SPADA GOLD LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

March 31, 2017

(Unaudited – Prepared by Management)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements for the three months ended March 31, 2017 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's auditors.

SPADA GOLD LTD.
Condensed Statements of Financial Position
(Stated in Canadian Dollars)
(Unaudited)

ASSETS

		March 31, 2017		December 31, 2016
Current				
Cash	$	395,496	$	398,270
GST receivable		3,060		2,213
	$	398,556	$	400,483

LIABILITIES

Current				
Accounts payable and accrued liabilities	$	19,316	$	12,836

SHAREHOLDERS' EQUITY

Share capital – Note 6	$	445,002	$	445,002
Reserves		23,117		22,045
Deficit		(88,879)		(79,400)
		379,240		387,647
	$	398,556	$	400,483

Going Concern - Note 2

APPROVED ON BEHALF OF THE BOARD:

"Ron Ho" Director *"Chris Buss"* Director

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

SPADA GOLD LTD.
Condensed Statement of Loss and Comprehensive Loss
(Stated in Canadian Dollars except for share amounts)
(Unaudited)

	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016
General and administrative expenses		
Audit and accounting fees	$ 737	$ 2,000
Legal fees	647	500
Listing fees	7,619	3,678
Stock compensation	1,072	-
Bank charges	52	48
Net loss and comprehensive loss for the period	$ (9,479)	$ (6,226)
Weighted average number of common shares outstanding	8,000,001	6,000,001
Basic and diluted loss per share	$ (0.00)	$ (0.00)

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

SPADA GOLD LTD.

Condensed Statements of Changes in Shareholders' Equity

(Stated in Canadian Dollars, except share amounts)

(Unaudited)

	Shares	Share Capital	Reserves	Deficit	Total
Balance at June 23, 2015	-	$ -	$ -	$ -	$ -
Share issued	1	-	-	-	-
Private placement	6,000,000	300,000	-	-	300,000
Comprehensive loss for the period	-	-	-	(31,563)	(31,563)
Balance at December 31, 2015	6,000,001	$ 300,000	$ -	$ (31,563)	$ 268,437
Initial public offering	2,000,000	200,000	-	-	200,000
Share issuance costs – Note 6	-	(54,998)	5,614	-	(49,384)
Share-based compensation – Note 6	-	-	16,431	-	16,431
Comprehensive loss for the year	-	-	-	(47,837)	(47,837)
Balance at December 31, 2016	8,000,001	$ 445,002	$ 22,045	$ (79,400)	$ 387,647
Share-based compensation – Note 6	-	-	1,072	-	1,072
Comprehensive loss for the period	-	-	-	(9,479)	(9,479)
Balance at March 31, 2017	8,000,001	$ 445,002	$ 23,117	$ (88,879)	$ 379,240

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

SPADA GOLD LTD.
Condensed Statement of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016
Operating activities:		
Net loss for the period	$ (9,479)	$ (6,226)
Share-based compensation	1,072	-
Changes in non-cash working capital items:		
Increase in GST receivable	(847)	(250)
Increase in accounts payable and accrued liabilities	6,480	(2,500)
Cash used in operating activities	(2,774)	(8,976)
Cash, beginning of the period	398,270	284,526
Cash, end of the period	$ 395,496	$ 275,550
Supplemental disclosure of cash flow information:		
Interest paid in cash	$ -	$ -
Income taxes paid in cash	$ -	$ -

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

Note 1 Nature of Operations

Spada Gold Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 23, 2015. The Company intends to engage in the acquisition and exploration of mineral properties in Canada.

These financial statements were authorized for issue by the board of directors of the Company on May 16, 2017.

Note 2 Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred operating losses to date and has no source of revenues. The Company's ability to continue as a going concern is dependent upon raising additional capital to acquire mineral properties and develop a profitable business. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material.

Note 3 Basis of Presentation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value and presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar.

Critical accounting estimates and judgements

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Note 3 Basis of Presentation – (cont'd)

Estimates:

The estimates and underlying assumptions are 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. The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of deferred income tax and share-based compensation.

Judgements:

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the assessment of the Company's ability to continue as a going concern and the recoverability of the Company's deferred tax assets.

Note 4 Significant Accounting Policies

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months when acquired. The Company did not have any cash equivalents as of March 31, 2017 or December 31, 2016.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financing reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A deferred income 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 income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Note 4 Significant Accounting Policies – (cont'd)

Share-based compensation

The stock option plan allows the Company's employees and directors to acquire shares of the Company. The fair value of the options granted is recognized as share-based compensation expense with a corresponding increase in equity. Consideration paid on the exercise of the stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital. In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based compensation; otherwise share-based compensation is measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which options vest. The fair value of the options granted is measured using the Black Scholes options 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.

Loss per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated assuming that outstanding share purchase options, with an average market price that exceeds the average exercise prices of the options and warrants for the period, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the period.

As at March 31, 2017 and December 31, 2016, there are no potentially dilutive securities outstanding.

Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments are classified as fair value through profit or loss ("FVTPL") when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period. The Company's cash and cash equivalents are classified as FVTPL.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable are classified as financial liabilities.

(Stated in Canadian dollars)

Note 5 Related party transactions

There were no related party transactions for the three months ended March 31, 2017 or March 31, 2016.

Note 6 Share Capital

a) Authorized: The Company is authorized to issue an unlimited number of common shares with no par value.

b) Issued: 8,000,001 common shares.

c) Escrow shares: Included in share capital are 6,072,001 common shares held in escrow. These common shares will be fully released April 13, 2019. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

On April 14, 2016, the Company completed an initial public offering as a capital pool company, issuing 2,000,000 shares for gross proceeds of $200,000. The Company incurred share issuance costs of $54,998 in conjunction with the offering.

Warrants

On April 14, 2016, the Company issued 200,000 share purchase warrants to the agent for the initial public offering. These share purchase warrants have an exercise price of $0.10 and expire on April 14, 2018. The Company recorded $5,614 in share issuance costs in connection with this grant using the Black-Scholes model with the following assumptions: a risk free rate of 0.60%, an expected volatility of 50%, an expected life of 2 years, a share price on grant date of $0.10 and an expected dividend of zero.

	Number of Warrants	**Weighted Average Exercise Price**
Balance, June 23, 2015 and December 31, 2015	-	-
Granted	200,000	$0.10
Balance, December 31, 2016 and March 31, 2017	200,000	$0.10

Information regarding warrants outstanding as at March 31, 2017 is as follows:

Warrants	**Average Exercise Price**	**Expiry**
200,000	$0.10	April 14, 2018

The warrants outstanding at March 31, 2017 have a weighted average remaining life of 1.04 years.

(Stated in Canadian dollars)

Note 6 Share Capital – (cont'd)

Stock Options

On April 14, 2016, 400,000 incentive stock options were granted having an exercise price of $0.10, expiry on April 14, 2021 and vest 50% upon grant, 25% six months after the grant date and 25% 12 months after the grant date. As at March 31, 2017, 300,000 of these stock options were exercisable.

	Number of Options	**Weighted Average Exercise Price**
Balance, June 23, 2015 and December 31, 2015	-	-
Granted	400,000	0.10
Balance, December 31, 2016 and March 31, 2017	400,000	0.10

Information regarding stock options outstanding as at March 31, 2017 is as follows:

Options	**Average Exercise Price**	**Expiry**
400,000	$0.10	April 14, 2021

The options outstanding at March 31, 2017 have a weighted average remaining life of 4.04 years.

Share-based compensation for stock options granted during the year ended December 31, 2016 was estimated using the following assumptions in the Black-Scholes option-pricing model:

	2016
Risk-free interest rate	0.75%
Expected life	5 years
Expected volatility	50%
Share price	$0.10
Expected dividends	-
Forfeiture rate	-

During the quarter ended March 31, 2017, the Company recognized $1,072 in share-based compensation in connection with this grant.

(Stated in Canadian dollars)

Note 7 Financial Instruments and Risk Management

Financial instruments

Financial instruments recorded at fair value on the statement 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 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on 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 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2017 and December 31, 2016, the Company's financial instruments consist of cash and accounts payable. Their fair values approximate their carrying amounts due to the short-term nature of these instruments. Cash is recorded at fair value on a recurring basis using a level 1 measurement.

Credit risk

The Company's credit risk was primarily attributable to bank balances. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. Significant credit risk exposures to any single counterparty or group of counterparty having similar characteristics were as follows:

	March 31, 2017	**December 31, 2016**
Bank deposit: Scotiabank	$395,496	$398,270

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. Management believes the risk of loss to be minimal.

Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash. No material risks were identified.

Other risks

None of the Company's future cash flows of financial instruments are subject to change from other price changes and currency risks.

Capital Risk Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and deficit.

The Company is not subject to externally imposed capital requirements as at March 31, 2017 or December 31, 2016.