Share-based Compensation*

For the three and nine months ended September 30, 2017, share-based compensation related to stock options, stock appreciation rights (“SARs”) and deferred share units (“DSUs”) totalled \$144,867 and \$395,507, respectively (2016 – \$214,551 and \$222,265, respectively).

For the three and nine months ended September 30, 2017, \$135,673 and \$375,047 was recorded as an expense, respectively (2016 - \$211,000 and \$232,225, respectively), and \$9,194 and \$20,460 was capitalized to the Wellgreen Project, respectively (2016 – \$3,551 expense and recovery of \$9,960, respectively).

**(a) Stock Options**

The following table summarizes the stock option transactions from January 1, 2017 through September 30, 2017:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2016	884,000	\$ 1.16
Forfeited / Expired	(884,000)	1.16
<b>Outstanding, September 30, 2017</b>	<b>-</b>	<b>\$ -</b>

**(b) Stock Appreciation Rights**

The following table summarizes the SARs transactions from January 1, 2017 through September 30, 2017:

	Number of SARs	Weighted Average Exercise Price
Outstanding, December 31, 2016	5,210,000	\$ 0.50
Granted	5,228,090	0.31
Forfeited/ Expired	(2,372,673)	0.52
<b>Outstanding, September 30, 2017</b>	<b>8,065,417</b>	<b>\$ 0.37</b>

On March 28, 2017, the Company granted 3,987,185 SARs at an exercise price of \$0.32, expiring on March 28, 2022, vesting in one-third tranches on the annual anniversary dates of grant in 2018, 2019, and 2020. On August 15, 2017, the Company granted 1,240,905 SARs at an exercise price of \$0.28, expiring on August 15, 2022, vesting in one-third tranches on the annual anniversary dates of grant in 2018, 2019, and 2020.

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The following table summarizes the SARs outstanding as at September 30, 2017:

Expiry Date	Exercise Price	September 30, 2017	
		Outstanding	Exercisable
December 27, 2017	0.50	16,667	16,667
January 31, 2018	0.40	105,000	105,000
January 31, 2018	0.57	75,000	75,000
January 31, 2018	0.61	40,000	40,000
January 15, 2019	0.57	525,000	525,000
February 3, 2020	0.61	380,000	380,000
June 29, 2021	0.40	1,600,000	533,333
August 22, 2021	0.47	200,000	66,667
March 28, 2022	0.32	3,882,845	-
August 15, 2022	0.28	1,240,905	-
		<b>8,065,417</b>	<b>1,741,667</b>

At September 30, 2017, the weighted-average remaining life of the outstanding SARs was 4.0 years (December 31, 2016 – 2.6 years).

The following is a summary of the assumptions used in the Black-Scholes value model for SARs granted during the nine months ended September 30, 2017 and 2016:

	Nine Months Ended September 30	
	2017	2016
Risk-free interest rate	1.0%-1.4%	0.5%-0.7%
Expected price volatility	71%-73%	64%-70%
Expected life (years)	3.5	3.0
Annual dividends	0%	0%

**(c) Deferred Share Units**

Certain directors of the Company elected to receive a portion of director fees earned during the nine months ended September 30, 2017, totalling \$65,125, in the form of DSUs (September 30, 2016 – \$nil). A total of 218,389 DSUs were issued and measured at the closing share price on the day before grant date. The DSUs are equity-settled and recognized as share-based compensation expense in the statement of loss and comprehensive loss.

The DSUs were issued pursuant to the terms of the share-based compensation plan of the Company (the “Plan”). Subject to the terms and conditions of the Plan, each DSU is redeemable for one common share of the Company. At the sole discretion of the Company, DSU redemption maybe settled by way of a cash payment.

As at September 30, 2017, there were 218,389 DSUs outstanding and exercisable (December 31, 2016 – nil).

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**(d) Warrants**

The following table summarizes the warrant transactions from January 1, 2017 through September 30, 2017:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2016	92,705,964	\$ 0.32
Granted	16,897,795	0.35
Expired	(9,145,964)	0.62
<b>Outstanding, September 30, 2017</b>	<b>100,457,795</b>	<b>\$ 0.30</b>

At September 30, 2017, there were 100,457,795 (December 31, 2016 – 92,705,964) warrants outstanding, with a weighted-average remaining life of 3.5 years (December 31, 2016 – 3.9 years), as follows:

	September 30, 2017	
Expiry Date	Exercise Price	Outstanding
November 10, 2018	0.40	13,060,000
March 24, 2021	0.27	14,000,000
April 8, 2021	0.27	1,500,000
April 27, 2021	0.27	42,107,464
May 3, 2021	0.27	12,892,536
August 4, 2022	0.35	10,708,194
August 8, 2022	0.35	6,189,601
		<b>100,457,795</b>

**12. RELATED PARTY TRANSACTIONS & KEY MANAGEMENT COMPENSATION**

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel were recorded at their exchange amounts as agreed upon by transacting parties.

As at September 30, 2017, amounts due to related parties totalled \$427,498 (December 31, 2016 – \$1,020,989) and related to director fees, provision for bonuses, business expense reimbursements, and severance payments. The amounts due to related parties are non-interest bearing and are due upon demand.

Key management compensation for the three and nine months ended September 30, 2017 and 2016, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Fees to directors	\$ 57,250	\$ 81,125	\$ 170,500	\$ 175,695
Salaries, wages and severance	373,575	1,553,311	851,035	2,305,069
Share-based compensation	134,014	208,246	353,230	231,570
	<b>\$ 564,839</b>	<b>\$ 1,842,682</b>	<b>\$ 1,374,765</b>	<b>\$ 2,712,334</b>

Fees to directors includes consulting fees totalling \$18,750 and \$56,250 for the three and nine months ended September 30, 2017, respectively, for project related technical advisory services rendered by a director (2016 – \$30,000 for the three and nine months ended September 30, 2016).

## WELLGREEN PLATINUM LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

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In September 2013, the Company advanced loans to members of the Company's then senior management team, who were considered key management personnel in the comparative period. Refer to Note 5(b).

### 13. FAIR VALUE MEASUREMENTS

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The estimated fair values of cash and cash equivalents, short term investments, loans receivable, accounts payable and other liabilities, and such instruments classified as held for sale, which are all measured at amortized cost, approximate their respective carrying values due to the short-term maturity of these financial instruments. These instruments are categorized as level 2 in the fair value hierarchy.

### 14. SUPPLEMENTAL CASH INFORMATION

	Nine Months Ended	
	September 30, 2017	September 30, 2016
<b>Changes in non-cash working capital balances</b>		
Decrease in amounts receivable	\$ 15,879	\$ 183,904
Decrease (increase) in prepaid expenses	61,734	(126,378)
Decrease in accounts payable and accrued liabilities	(751,944)	(8,396)
Change in working capital balances related to Ontario mineral property interests (Note 6)	(52,754)	-
	<b>\$ (727,085)</b>	<b>\$ 49,130</b>

### 15. COMMITMENTS AND CONTINGENCIES

#### (a) Exploration Cooperation Agreement

The Company entered into an Exploration Cooperation Agreement in August 2012 with the Kluane First Nation in the Yukon to support Wellgreen Platinum's exploration program and environmental studies associated with the development of the Wellgreen Project.

#### (b) Flow-Through Financings

On August 4, 2017, the Company completed a flow-through private placement for \$3.0 million, thus committing to spend this amount by December 31, 2018 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures"). The Company indemnified the subscribers of flow-through shares from any tax consequences arising should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. The premium on the \$3.0 million flow-through private placement amounted to \$744,361. As at September 30, 2017, the Company has expended approximately \$2.5 million of the August 4, 2017 flow-through private placement amount of \$3.0 million.

#### (c) Office Lease and Other

The Company has entered into office sublease agreements and contracts for corporate head office equipment.

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The Company's exploration activities are subject to various provincial and federal laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment, and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to continue to make in the future, filings and expenditures to comply with such laws and regulations.

The following is a summary of the Company's contractual obligations and commitments (net of sub-lease rental income of \$347,776) at September 30, 2017:

<b>Year</b>	<b>Amount</b>
< 1 year	\$ 187,395
1- 3 years	317,641
> 3 years	-
	<b>\$ 505,036</b>

**(c) Contingencies**

The Company accrues for liabilities when it is probable and the amount can be reasonably estimated.

The Company is reviewing a potential financial liability for the reclamation of land related to mining conducted on or near the Wellgreen Project in the 1970's, prior to the Company's acquisition of the property. The Company has entered into a preliminary cooperative working arrangement with the Yukon Government and the third party involved in the prior operation of the property, to assess the reclamation work that will need to be conducted. The financial effect and timing of the reclamation work is indeterminable at this time. Once the assessment is completed and a contractual agreement is entered into, a portion of the financial cost for reclamation may be incurred by the Company. As such, no provision has been recognized.

The Company may be involved in legal proceedings from time to time arising in the ordinary course of its business. Based on the Company's knowledge and assessment of events as at September 30, 2017, the Company does not believe that the outcome of any of the matters not recorded in the consolidated financial statements, individually or in aggregate, would have a material adverse effect.