

GOLD FINDER EXPLORATIONS LTD.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JANUARY 31, 2017

(Expressed in Canadian Dollars)

GOLD FINDER EXPLORATIONS LTD.
FOR THE SIX MONTHS ENDED JANUARY 31, 2017

Table of contents

| | |
|---|------|
| Consolidated Statements of Financial Position..... | 4 |
| Consolidated Statements of Comprehensive Loss..... | 5 |
| Consolidated Statements of Changes in Shareholders' Equity..... | 6 |
| Consolidated Statements of Cash Flows. | 7 |
| Notes to the Consolidated financial statements..... | 8-15 |

NOTICE TO THE 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.

Gold Finder Explorations Ltd.

(An Exploration Stage Company)

Consolidated Statements Of Financial Position

(Expressed In Canadian Dollars)

| | <u>Note</u> | <u>January 31, 2017</u> | <u>July 31, 2016</u> |
|--|-------------|-------------------------|----------------------|
| Current Assets | | | |
| Cash | | \$ 24,874 | \$ 77,646 |
| Accounts Receivable | 4 | 8,033 | 6,368 |
| Prepaid Expenses | | <u>1,200</u> | <u>4,800</u> |
| Total Assets | | <u>\$ 34,107</u> | <u>\$ 88,814</u> |
| | | | |
| Current Liabilities | | | |
| Accounts Payable & Accrued Liabilities | 5 | <u>\$ 117,809</u> | <u>\$ 117,204</u> |
| | | | |
| Shareholders' Equity | | | |
| Share Capital | 7 | 34,595,930 | 34,595,930 |
| Contributed Surplus | | 5,076,639 | 5,076,639 |
| Accumulated Deficit | | <u>(39,756,271)</u> | <u>(39,700,959)</u> |
| | | <u>(83,702)</u> | <u>(28,390)</u> |
| Total Liabilities & Shareholders' Equity | | <u>\$ 34,107</u> | <u>\$ 88,814</u> |
| | | | |
| Nature and continuance of operations. | 1 | | |

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

On behalf of the board :

"Neil Linder"

Director

"Jack Lennen"

Director

Gold Finder Explorations Ltd.

(An Exploration Stage Company)

Consolidated Statements Of Comprehensive Loss

(Expressed In Canadian Dollars)

| | Note | Three Months Ended January 31, 2017 | Three Months Ended January 31, 2016 | Six Months Ended January 31, 2017 | Six Months Ended January 31, 2016 |
|--|------|--|--|--------------------------------------|--------------------------------------|
| | | \$ | \$ | \$ | \$ |
| Operating Expenses | | | | | |
| Insurance | | 1,800 | 1,875 | 3,600 | 3,750 |
| Interest & Bank Charges | | 308 | 277 | 466 | 540 |
| Legal | | - | - | 112 | 500 |
| Management Fees | 9 | 10,500 | 19,500 | 25,000 | 39,000 |
| Office & General | | 6,012 | 10,373 | 10,073 | 15,527 |
| Regulatory & Transfer Agent | | 10,130 | 2,357 | 12,210 | 3,029 |
| Travel & Promotion | | 1,662 | 2,232 | 1,833 | 2,232 |
| | | <u>30,412</u> | <u>36,614</u> | <u>53,295</u> | <u>64,578</u> |
| Other Items | | | | | |
| Foreign Exchange Gain (Loss) | | (41) | (618) | (2,017) | (618) |
| Other Income | 10 | 0 | 0 | - | 67,596 |
| | | <u>(41)</u> | <u>(618)</u> | <u>(2,017)</u> | <u>66,978</u> |
| Net Income (Loss) & Comprehensive (Loss) | | <u>(30,453)</u> | <u>(37,232)</u> | <u>(55,312)</u> | <u>2,400</u> |
| Basic & Diluted (Loss) Per Common Share | 6 | <u>(0.01)</u> | <u>(0.01)</u> | <u>(0.02)</u> | <u>0.00</u> |
| Weighted Average Shares Outstanding | | <u>2,519,798</u> | <u>2,519,798</u> | <u>2,519,798</u> | <u>2,519,798</u> |

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

Gold Finder Explorations Ltd.

(An Exploration Stage Company)

Consolidated Statement Of Changes In Shareholders' Equity

(Expressed In Canadian Dollars)

| | <u>Number Of Shares</u> | <u>Share Capital</u> | <u>Contributed Surplus</u> | <u>Accumulated Deficit</u> | <u>Total</u> |
|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-----------------|
| | | \$ | \$ | \$ | \$ |
| Balance at July 31, 2015 | 2,519,798 | 34,595,930 | 5,076,639 | (39,609,745) | 62,824 |
| Net Loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,400</u> | <u>2,400</u> |
| Balance at January 31, 2016 | 2,519,798 | 34,595,930 | 5,076,639 | (39,607,345) | 65,224 |
| Net Loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>(93,614)</u> | <u>(93,614)</u> |
| Balance at July 31, 2016 | 2,519,798 | 34,595,930 | 5,076,639 | (39,700,959) | (28,390) |
| Net Loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>(55,312)</u> | <u>(55,312)</u> |
| Balance at January 31, 2017 | <u>2,519,798</u> | <u>34,595,930</u> | <u>5,076,639</u> | <u>(39,756,271)</u> | <u>(83,702)</u> |

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

Gold Finder Explorations Ltd.

(An Exploration Stage Company)

Consolidated Statements Of Cash Flows

(Expressed In Canadian Dollars)

| | Six Months Ended January 31, 2017 | Six Months Ended January 31, 2016 |
|--|--|--------------------------------------|
| | \$ | \$ |
| Cash Flows From Operating Activities | | |
| Net (Loss)/ Gain For The Period | (55,312) | 2,400 |
| Changes In Non Cash Working Capital | | |
| Change in Accounts Receivable | (1,665) | 27,793 |
| Change in Prepaid Expenses | 3,600 | 3,416 |
| Change in Accounts Payable & Accrued Liabilities | 605 | (11,780) |
| | <u>(52,772)</u> | <u>21,829</u> |
| Change In Cash During The Period | (52,772) | 21,829 |
| Cash, Beginning Of The Period | <u>77,646</u> | <u>138,856</u> |
| Cash, End Of The Period | <u><u>24,874</u></u> | <u><u>160,685</u></u> |

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

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

1) Nature And Continuance Of Operations

Gold Finder Explorations Ltd. (the "Company") was incorporated under the laws of the province of British Columbia. The Company is an exploration stage entity engaged in the business of acquiring, exploring and evaluating mineral properties. The Company's shares are listed for trading on the TSX Venture Exchange NEX board and trade under the symbol "GFN.H". The address of the Company's registered office is Suite 210, 347 Leon Avenue, Kelowna BC, V1Y 8C7.

At January 31, 2017, the Company had not yet achieved profitable operations, has accumulated losses of \$39,756,271 since its inception and expects to incur further losses in the development of its business, all of which indicates material uncertainty which may cast substantial doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company will require additional financing in order to conduct its planned business activities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings through the equity markets in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

Statement of Compliance: These condensed consolidated interim financial statements for the six months ended January 31, 2017 (the "Interim Financial Statements"), have been prepared in accordance with IAS 34, 'Interim financial reporting'. The Interim Financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB" and interpretations of the International Financial Reporting interpretation Committee ("IFRIC").

These interim financial statements were authorized for issue by the Board of Directors on April 3, 2017.

2) Significant Accounting Policies

Basis of presentation

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

Basis of consolidation

These interim financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Crescent Inc. All significant inter-company balances and transactions have been eliminated upon consolidation. These financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Significant accounting judgments, estimates and assumptions

The preparation of these interim 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These interim financial statements include estimates that, by their nature, are uncertain. The impacts 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.

Critical accounting estimate

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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 valuation of provisions for restoration and environmental liabilities.

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of the Company and its subsidiary Crescent Inc. is Canadian dollars, as these are the currencies of the primary economic environment in

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

which the companies operate. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the probable timing and the level of future taxable income realized, including the usage of tax planning strategies.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its interim financial statements for the six months ended January 31, 2017. Management prepares the interim financial statements on a going concern basis unless Management either intends to liquidate the entity or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, and potential sources of replacement financing. As a result of the assessment, Management concluded the going concern basis of accounting is appropriate based on current discussions.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit and loss for the period.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income.

Decommissioning, restoration and similar liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability is recognized as its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with site closure and reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and the Company's estimates are reviewed at the end of each reporting period for changes in regulatory requirements, effects of inflation and changes in estimates.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Impairment of assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Assets that have an indefinite useful life are not subject to amortization and are tested at each reporting period for impairment.

Financial Instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company's cash is classified as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Company's receivables are classified as loans and receivables. *Held-to-maturity investments* are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those that are expected to mature within twelve months after the end of the reporting period. The Company has no financial assets classified as held-to-maturity. *Available-for-sale financial assets* are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses. The Company has no financial assets classified as available-for-sale.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. The Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share capital

The Company's common shares and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are charged directly to share capital.

Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from contributed surplus to share capital. The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions, and behavioural considerations.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings (loss) per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of previous year.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3) Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after 1 August 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the accounting policy for the first period beginning after the effective date of the pronouncement. The Company continues to evaluate the impact the implementation of these standards will have on the financial statements.

Accounting standards anticipated to be effective in future periods:

IFRS 9 - Financial Instruments. This IFRS introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39 - Financial Instruments: Recognition and measurement, derecognition of financial assets and financial liabilities. The required adoption date for IFRS 9 is 1 January 2018.

IFRS 15 - Revenue from Contracts with Customers. This IFRS establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will be effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

IFRS 16 - Leases. This IFRS, which supersedes IAS 17 - Leases, specifies how to recognize, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, has also been applied.

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

4) Accounts Receivable

| | <u>January 31, 2017</u> | <u>July 31, 2016</u> |
|----------------|-------------------------|----------------------|
| GST Receivable | <u>8,033</u> | <u>6,368</u> |

5) Accounts Payable & Accrued Liabilities

| | <u>January 31, 2017</u> | <u>July 31, 2016</u> |
|---------------------|-------------------------|----------------------|
| Accounts Payable | 107,037 | 100,814 |
| Accrued Liabilities | <u>10,772</u> | <u>16,390</u> |
| | <u>117,809</u> | <u>117,204</u> |

6) Basic & Diluted Loss Per Share

The calculation of basic and diluted loss per share for the six months ended January 31, 2017 was based on the loss attributable to common shareholders of \$55,312, (January 31, 2016 - \$2,400 net income) and the weighted average number of common shares outstanding of 2,519,798 (January 31, 2016 - 2,519,798). Diluted loss per share did not include the effect of 300,000 stock options as the effect would be anti-dilutive.

7) Share Capital

Authorized share capital

Unlimited number of common shares without par value.

On December 23, 2016, the Company approved a share consolidation whereby all the pre-consolidation shares of the Company were exchanged for post-consolidation shares at a ratio of 5 to 1. As a result, the issued and outstanding shares of the Company went from 12,598,987 pre-consolidation to 2,519,798 post-consolidation. All per share figures for the current period and all comparative periods have been restated to reflect the post-consolidation totals.

As at January 31, 2017, there were 2,519,798 common shares (July 31, 2016: 2,519,798) issued and outstanding.

Private placements and other share issuance

No private placements were made by the Company for the six months period ended January 31, 2017 or for the year ended July 31, 2016.

Warrants

No warrants were issued or outstanding for the six months period ended January 31, 2017 or for the year ended July 31, 2016.

8) Share-based Payments

Stock options

On 9 March 2012, the Company adopted an updated form of stock option plan (the "New Option Plan") to replace the 2007 Option Plan, whereby a maximum of 10% of the issued and outstanding common shares of the Company at the time an option is granted less common shares reserved for issuance outstanding in the New Option Plan, are reserved for options to be granted at the discretion of the Board to eligible option holders. All options granted under the New Option Plan are issuable for a period of up to 10 years.

The exercise price of an option is to be determined by the Board of Directors, but shall not be less than the market price of the common shares of the Company on the last business day before the date on which the options are granted, less any discount permitted by the rules of the exchange. The terms under which any options issued under the Plan, are subject to vesting provisions determined by the board of directors.

| <u>Number Of Options</u> | <u>Weighted Average Exercise Price</u> |
|--------------------------|--|
|--------------------------|--|

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

| | | |
|--------------------------------|-----------|------|
| Balance as at July 31, 2015 | 300,000 | 0.30 |
| Granted | - | - |
| Expired or cancelled | - | - |
| Balance as at July 31, 2016 | 300,000 | 0.30 |
| Granted | - | - |
| Expired or cancelled | (300,000) | 0.30 |
| Balance as at January 31, 2017 | - | - |

9) Related Party Transactions

Key management personnel compensation:

| For the six months ended January 31, 2017 | Short-term Benefits | Share-based Payments | Total |
|---|---------------------|----------------------|--------|
| Chairman & Chief Executive Officer (a) | 20,000 | - | 20,000 |
| Chief Financial Officer (b) | 5,000 | - | 5,000 |
| | 25,000 | - | 25,000 |

| For the six months ended January 31, 2016 | Short-term Benefits | Share-based Payments | Total |
|---|---------------------|----------------------|--------|
| Chairman & Chief Executive Officer (a) | 30,000 | - | 30,000 |
| Chief Financial Officer (b) | 9,000 | - | 9,000 |
| | 39,000 | - | 39,000 |

There were no transactions with other related parties for the six months ended January 31, 2016 and January 31, 2015.

(a) Management fees paid to a company controlled by the CEO.

(b) Management fees paid to a company controlled by the CFO.

Included in accounts payable and accrued liabilities at January 31, 2017 was \$3,675 due to related parties (January 31, 2016 - \$nil). The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

10) Other Income

On September 10, 2015 the Company received \$50,000 US from Crescent Silver, LLC in exchange for the 2% Net Smelter Return.

11) Management Of Capital

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

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 exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity. 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 adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize on-going development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an on-going 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 six months ended January 31, 2017. The Company is not subject to externally imposed capital requirements.

12) Financial Instruments

Financial instruments follow 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;

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

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

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.

As at January 31, 2017, the financial instruments are cash, receivables, accounts payable and accrued liabilities, and their carrying value approximate their fair values due to their short terms to maturity.

13) Financial Risks Management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of a chequing account at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an on-going basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at January 31, 2017, the Company had cash balance of \$24,874 (July 31, 2016 - \$77,646) to settle current liabilities of \$117,809 (July 31, 2016- \$117,204). All of the Company's financial liabilities have contracted maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Gold Finder Explorations Ltd

(An Exploration Stage Company)

Notes To Consolidated Financial Statements

Six Months Ended January 31, 2017

(Expressed In Canadian Dollars)

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.

Interest risk

The Company has cash balances and no interest-bearing debt. The Company periodically monitors its investments and is satisfied with the credit ratings of its banks. Included in the loss for the year is interest income on Canadian dollar cash. As at January 31, 2017, the Company is not exposed to any significant interest rate risk.

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at January 31, 2017, the Company foreign exchange risk was limited to the \$1,051 in U.S. dollars (CAD \$1,367).

Price risk

The Company is exposed to price risk with respect to 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. The Company does not hold any investments at this time.

14) Subsequent Events

On March 14, 2017, the Company has arranged a non-brokered private placement of units at a price of six cents per unit for gross proceeds of up to \$300,000. The units are composed of a share and a transferable warrant exercisable for 12 months at a price of 10 cents per warrant share.